
CITY OF NEW ORLEANS, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
DECEMBER 31, 2018
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

Prepared by the
Finance Department of the
City of New Orleans



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

CITY OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report

December 31, 2018

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CITY OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report

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INTRODUCTORY SECTION

DEPARTMENT OF FINANCE
CITY OF NEW ORLEANS

LATOYA CANTRELL
MAYOR

NORMAN L. WHITE
DIRECTOR OF FINANCE/CFO

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of New Orleans, Louisiana (the City) for the fiscal year ended December 31, 2018. 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 is 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 the independent firm of Certified Public Accountants, Postlethwaite & Netterville. 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 accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 included in a separate report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' 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 the Mayor's principal assistant and budget officer for the City.

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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.

The financial statements of the reporting entity include those of the City (the primary government) and its component units in conformity with GASB 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 respective entity's administrative office or website.

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 office 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
- 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
- Parking Facilities Corporation
- 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 Orleans Parish Clerk of Court. These officials prepare their own budgets and operate independently of the City. The results of operations of these 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 historic and innovative progress in 2018. The City swore in its first elected female mayor, just in time to celebrate the City's 300th anniversary. Mayor Cantrell quickly began to produce results that would create a more equitable and safe New Orleans for all residents. Over the first year, the administration has focused heavily on four key priorities:

- Public Safety
- Infrastructure
- Economic Development
- Transparency

PUBLIC SAFETY

The Cantrell administration spent the first year creating strategic connection between public safety to public health to protect residents. This has been achieved by coordinating work among different departments, such as the Office of Youth and Families, and the Office of Transportation.

Additionally, public safety highlights included a successful leadership transition at the New Orleans Police Department. In turn, decreased the overall crime rates significantly.

INFRASTRUCTURE

The culmination of negotiations led to an initial agreement of the "fair share" deal to reallocate tax dollars from tourism revenue is the capstone on improving the City's aging infrastructure, especially when it comes to water and sewerage services. Other highlights includes the establishments of the Office of Utilities to enforce utility franchise agreements and implementation several capital projects.

Mayor Latoya Cantrell spearheaded the meeting between Governor John Bel Edwards and New Orleans tourism industry leaders to negotiate an agreement funding to address New Orleans' infrastructure needs. The components of the agreement include \$50 million in a one-time payment to the Sewerage & Water Board plus, \$17.5 million in loan forgiveness for the City of New Orleans over the next five years.

ECONOMIC DEVELOPMENT

The Cantrell administration focused on equitable strategies to make New Orleans' economy work for everyone. This includes greater job possibilities for residents with criminal records, improved receipts for minority- and women-owned businesses, greater economic mobility, and improved housing options for New Orleans most vulnerable residents.

TRANSPARENCY

The Cantrell administration began its work with the belief that the government needs to work better for everyone. The administration has operated with the understanding to be transparent and intentional about the culture change within City Hall. The goal is to have an inclusive workforce serving our residents.

ECONOMIC OUTLOOK

In 2018 has been a year to celebrate a stronger and more diverse economy in the City of New Orleans. Notable gains have been made in traditional industries like tourism. Additionally, both the New Orleans Airport and the Port of New Orleans continue to play a major role in contributing to the success of the local economy.

New Orleans' cultural industry accounted for a larger source of employment than the private, healthcare, and retail sector jobs. The cultural sector has become one of the largest industry sectors in the City. The Mayor's Office of Cultural Economy mission continues to leverage the innovative and entrepreneurial nature of the City's cultural communities and creative industries to further develop the cultural economy. The City has also made huge gains and distinguished expansions in our evolving tech industry.

TECHNOLOGY

In May 2018, DXC Technologies cut the ribbon on their Digital Transformation Center in New Orleans that will grow to employ 2,000 people over the next five years, the single largest jobs announcement in the City's history. The DXC announcement was named the #2 Deal of the Year in America by Business Facilities magazine. In June 2018, Accruent (recently acquired by Fortive) announced it would open an office in New Orleans, promising 350 new jobs with an average salary of \$65,000. These two announcements add to a growing ecosystem of locally-originated technology companies that have received multiple rounds of institutional investment. New Orleans was also named the #2 City in the U.S. for Women's Share of Tech Jobs by The Brookings Institution.

TOURISM

In 2018, New Orleans welcomed 18.51 million visitors, a 4.29 percent increase in visitors compared to the previous year. The city also saw a 3.91 percent increase in total visitor spending of \$9.1 billion according to D.K. Shifflet & Associates' reporting. New Orleans continues to see steady growth in tourism numbers. As evidenced by the numbers, our tourism industry continues to drive the economy of greater New Orleans, create jobs for our citizens and enhance the quality of life for all New Orleanians.

RETAIL

In April 2018, Drive Shack, a golf, dining, and entertainment company, announced its plans to enter the New Orleans market and bring 350 new jobs to the City. In August 2018, Gayle Benson, owner of the Saints professional football team and Pelicans professional basketball team, announced the return of the iconic Dixie Beer to New Orleans. The \$30 million brewery project will create 60 permanent jobs and help revitalize New Orleans East. Finally, the Claiborne Corridor Cultural Innovation District (CID) opened its first phase in April 2018, representing \$2 million in investment. The CID is a 25- block transformation of the elevated I-10 expressway along Claiborne Avenue from Canal Street to Elysian Fields Avenue that will create about 75 new jobs and will catalyze commerce "under the bridge" and the broader neighborhood, leading to opportunities for Black people to thrive again in what was once the epicenter of small business and commerce for African Americans in the city.

LOUIS ARMSTRONG INTERNATIONAL AIRPORT

Louis Armstrong New Orleans International Airport is the gateway to one of the most exciting cities in the world, New Orleans, legendary for its history food and good times. Armstrong International Airport provides a user friendly environment that welcomes millions of travelers each year from around the world.

The Airport is the primary commercial airport in the state of Louisiana serving over 80% of all passengers flying into the state. Armstrong International Airport is owned by the City of New Orleans. The New Orleans Aviation Board, an unattached board of the City of New Orleans, oversees the administration,

operation, and maintenance of Armstrong International. The Airport has 15 airlines providing service to 53 non-stop destinations, including seven international destinations.

In 2018, Louis Armstrong New Orleans International Airport has set an all-time record high. Over 13 million passengers traveled through the airport in 2018, which is a 9.3 percent increase higher than the previous record in 2017. This marks the fourth consecutive year of record breaking passenger totals and eighth year of continued passenger growth, with an increase of 60 percent since 2010. The record breaking number of passengers moving through the airport is a testament to the strength of New Orleans' economy. With the opening of a new 1 billion dollar terminal complex in 2019, the airport is expected to support and further sustain the phenomenal growth.

THE PORT OF NEW ORLEANS

The Port of New Orleans is a diverse deep water port uniquely located on the Mississippi River near the Gulf of Mexico. This naturally strategic location allows unparalleled access to 30-plus major inland hubs such as Memphis, Chicago and Canada via 14,500 miles of waterways, six Class I railroads and interstate roadways. The acquisition of New Orleans Public Belt Railroad in 2018 strengthens its position as an integrated hub and supports the Port's vision for regional freight-based economic development.

In 2018, the Port of New Orleans' containerized cargo volumes posted a 10 percent increase over last year, as a result of the expansion of the Panama Canal and the growth in containerized exports, particularly resin and frozen poultry. In 2017, the Port handled 527,000 TEUs. In 2018, they approached 600,000 and expect to exceed that volume in 2019.

Port NOLA was on target to surpass 1 million cruise passenger movements for the fifth consecutive year in 2018, thanks in part to ocean and river cruise lines homeporting newer and larger ships in New Orleans. Port NOLA's cruise sector reinforces the tourism industry and local small and medium businesses in New Orleans, according to data conducted by Business Research and Economic Advisors. Seventy-three percent of cruise passengers spend a day or two in New Orleans either before or after their cruise, and seventy-five percent report making a purchase in the Crescent City. These passengers generate several rooms a night in New Orleans-area hotels.

LOOKING FORWARD TO 2019

Moving forward, the Cantrell administration will continue the work that it started in the first year, keeping the momentum while focusing on the following challenges:

AFFORDABLE HOUSING

Creating and sustaining affordable housing is an existential crisis that our City is facing. Along with housing stakeholders, the administration is working together to combat our housing issues through the creation and preservation of affordable housing. Our initiatives and policies are put in place to impact everyone positively.

GUN VIOLENCE REDUCTION

The Cantrell Administration will continue to focus on homicide clearance rates and harnessing the power of our academic institutions. Additionally, the administration will coordinate City and nonprofit resources to research on how to reduce gun violence.

PUBLIC SAFETY: YOUTH CRIME AND CURFEW

In an effort to curb juvenile crime, NOPD will enforce the summer curfew laws to reduce vehicular burglaries and assist youth with alternative educational, social services and programs.

FAIR SHARE – PHASE II

When the Cantrell Administration talks about “Fair Share,” the focus is to continue on the areas of tax rededications, cash business audits, digital equity, transportation, green spaces, parks, procurement, contracts, and affordable housing.

The accomplishments of the Cantrell administration’s first-year are part of a continuum of work that leads to more opportunities in the second year. Including a second phase of the “fair share” work addressing the City’s affordable-housing crisis, and underscoring public safety with a focus on gun-violence reduction, domestic-violence reduction, and juvenile justice intervention.

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: personnel 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 2018 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 Chapters 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 L. White
Director of Finance



Charlene S. Rollins
Comptroller

CITY OF NEW ORLEANS, LOUISIANA

Government Officials – Elected

December 31, 2018

Mayor

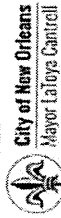
Honorable Latoya Cantrell

City Council

Councilmember-at-Large	Ms. Helena Moreno
Councilmember-at-Large	Mr. Jason Rogers Williams
Councilmember – District A	Mr. Joseph I. Giarrusso
Councilmember – District B	Mr. Jay H. Banks
Councilmember – District C	Ms. Kristin Gisleson Palmer
Councilmember – District D	Mr. Jared C. Brossett
Councilmember – District E	Ms. Cyndi Nguyen

New Orleans City Government Organizational Chart

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, 2018, 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, New Orleans Building Corporation, and the Downtown Development District, which represent 8% and 29% respectively, of the assets and revenues of the aggregate discretely presented component units; the Employees' Retirement System of the City of New Orleans, which represents 70% of the assets and 18% of the additions and revenues of the aggregate remaining fund information; and the Board of Liquidation, City Debt, which represents 89% and 99% of assets and revenues of the debt service fund, 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 New Orleans Municipal Yacht Harbor Management Corporation, the Downtown Development District, the New Orleans Building Corporation, 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, 2018, 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.

Emphasis of Matter

Funding of the Firefighters Pension and Relief Fund of the City of New Orleans

As discussed in Note 8 to the basic financial statements, actual contributions made by the City to the Firefighters Pension and Relief Fund – Old System (Old System) are made based on amounts necessary to pay current expenses, and, in effect, is being funded on a “pay-as-you-go” basis. City contributions were used to fund benefit payments of the current period. Without adequate contributions, the Old System will not be able to pay benefit and other payments due in fiscal year 2019. The total pension liability of the Old System, based on the most recent actuarial valuation as of December 31, 2017, exceeded the fund's fiduciary net position by \$131,492,000, resulting in a funded ratio of 2.82%.

Additionally, as discussed in Note 8 to the basic financial statements, the total pension liability of the Firefighters Pension and Relief Fund – New System (New System), based on the most recent actuarial valuation as of December 31, 2017, exceeded the New System's fiduciary net position by \$373,429,000, resulting in a funded ratio of 10.27%. A significant portion of the New System's investments are long-term positions and are not liquid. This may have a negative impact on future cash flows. Additional employer contributions may be required to fund benefit payments and other plan deductions in upcoming years.

Our opinions are not modified with respect to these matters.

Actuarial Assumptions

The total pension liability and total other postemployment liability for each of the City's plans are disclosed in Notes 8 and 9. The actuarial valuations were based on various assumptions made by the City's or plans' actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the total pension liability or total other postemployment liability at December 31, 2018 could be materially different from the estimates. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, for the year ended December 31, 2018, the City adopted new accounting standard GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This new standard requires the City to recognize and report its total other post-employment benefit liability, measured according to actuarial methods and approaches prescribed within the standard along with certain disclosures. Our opinion is not modified with respect to this matter.

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 5 through 15, and the budgetary comparison information on pages 87 through 89, schedules required in accordance with GASB Statement Nos. 67 and 68 related to pension plans on pages 90 through 92, and schedules required in accordance with GASB Statement No. 75 related to other postemployment benefits on pages 93 through 94 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 and that of other auditors 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 supplementary information referenced in the first sentence of this paragraph is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2019, 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 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF NEW ORLEANS
Management's Discussion and Analysis
December 31, 2018

Management's Discussion and Analysis

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, 2018. 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

- During the year ended December 31, 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 75"), which resulted in a restatement of net position (see note 17).
- The City's net position on the government-wide basis was approximately \$11.77 million at December 31, 2018.
- The government-wide statement of activities reported an increase in net position of approximately \$298.8 million.
- 2018 general fund tax revenues increased by approximately \$19.3 million, or 4.8% compared to 2017.
- The general fund reported an excess of revenues and other financing sources over expenses and other financing uses of \$22.3 million for a total ending fund balance at December 31, 2018 of \$98.0 million. The general fund's unassigned fund balance at December 31, 2018 is a deficit of \$33.3 million.
- Total governmental funds reported an excess of revenues and other financing sources over expenses and other financing uses of \$1.5 million during the year ended December 31, 2018.
- Total cash and investments of governmental funds amounted to \$311.5 million at December 31, 2018, a decrease of \$43.8 million compared to December 31, 2017.
- Total bonded debt amounted to approximately \$713 million, a decrease of approximately \$64 million over the beginning of the year total.

Overview of the Financial Statements

The discussion and analysis provided here is 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
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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 67 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 five major funds: the General Fund, the Department of Housing and Urban Development (HUD) Grant Fund, the Federal Emergency Management Agency (FEMA) Fund, the Debt Service Fund, and the Capital Projects Fund. Data from the other governmental funds are combined under the heading "Non-major 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.

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.

CITY OF NEW ORLEANS

Management's Discussion and Analysis

December 31, 2018

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 assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$11.77 million at December 31, 2018.

Net Position

December 31, 2018 and 2017

(Amounts in thousands)

	Governmental Activities	
	2018	2017, restated
Current and other assets	\$ 450,704	\$ 469,260
Capital assets	1,833,320	1,602,330
Total assets	<u>2,284,024</u>	<u>2,071,590</u>
Deferred amounts related to net pension liability	265,773	258,902
Deferred loss on bond refunding	5,246	6,016
Total deferred outflows	<u>271,019</u>	<u>264,918</u>
Long-term liabilities	2,187,435	2,268,820
Other liabilities	263,576	249,187
Total liabilities	<u>2,451,011</u>	<u>2,518,007</u>
Deferred amounts related to net pension liability	73,090	86,268
Deferred amounts related to OPEB	13,877	-
Deferred gain on bond refunding	901	1,100
Unavailable revenue	4,397	18,165
Total deferred inflows	<u>92,265</u>	<u>105,533</u>
Net position:		
Net investment in capital assets	1,269,531	957,769
Restricted	162,247	194,366
Unrestricted (deficit)	(1,420,011)	(1,439,167)
Total net position (deficit)	<u>\$ 11,767</u>	<u>\$ (287,032)</u>

CITY OF NEW ORLEANS
Management's Discussion and Analysis
December 31, 2018

The City's statement of net position reflects its net investment in capital assets of approximately \$1.27 billion at December 31, 2018. 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 \$92.8 million at December 31, 2018 to provide for the servicing of annual interest and principal payments on bonds and are classified in restricted net position. The unrestricted deficit net position in the amount of \$1.42 billion is due to the City's recording of long-term obligations including claims and judgments, liabilities, and accrued annual and sick leave. The unrestricted deficit decreased by \$19.2 million, which is primarily due to the change in overall net position described below.

Governmental Activities

Total revenue increased by \$298.4 million or 31.2% from \$955.2 million in 2017 to \$1.25 billion in 2018. This increase is primarily attributable to an increase in operating grants and contributions of \$49.6 million, capital grants and contributions of \$44.6 million, and a property donation of \$172.0 million.

Total expenses were \$954.8 million in 2018, a decrease of \$11.5 million, or -1.2%, compared to \$966.3 million in 2017. General government expense decreased \$57.6 million, or -15.1%, from \$381.4 million in 2017 to \$323.8 million in 2018, primarily due to a decrease in mayoral priorities related to general governmental activities. Public Safety expense increased \$42.0 million, or 15.4%, from \$271.9 million in 2017 to \$313.8 million in 2018 primarily due to the addition of police officers and other personnel.

CITY OF NEW ORLEANS
Management's Discussion and Analysis
December 31, 2018

A comparison of 2018 to 2017 is as follows (amounts are reported in thousands):

Statement of Activities Comparison

December 31, 2018 and 2017

(Amounts in thousands)

	2018	2017, restated
Revenues:		
Program revenues:		
Charges for services	\$ 181,932	\$ 186,176
Operating grants and contributions	145,672	96,029
Capital grants and contributions	122,873	78,308
General revenues:		
Property taxes	277,047	265,555
Sales taxes	233,375	218,051
Other taxes	60,840	50,659
Unrestricted investment income	29,188	25,232
Property donation (note 6)	172,000	-
Miscellaneous	30,678	35,178
Total revenues	<u>1,253,605</u>	<u>955,188</u>
Expenses:		
General government	323,826	381,449
Public safety	313,849	271,886
Public works	147,410	149,019
Health and human services	39,904	35,803
Culture and recreation	35,017	35,074
Urban development and housing	23,837	22,212
Economic development	10,885	10,295
Interest and fiscal changes	60,078	60,567
Total expenses	<u>954,806</u>	<u>966,305</u>
Change in net position	298,799	(11,117)
Net position beginning of year, as restated	(287,032)	(227,825)
Change in accounting principle	-	(48,090)
Net position, ending	<u>\$ 11,767</u>	<u>\$ (287,032)</u>

CITY OF NEW ORLEANS
Management's Discussion and Analysis
December 31, 2018

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, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of the fund balance which has not yet been limited in use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At December 31, 2018, the City's governmental funds reported combined fund balances of \$273.5 million, an increase of \$1.5 million in comparison with the prior year. Included in this amount is an unassigned fund balance deficit of \$70.2 million. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$25.4 million), 2) restricted for particular purposes (\$203.2 million), 3) committed for particular purposes (\$56.2 million), or 4) assigned for particular purposes (\$58.9 million).

General Fund

The general fund is the chief operating fund of the City. At December 31, 2018, the general fund's fund balance increased by \$22.3 million from \$75.7 million in 2017 to \$98.0 million in 2018. Key factors relative to this change are as follows:

- Expenditures increased in 2018 to \$707.8 million compared to \$682.7 million in 2017, an increase of \$25.2 million, which represents a 3.7% increase in expenditures. General government expenditures increased due to a supplemental appropriation.
- Debt service expenditures for the general fund decreased by \$1.4 million or -4.2% compared to 2017.
- Total revenues and other financing sources (uses), net, for the general fund increased by \$45.0 million in 2018 or 6.58% compared to 2017.
- Taxes increased by \$19.3 million or 4.8% as compared to 2017. The increase is due primarily to enhanced collection efforts.
- Fines and forfeits revenues decreased by \$0.5 million or -1.3% as compared to 2017.
- Miscellaneous revenues increased from \$34.8 million in 2017 to \$36.3 million in 2018, an increase of \$1.5 million or 4.4% compared to 2017.
- Other financing sources (uses), net, decreased by approximately \$12.1 million. This decrease is due to \$10.0 million of debt proceeds received in 2018 that were not received in 2017.

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Management's Discussion and Analysis
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The accompanying table shows the amount (in thousands) of general fund revenues by source for 2018 and 2017.

Revenues and Other Financing Sources	2018 Actual	% of Total	Increase (Decrease) Over 2017	Restated 2017 Actual	% of Total
Taxes	\$ 422,298	57.84%	\$ 19,266	\$ 403,032	58.83%
Licenses and permits	76,705	10.51	5,485	71,220	10.40
Intergovernmental	61,660	8.45	28,888	32,772	4.78
Charges for services	91,774	12.57	1,340	90,434	13.20
Fines and forfeits	40,469	5.54	(530)	40,999	5.98
Interest income	2,851	0.39	1,176	1,675	0.24
Contributions, gifts, and donations	37	0.01	-	37	0.01
Legal settlement	-	-	-	-	-
Miscellaneous and other	36,333	4.98	1,516	34,817	5.08
Other financing sources (uses), net	(2,000)	(0.26)	(12,092)	10,092	1.47
	<u>\$ 730,127</u>	<u>100.0%</u>	<u>\$ 45,049</u>	<u>\$ 685,078</u>	<u>100.0%</u>

The accompanying table shows the amount (in thousands) of general fund expenditures by function for 2018 and 2017.

Expenditures	2018 Actual	% of Total	Increase (Decrease) Over 2017	Restated 2017 Actual	% of Total
General government	\$ 241,698	34.15%	\$ 13,309	\$ 228,389	33.46%
Public safety	299,019	42.24	12,055	286,964	42.04
Public works	80,639	11.39	(3,509)	84,148	12.33
Health and human services	25,312	3.58	4,839	20,473	3.00
Culture and Recreation	29,767	4.21	2,324	27,443	4.02
Capital Outlays	-	—	(2,444)	2,444	0.36
Debt service	31,401	4.44	(1,388)	32,789	4.80
	<u>\$ 707,836</u>	<u>100.0%</u>	<u>\$ 25,186</u>	<u>\$ 682,650</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 Program (ESG), and Housing Opportunities for Persons with HIV/AIDS (HOPWA). Revenues increased by \$14.5 million from \$15.2 million in 2017 to \$29.7 million in 2018, and expenditures increased \$3.4 million from \$21.0 million in 2017 to \$24.4 million in 2018. The increase in revenue was due to the actual receipt of the 2018 HUD funding in December, 2018. There was also an increase in grant awards received in 2018 which subsequently led to an increase in grant expenditures.

CITY OF NEW ORLEANS
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December 31, 2018

FEMA Fund

The FEMA Fund primarily accounts for grants received from the federal government as a result of Hurricanes Katrina, Rita, and Gustav. 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, 2018 is primarily due to revenue that has not been recognized and will be collected by the City in the future as payments are approved by FEMA in addition to funds borrowed from the general fund to cover expenditures of the FEMA Fund. Revenue amounted to \$12.8 million in 2018 compared to \$9.8 million in 2017 while expenditures totaled \$22.6 million in 2018 compared to \$17.5 million in 2017.

Debt Service Fund

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 \$92.8 million at December 31, 2018, which was a \$21.8 million increase compared to the prior year balance of \$71.0 million. The increase is attributable to 2018 debt payments.

Capital Project Fund

The Capital Project 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 2018 totaled \$161.6 million, an increase of \$46.1 million compared to 2017. Revenues were \$115.7 million in 2018 compared to \$62.9 million in 2017. The increase in revenues and expenditures were due to more projects under construction in 2018 as a result of increased grant funding, including FEMA Disaster Grants.

CITY OF NEW ORLEANS
Management's Discussion and Analysis
December 31, 2018

General Fund Budgetary Highlights

Variances between the general fund amended budget and actual expenditures are delineated in the schedule below. The 2018 budgeted revenues and expenditures were increased through amendments primarily to reflect the recognition of additional millages voted on and approved by the City Council during 2018.

		2018	
	Budget	Actual on budgetary basis	Variance Positive (Negative)
Revenues			
Taxes	\$ 385,329	\$ 421,962	\$ 36,633
Licenses and permits	71,472	76,705	5,233
Intergovernmental	19,480	28,660	9,180
Charges for services	93,433	90,534	(2,899)
Fines and forfeits	42,721	42,371	(350)
Interest income	327	2,851	2,524
Contributions, gifts, and donations	1,971	37	(1,934)
Miscellaneous	9,173	69,335	60,162
Total Revenues	623,906	732,455	108,549
Expenditures	693,805	705,689	11,884
Other financing sources (uses), net	60,382	(2,000)	(62,382)
Change in fund balance	<u>\$ (9,517)</u>	<u>\$ 24,766</u>	<u>\$ 34,283</u>

Capital Assets

Capital assets at December 31, 2018 and 2017 are as follows (net of depreciation):

	2018	2017
Land	\$ 94,474	\$ 94,474
Construction in progress	372,769	298,128
Buildings, improvements, and equipment	564,237	389,620
Other	4,554	5,532
Infrastructure assets	797,286	814,576
	<u>\$ 1,833,320</u>	<u>\$ 1,602,330</u>

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 of the previous years have once again begun to increase and, as a result, the replacement and repair costs for these assets have led to an increase in construction in progress of \$158.6 million at December 31, 2018 compared to \$12.4 million at December 31, 2017. See Note 6 for detailed capital asset activity during 2018.

CITY OF NEW ORLEANS
Management's Discussion and Analysis
December 31, 2018

Debt Administration

Outstanding general obligation bonds at December 31, 2018 totaled \$523.9 million, all of which are considered to be net, direct-tax supported debt.

Outstanding Debt

	2018	2017
General obligation bonds	\$ 523,950	\$ 550,864
Taxable limited tax bonds	176,774	185,290
Accreted GO 1991 refunding bonds	-	20,446
Limited tax bonds	7,883	14,825
Revenue bonds	4,625	5,280
Total bonds	<u>713,232</u>	<u>776,705</u>
Notes Payable (vehicle and equipment loans)	7,737	12,365
Capital leases	-	1,590
Go Zone Notes	32,227	35,494
Section 108 HUD loans	440	870
Total outstanding debt	<u>\$ 753,636</u>	<u>\$ 827,024</u>

The following is a summary of debt transactions:

Balance at January 1, 2018	\$ 827,024
New issues	-
Payments	<u>(73,388)</u>
Balance at December 31, 2018	<u>\$ 753,636</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, 2018. At December 31, 2018, the City's legal debt margin adjusted for outstanding principal of \$523.9 million, plus fund balance available in the Debt Service Fund of \$92.8 million to service this general obligation debt was \$1.05 billion. As of December 31, 2018, 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 "AA-". See Note 7 for detailed long-term debt activity for 2018.

CITY OF NEW ORLEANS

Management's Discussion and Analysis

December 31, 2018

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 \$94.7 million and final budgeted expenditures and other financing uses exceeded original budgeted expenditures and financing uses by approximately \$60.4 million. The City anticipates a slight decrease in 2019 expenditures to address the Mayor's budget priorities as a result of the Tell Cantrell Tele Town hall question and answer sessions for every Council District. The Mayor received valuable public input on the issues, concerns, and priorities of residents. The areas were defined as Public Safety as a Matter of Public Health, Infrastructure, Economic Development, and Quality of Life Initiatives.

The City's General Fund recurring revenues are forecasted for fiscal year 2019 as \$652 million. General Fund revenues are forecast to grow modestly between 2019 and 2021.

The following table presents an adopted budget comparison for 2019, 2018, and 2017 (amounts in thousands):

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues and other financing sources	\$ 701,991	\$ 646,301	\$ 614,915
Expenditures	\$ 701,991	\$ 646,301	\$ 614,915

New Orleans has experienced continued growth in tourism and hospitality. In addition to celebrating New Orleans' Tricentennial, 2018 has been a year to celebrate a stronger and more diverse economy. New Orleans had prominent gains in customary industries like tourism as well as big announcements in our developing tech industry.

New Orleans was named the #1 Place to Visit in 2018 in the World by the New York Times in January. Also in early 2018, record-breaking tourism numbers from the previous year were released. The Port also broke records with passengers boarding cruises through the Port of New Orleans in 2017, which makes New Orleans the 6th busiest cruise port in the United States. In 2018, the Royal Caribbean ship returned after a 3-year hiatus and Carnival increased capacity by introducing larger ships on existing lines. In November 2018, the Norwegian Breakaway will launch as the largest cruise ship ever to dock in New Orleans with 4,000-passenger capacity. Additionally, in September 2018 Disney Cruise Line announced their planned 2020 entrance into the New Orleans market. Not to be forgotten, it was announced earlier this year that the Super Bowl will return to New Orleans in 2024 and as part of its return, the Superdome will undergo a multi-million dollar enhancement process.

As our city moves forward in 2019, the Cantrell Administration will continue to be upfront and honest about the challenges that we face. We must see more of the money that we generate here in our city, so that we can provide the services and infrastructure our people rely on and deserve. The administration will ensure that the City of New Orleans gets her fair share

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, 2018
(Amounts in Thousands)

	Primary Government Governmental Activities	Component Units
Assets		
Cash and cash equivalents	\$ 98,333	\$ 220,656
Investments	213,211	94,657
Receivables (net of allowance for uncollectibles):		
Taxes	29,751	6,986
Accounts	12,269	60,951
Interest	173	158
Grantee loans	151	26,810
Other	-	6,097
Due from component units	15,689	-
Due from other governments	73,399	2,787
Other assets	7,728	29,998
Restricted cash and investments	-	567,000
Capital assets (net of accumulated depreciation)	1,833,320	4,986,586
Total assets	<u>2,284,024</u>	<u>6,002,686</u>
Deferred Outflows of Resources		
Deferred amounts related to net pension liability	265,773	66,644
Deferred loss on bond refunding	5,246	7,708
Total deferred outflows of resources	<u>271,019</u>	<u>74,352</u>
Liabilities		
Accounts payable	104,691	155,345
Retainages payable	4,713	10,346
Accrued expenses	2,082	51,745
Taxes payable	7,676	-
Accrued interest payable	7,409	30,937
Due to component units	37	-
Due to other governments	14,512	8,300
Liabilities payable from restricted assets	-	47,791
Long-term liabilities due within one year	122,456	55,295
Long-term liabilities due in more than one year	2,187,435	2,657,546
Total liabilities	<u>2,451,011</u>	<u>3,017,305</u>
Deferred Inflows of Resources		
Deferred amounts related to net pension liability	73,090	21,185
Deferred amounts related to other post-employment benefits	13,877	-
Deferred gain on bond refunding	901	-
Unavailable revenue	4,397	-
Total deferred inflows of resources	<u>92,265</u>	<u>21,185</u>
Net Position		
Net investment in capital assets	1,269,531	3,055,296
Restricted for debt service	92,799	175,174
Restricted for capital improvement	69,448	137,162
Restricted for operating reserve	-	12,559
Unrestricted (deficit)	(1,420,011)	(341,643)
Total net position	<u>\$ 11,767</u>	<u>\$ 3,038,548</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Statement of Activities
Year ended December 31, 2018
(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 government activities	Component units
Primary government:						
Governmental activities:						
General government	\$ 323,826	\$ 72,624	\$ 37,399	\$ 10,384	\$ (203,419)	\$ -
Public safety	313,849	40,269	12,361	6,954	(254,265)	-
Public works	147,410	50,100	36,161	87,045	25,896	-
Health and human services	39,904	15,556	26,153	7,855	9,660	-
Culture and recreation	35,017	863	3,506	10,635	(20,013)	-
Urban development and housing	23,837	2,520	25,579	-	4,262	-
Economic development	10,885	-	4,513	-	(6,372)	-
Interest and fiscal charges	60,078	-	-	-	(60,078)	-
Total primary government	<u>\$ 954,806</u>	<u>\$ 181,932</u>	<u>\$ 145,672</u>	<u>\$ 122,873</u>	<u>(504,329)</u>	<u>-</u>
Component units:						
Audubon Commission	\$ 63,915	\$ 43,738	\$ -	\$ 10,604	-	(9,573)
Louis Armstrong New Orleans International Airport	81,828	117,087	-	49,029	-	84,288
Sewerage and Water Board	294,807	205,549	79	100,288	-	11,109
Other nonmajor component units	202,655	116,473	530	1,050	-	(84,602)
Total component units	<u>\$ 643,205</u>	<u>\$ 482,847</u>	<u>\$ 609</u>	<u>\$ 160,971</u>	<u>-</u>	<u>1,222</u>
General revenues:						
Taxes:						
Property taxes					277,047	74,366
Sales taxes					233,375	-
Utility taxes					11,828	-
Culture and recreation taxes					1,581	-
Parking taxes					4,950	-
Franchise fees					38,819	-
Beverage taxes					3,662	-
Unrestricted investment income					29,188	11,133
Donated property (note 6)					172,000	-
Miscellaneous					30,678	21,033
Total general revenues					<u>803,128</u>	<u>106,532</u>
Change in net position					298,799	107,754
Net position (deficit) – beginning of year					(241,621)	3,167,537
Restatement (note 17)					<u>(45,411)</u>	<u>(236,743)</u>
Net position (deficit) – beginning of year, restated					<u>(287,032)</u>	<u>2,930,794</u>
Net position – end of year					<u>\$ 11,767</u>	<u>\$ 3,038,548</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Balance Sheet — Governmental Funds

December 31, 2018

(Amounts in thousands)

	General	HUD	FEMA	Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 54,475	\$ -	\$ -	\$ 694	\$ 374	\$ 42,790	\$ 98,333
Investments	782	164	-	92,428	111,665	8,172	213,211
Receivables (net of allowance):							
Sales taxes	20,905	-	-	-	-	-	20,905
Property taxes	3,239	-	-	1,771	-	252	5,262
Franchise taxes	3,584	-	-	-	-	-	3,584
Accounts	9,927	-	26	-	-	2,316	12,269
Accrued interest	173	-	-	-	-	-	173
Grantee loans	-	-	-	-	-	151	151
Due from other funds	33,243	17	1,757	-	2,048	144	37,209
Due from other governments	3,649	10,359	9,758	-	40,979	8,654	73,399
Due from component units	5,527	-	-	-	10,162	-	15,689
Advances to other funds	18,345	-	-	-	-	-	18,345
Other assets	4	-	-	-	5,900	1,824	7,728
Total assets	<u>\$ 153,853</u>	<u>\$ 10,540</u>	<u>\$ 11,541</u>	<u>\$ 94,893</u>	<u>\$ 171,128</u>	<u>\$ 64,303</u>	<u>\$ 506,258</u>
Liabilities							
Accounts payable	\$ 48,883	\$ 5,449	\$ 4,112	\$ -	\$ 37,254	\$ 8,993	\$ 104,691
Retainages payable	-	-	-	-	4,713	-	4,713
Accrued expenses	-	36	56	-	-	1,990	2,082
Due to other funds	136	10,698	-	-	16,366	10,009	37,209
Due to other governments	912	67	12,740	-	-	793	14,512
Due to component units	-	-	-	-	37	-	37
Advances from other funds	-	-	18,345	-	-	-	18,345
Total liabilities	<u>49,931</u>	<u>16,250</u>	<u>35,253</u>	<u>-</u>	<u>58,370</u>	<u>21,785</u>	<u>181,589</u>
Deferred Inflows of Resources							
Unavailable revenue	5,944	542	3,204	2,094	37,410	1,961	51,155
Total deferred inflows of resources	<u>5,944</u>	<u>542</u>	<u>3,204</u>	<u>2,094</u>	<u>37,410</u>	<u>1,961</u>	<u>51,155</u>
Fund Balances							
Fund balances:							
Nonspendable	18,345	-	-	-	5,900	1,132	25,377
Restricted	31,645	542	-	92,799	69,448	8,812	203,246
Committed	23,192	-	-	-	-	33,034	56,226
Assigned	58,142	-	-	-	-	718	58,860
Unassigned	(33,346)	(6,794)	(26,916)	-	-	(3,139)	(70,195)
Total fund balances	<u>97,978</u>	<u>(6,252)</u>	<u>(26,916)</u>	<u>92,799</u>	<u>75,348</u>	<u>40,557</u>	<u>273,514</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 153,853</u>	<u>\$ 10,540</u>	<u>\$ 11,541</u>	<u>\$ 94,893</u>	<u>\$ 171,128</u>	<u>\$ 64,303</u>	<u>\$ 506,258</u>

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, 2018
(Amounts in thousands)

Total fund balances – governmental funds	\$ 273,514
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	1,833,320
Certain receivables are not available to pay for the current period's expenditures and, therefore, are deferred in the funds	46,758
The deferred gain and loss on bond refundings is not an available resource and, therefore, is not reported in the funds	4,345
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	(7,409)
Net pension liability balances in accordance with GASB Statement No. 68:	
Deferred outflows of resources	265,773
Deferred inflows of resources	(73,090)
Net pension liability	(951,130)
Total OPEB liability balances in accordance with GASB Statement No. 75:	
Deferred inflows of resources	(13,877)
Total OPEB liability	(123,723)
Taxes payable	(7,676)
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	(735,416)
Loans payable	(40,404)
Annual and sick leave	(51,352)
Claims payable	(403,747)
Other long-term liabilities	(4,119)
Total net position – governmental activities	<u>\$ 11,767</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, 2018
(Amounts in thousands)

	General	HUD	FEMA	Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
Revenues:							
Taxes	\$ 422,298	\$ -	\$ -	\$ 94,779	\$ -	\$ 15,957	\$ 533,034
Licenses and permits	76,705	-	-	-	-	-	76,705
Intergovernmental	61,660	29,406	12,766	943	113,180	38,187	256,142
Charges for services	91,774	-	-	-	-	1,252	93,026
Program income	-	333	-	-	-	501	834
Fines and forfeits	40,469	-	-	-	-	3,781	44,250
Interest income	2,851	-	-	1,991	51	113	5,006
Contributions, gifts, and donations	37	-	-	-	-	6,258	6,295
Miscellaneous	36,333	-	-	-	2,422	2,051	40,806
Total revenues	<u>732,127</u>	<u>29,739</u>	<u>12,766</u>	<u>97,713</u>	<u>115,653</u>	<u>68,100</u>	<u>1,056,098</u>
Expenditures:							
Current:							
General government	241,698	2,345	21,761	597	167	17,817	284,385
Public safety	299,019	-	-	-	-	7,525	306,544
Public works	80,639	-	(279)	-	2,985	2,903	86,248
Health and human services	25,312	-	-	-	-	14,227	39,539
Culture and recreation	29,767	-	973	-	-	2,870	33,610
Urban development and housing	-	22,024	101	-	-	1,712	23,837
Economic development and assistance	-	-	-	-	-	10,885	10,885
Capital outlays	-	-	-	-	158,445	-	158,445
Debt service:							
Principal	22,000	-	-	30,512	-	430	52,942
Interest and fiscal charges	9,401	-	-	48,701	-	28	58,130
Total expenditures	<u>707,836</u>	<u>24,369</u>	<u>22,556</u>	<u>79,810</u>	<u>161,597</u>	<u>58,397</u>	<u>1,054,565</u>
Excess (deficiency) of revenue over expenditures	24,291	5,370	(9,790)	17,903	(45,944)	9,703	1,533
Other financing sources (uses):							
Transfers in	-	-	-	3,860	60	2,500	6,420
Transfers out	(2,000)	-	-	-	-	(4,420)	(6,420)
Total other financing sources (uses)	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>3,860</u>	<u>60</u>	<u>(1,920)</u>	<u>-</u>
Net change in fund balances	22,291	5,370	(9,790)	21,763	(45,884)	7,783	1,533
Fund balances – beginning of year	75,687	(11,622)	(19,637)	71,036	123,330	32,083	270,877
Restatement (note 17)	-	-	2,511	-	(2,098)	691	1,104
Fund balances – beginning of year, as restated	<u>75,687</u>	<u>(11,622)</u>	<u>(17,126)</u>	<u>71,036</u>	<u>121,232</u>	<u>32,774</u>	<u>271,981</u>
Fund balances – end of year	<u>\$ 97,978</u>	<u>\$ (6,252)</u>	<u>\$ (26,916)</u>	<u>\$ 92,799</u>	<u>\$ 75,348</u>	<u>\$ 40,557</u>	<u>\$ 273,514</u>

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, 2018
(Amounts in thousands)

Net change in fund balances – total governmental funds	\$ 1,533
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.	58,990
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.	3,227
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.	(1,734)
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	(1,353)
Amortization of deferred loss on bond refunding	(571)
Bond and note principal payments	52,942
Amortization of bond discount and premium	24,163
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.	(4,833)
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.	4,147
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.	43
Change in total OPEB liability and deferred inflows in accordance with GASB 75	2,717
Acquisition of wharves (note 6)	172,000
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68	(12,472)
Change in net position of governmental activities	<u>\$ 298,799</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA

Statement of Fiduciary Net Position

December 31, 2018

(Amounts in thousands)

	Assets	Pension Trust Funds	Agency Funds
Cash		\$ 966	\$ 39,473
Investments:			
Cash equivalents		41,832	-
Fixed income securities		76,737	-
Equities		186,372	-
Mutual funds		19,147	-
Investment in corporations, partnerships, and limited liability corporations		8,703	-
Investment in hedge funds and private equity funds		44,492	-
Investment in real estate		10,973	-
Other		22,361	18,586
Receivables:			
Accounts		-	65
Accrued interest		135	-
Contribution		2,055	-
Other		73	-
Total assets		<u>413,846</u>	<u>58,124</u>
Liabilities and Net Position			
Liabilities:			
Accounts payable		11	4
Other payables and accruals		10,084	58,120
Total liabilities		<u>10,095</u>	<u>58,124</u>
Net position held in trust for pension benefits		<u>\$ 403,751</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, 2018
(Amounts in thousands)

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 80,404
Members	11,299
Fire insurance rebate	1,522
Other	852
Total contributions	<u>94,077</u>
Investment income (loss):	
Net depreciation in fair value of investments	(31,779)
Interest and dividends	6,730
Other investment income	153
Less: investment expense	(3,250)
Net investment loss	<u>(28,146)</u>
Total additions	<u>65,931</u>
Deductions:	
Pension benefits	83,999
Refunds of member contributions	2,150
Death benefits	366
Administrative expenses	1,244
DROP withdrawal	9,360
PLOP withdrawal	4,327
Transfers to other plans	707
Total deductions	<u>102,153</u>
Change in net position	(36,222)
Net position held in trust for pension benefits – beginning of year	<u>439,973</u>
Net position held in trust for pension benefits – end of year	<u><u>\$ 403,751</u></u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Net Position
Component Units
December 31, 2018
(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	\$ 2,491	\$ 20,942	\$ 63,639	\$ 133,584	\$ 220,656
Investments	-	92,596	-	2,061	94,657
Receivables (net of allowances for uncollectibles):					
Property taxes	-	-	6,493	493	6,986
Accounts	400	6,240	40,384	13,927	60,951
Accrued interest	-	60	-	98	158
Grants	-	-	26,810	-	26,810
Other	-	-	5,731	366	6,097
Due from other governments	-	-	1,995	792	2,787
Inventory of supplies	1,316	-	4,889	-	6,205
Prepaid expenses and deposits	613	445	537	2,980	4,575
Other assets	-	-	-	994	994
Total current assets	<u>4,820</u>	<u>120,283</u>	<u>150,478</u>	<u>155,295</u>	<u>430,876</u>
Restricted cash and investments:					
Customer deposits	-	-	21,244	6,069	27,313
Future debt service	-	-	46,043	231	46,274
Capital improvements	17,928	-	-	-	17,928
Health insurance reserve	-	-	2,197	-	2,197
Receivables	94	24,408	-	-	24,502
Other	7,153	423,331	-	18,302	448,786
Total restricted assets	<u>25,175</u>	<u>447,739</u>	<u>69,484</u>	<u>24,602</u>	<u>567,000</u>
Capital assets (net of accumulated depreciation)	<u>151,208</u>	<u>1,387,935</u>	<u>3,208,862</u>	<u>238,581</u>	<u>4,986,586</u>
Other assets	<u>7,874</u>	<u>1,564</u>	<u>7,480</u>	<u>1,306</u>	<u>18,224</u>
Total assets	<u>189,077</u>	<u>1,957,521</u>	<u>3,436,304</u>	<u>419,784</u>	<u>6,002,686</u>
Deferred Outflows of Resources					
Deferred amounts related to net pension liability	-	8,975	45,197	12,472	66,644
Unamortized loss on advance refunding	-	4,782	2,926	-	7,708
Total deferred outflows of resources	<u>-</u>	<u>13,757</u>	<u>48,123</u>	<u>12,472</u>	<u>74,352</u>
Total assets and deferred outflows of resources	<u>\$ 189,077</u>	<u>\$ 1,971,278</u>	<u>\$ 3,484,427</u>	<u>\$ 432,256</u>	<u>\$ 6,077,038</u>

(Continued)

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Net Position
Component Units
December 31, 2018
(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	\$ 7,728	\$ 33,431	\$ 100,762	\$ 13,424	\$ 155,345
Retainages payable	-	-	10,346	-	10,346
Other payables and accruals	-	4,151	10,683	36,911	51,745
Due to other governments	-	3,620	843	3,837	8,300
Capital lease payable	156	-	-	-	156
Loans payable	-	-	16,289	-	16,289
Total current liabilities (payable from current assets)	7,884	41,202	138,923	54,172	242,181
Current liabilities (payable from restricted assets):					
Retainages payable	-	-	2,072	-	2,072
Capital projects payable	1,733	36,522	-	-	38,255
Accrued interest	549	26,349	2,725	1,314	30,937
Limited tax bonds	3,305	-	-	-	3,305
Loans payable, current portion	1,537	-	-	-	1,537
Bonds payable, current portion	-	14,985	16,900	2,123	34,008
Deposits and other	7,153	-	-	311	7,464
Total current liabilities (payable from restricted assets)	14,277	77,856	21,697	3,748	117,578
Total current liabilities	22,161	119,058	160,620	57,920	359,759
Long-term liabilities:					
Claims payable	-	-	44,068	-	44,068
Customer deposits	-	-	12,578	-	12,578
Other post-retirement benefits liability	-	-	158,612	-	158,612
Limited tax bonds (net of current portion)	7,732	-	-	-	7,732
Revenue bonds (net of current portion and unamortized discounts)	-	-	442,697	118,830	561,527
Refunding bonds (net of current portion and unamortized loss on advance refunding)	-	1,213,512	-	-	1,213,512
Loans payable	10,842	54,822	42,690	-	108,354
Net pension liability	-	21,889	123,873	19,595	165,357
Other	15,518	5,244	236,833	128,211	385,806
Total long-term liabilities	34,092	1,295,467	1,061,351	266,636	2,657,546
Total liabilities	56,253	1,414,525	1,221,971	324,556	3,017,305
Deferred Inflows of Resources					
Deferred amounts related to net pension liability	-	1,925	17,654	1,606	21,185
Total deferred inflows of resources	-	1,925	17,654	1,606	21,185
Net position					
Net investment in capital assets	112,715	294,729	2,543,371	104,481	3,055,296
Restricted for bond debt service	-	122,975	46,043	6,156	175,174
Restricted for capital improvements	17,474	119,688	-	-	137,162
Restricted for operating reserve	-	11,559	-	1,000	12,559
Unrestricted (deficit)	2,635	5,877	(344,612)	(5,543)	(341,643)
Total net position	132,824	554,828	2,244,802	106,094	3,038,548
Total liabilities, deferred inflows of resources, and net position	<u>\$ 189,077</u>	<u>\$ 1,971,278</u>	<u>\$ 3,484,427</u>	<u>\$ 432,256</u>	<u>\$ 6,077,038</u>

See accompanying notes to basic financial statements.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Activities
Component Units
December 31, 2018
(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	\$ 63,915	\$ 43,738	\$ -	\$ 10,604	\$ (9,573)	\$ -	\$ -	\$ -	\$ (9,573)
Louis Armstrong New Orleans International Airport	81,828	117,087	-	49,029	-	84,288	-	-	84,288
Sewerage and Water Board	294,807	205,549	79	100,288	-	-	11,109	-	11,109
Other nonmajor component units	202,655	116,473	530	1,050	-	-	-	(84,602)	(84,602)
Total component units	\$ 643,205	\$ 482,847	\$ 609	\$ 160,971	\$ (9,573)	\$ 84,288	\$ 11,109	\$ (84,602)	\$ 1,222
General revenues:									
Interest revenue					-	6,982	3,789	362	11,133
Property taxes					11,683	-	55,246	7,437	74,366
Other					3,840	(22,011)	5,667	33,537	21,033
					15,523	(15,029)	64,702	41,336	106,532
Total general revenues					5,950	69,259	75,811	(43,266)	107,754
Changes in net position									
Net position – beginning of year					126,874	491,951	2,396,360	152,352	3,167,537
Prior period adjustments					-	(6,382)	(227,369)	(2,992)	(236,743)
Net position – beginning of year, restated					126,874	485,569	2,168,991	149,360	2,930,794
Net position – end of year					\$ 132,824	\$ 554,828	\$ 2,244,802	\$ 106,094	\$ 3,038,548

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

(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

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

Parking Facilities Corporation
400 Poydras Tower
New Orleans, Louisiana 70130

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

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

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

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

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

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

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

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

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

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 firefighters. 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.

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.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

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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

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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.

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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>

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Notes to Basic Financial Statements

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Discretely Presented Component Units	Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
<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 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

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Discretely Presented Component Units	Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
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<i>Parking Facilities Corporation</i>	
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	Parking Facilities Corporation was created effective September of 2001. The purpose of the Parking Facilities Corporation is to construct, own, and operate the long-term parking garage at the Louis Armstrong International Airport. the Board consists of five members: One appointed the by the Mayor, one appointed by the President of the New Orleans Building Corporation, one appointed by the City Council, one appointed by the New Orleans Tourism Marketing Corporation, and one appointed by the President and CEO of the Operator of the Garage. The City has financial accountability because it appoints a voting majority of the Board, and the City can impose its will.
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<i>Orleans Parish Hospital Service District A</i>	
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	The hospital service district was created and made 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.
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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.

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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
- Regional Transit Authority

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, 2018 to December 31, 2018. 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.

CITY OF NEW ORLEANS, LOUISIANA

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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*.

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 Program (ESG), and Housing Opportunities for Persons with HIV/AIDS (HOPWA).
- (c) ***FEMA Fund*** – This special revenue fund accounts for grants received from the Federal Emergency Management Agency (FEMA) for hurricane relief efforts.
- (d) ***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.
- (e) ***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).

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, 2018

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.” The governmental fund statement of revenues, expenditures, and changes in fund balances presents 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

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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 carried at fair value in the financial statements. Unrealized gains and losses on investments are reflected in the Statement of Activities.

Accounts Receivable

Property tax receivables of \$22,939,000 and grantee loan receivables of \$7,255,000 are shown net of an allowance of uncollectible amounts of \$17,677,000 and \$7,104,000, 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. 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 2018.

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Notes to Basic Financial Statements

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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 8 and Note 9 for more information regarding deferred outflows of resources related to the net pension liability and total OPEB 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. 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 8 for more information regarding deferred inflows of resources related to the net pension liability.

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.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

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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, 2018, and are payable from current financial resources, they are accrued at December 31, 2018 in the governmental funds. Other liabilities not expected to mature as of December 31, 2018 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.

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.

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.

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Notes to Basic Financial Statements

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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.

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.

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Notes to Basic Financial Statements

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Current Year Adoption of New Accounting Standard

The City adopted Government Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pension (other postemployment benefits or OPEB) included in the financial statements to be able to make decisions and assess accountability. See note 17 for restatement of net position related to the adoption of this accounting pronouncement.

(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 Federal Deposit Insurance Corporation (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, 2018, the carrying amount of the City's deposits was \$138,772,000 including \$98,333,000 reported in the governmental funds and \$40,439,000 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, 2018, the City's bank balances totaled \$148,547,000. 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, 2018.

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

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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 considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local Louisiana 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 LA-R.S. 33.2955.

The following facts are relevant for LAMP:

- Credit risk: LAMP is rated AAA 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 disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

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LAMP values its investments at fair value based on quoted market values. 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 value of the pool shares which approximates net asset value (NAV).

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

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.

Interest Rate Risk – Interest rate risk is the risk that changes in the financial market rates of interest will adversely affect the value of a fixed income 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, 2018, the governmental and fiduciary funds, investment balances and maturities for those fixed income investments were as follows (amounts in thousands):

	Investment maturity in years		
	Total	Less than one year	1-5
LAMP	\$ 27,704	\$ 27,704	\$ -
Money market	67,176	67,176	-
U.S. Agency Securities	51,435	49,467	1,968
U.S. Treasury Bills	17,271	17,271	-
Certificates of Deposit	68,211	68,211	-
Total investments - fixed income	<u>\$ 231,797</u>	<u>\$ 229,829</u>	<u>\$ 1,968</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.

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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, 2018, \$251,000 of the New System's corporate bonds were short-term investment funds which are not rated. At December 31, 2018, no debt securities were held by the Old System.

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, including the pension funds owned at December 31, 2018 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, 2018, 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 of December 31, 2018, 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. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At December 31, 2018, the New System held investments in Lakewood Restoration Partners, LTD and Americus Real Estate Fund I, LTD which represented 5.7% and 7.2 % of the New System's net position, respectively. The Firefighter's pension trust fund was in compliance with the concentration of risk investment policy during the year ended December 31, 2018.

(3) Fair Value Measurements

To the extent available, the City's investments are recorded at fair value as of December 31, 2018. GASB Statement No. 72 – *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

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A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis.

Debt and equity securities classified in Level 1 of the fair value Hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data. The Firefighters' Pension Trust Fund's Level 3 investments consist primarily of real estate, either directly held or through a limited liability corporation or partnership investment. They are valued using independent appraisals or other market data.

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A summary of the City's investments along with the fair value hierarchy levels of each type of investment is as follows as of December 31, 2018:

		<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in</u>	<u>Significant Other</u>	<u>Significant</u>
		<u>Active Markets</u>	<u>Observable Inputs</u>	<u>Unobservable</u>
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>Inputs (Level 3)</u>
Investments by Fair Value Level:				
Fixed income securities:				
Corporate bonds - domestic	\$ 55,418	\$ 8,900	\$ 42,393	\$ 4,125
Taxable Bonds	5,320	-	5,320	-
Foreign fixed income	76,486	-	76,486	-
U.S. agency securities	51,435	-	51,435	-
U.S. treasury bonds	17,271	-	17,271	-
Total fixed income securities	<u>205,930</u>	<u>8,900</u>	<u>192,905</u>	<u>4,125</u>
Equity Securities:				
Domestic equities	137,777	137,777	-	-
Large Cap Equity Fund	8,181	-	8,181	-
Daily Accrual Equity Fund	2,897	-	2,897	-
Real estate equities	22,361	-	22,361	-
International equities	51,352	10,686	23,312	17,354
Total domestic equities	<u>222,568</u>	<u>148,463</u>	<u>56,751</u>	<u>17,354</u>
Total equity securities	<u>222,568</u>	<u>148,463</u>	<u>56,751</u>	<u>17,354</u>
Alternative Investments:				
Investments in real estate	301	-	-	301
Total alternative investments	<u>301</u>	<u>-</u>	<u>-</u>	<u>301</u>
Cash equivalents	33,344	6,123	27,221	-
Total Investments at Fair Value Level	<u>\$ 462,143</u>	<u>\$ 163,486</u>	<u>\$ 276,877</u>	<u>\$ 21,780</u>
Investments measured at the net asset value (NAV):				
Money market funds	\$ 77,160			
LAMP	27,704			
Alternative investments:				
Limited liability corporations	68,211			
Partnerships	7,196			
Total alternative investments	<u>75,407</u>			
Total Investments at NAV	<u>180,271</u>			
Total Investments at Fair Value	<u>\$ 642,414</u>			

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The unfunded commitments and redemption terms for investments measured at net asset value (NAV) per share (or its equivalent) as of December 31, 2018 are presented in the following table:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Investments measured at NAV:				
Money market funds	\$ 77,160	\$ -	Daily	Same day
LAMP	27,704	-	N/A	N/A
Alternative investments:				
Hedge funds	-	5,579	Quarterly	30-90 days
Limited liability corporations	68,211	171		
Partnerships	<u>7,196</u>	<u>42</u>	N/A	N/A
Total investment measured at NAV	<u>\$ 180,271</u>	<u>\$ 5,792</u>		

Money market funds

Cash equivalent investments consist of money market funds. These funds are used as a source of liquidity to meet capital commitments, settle trades, or pay normal investment related expenses. The fair value of these fund has been determined using NAV per share (or equivalent) of the investments. Units are valued at \$1 per share and redemption of units can be made on a same day basis.

Private equity funds

Employees' Retirement System of the City of New Orleans (NOMERS)

Private equity is an asset class consisting of equity securities and debt in operating companies that are not publicly traded on a stock exchange. This asset class includes investments in various private equity funds. The fair values of the investments in this asset class have been determined using NAV per share or equivalent of the private equity capital. A summary of significant positions in this category include:

- a) Mesirow Financial Private Equity Partnership Fund V, LP - The fund invests in limited liability companies and other partnerships. The investments are typically illiquid and cannot be redeemed. Although a secondary market exists for these underlying investments, it is not active and individual transactions are typically not observable.
- b) Pathway Capital, LP is a global private equity investment manager. The Plan has an investment in one of their private equity funds. The fund seeks to invest in private companies with development potential. The fund also invests in the private equity secondary market and co-investments where opportunities may be available. The fund specializes in investing in companies in a number of different sectors including, but not limited to healthcare, media and telecom, and industrials.

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- c) Crescent Capital, LP is a global debt securities investment manager. The firm is head quarter in Los Angeles with offices in the U.S. and Europe. The City of New Orleans Employees' Retirement System has an investment in their direct lending fund. The fund is positioned to provide capital to U.S. private equity backed companies. The fund utilizes a number of investment instruments including, but not limited to, revolving credit, term loans, and recapitalizations and refinancing.
- d) Cyprium Investors, IV LP - The purpose of this fund is to invest in securities, principally of privately held companies and to manage and supervise such investments.
- e) Partners Group Private Equity, LLC - The objective of this fund is to seek attractive long-term capital appreciation by investing in a diversified portfolio of private equity investments. To achieve its objective, the Fund invests substantially all of its assets in limited liability companies.

Hedge funds

Municipal Employees' Pension Trust Fund

The hedge fund category of investments includes securities in a variety of strategies including real estate, fund of funds, derivatives, and others. Securities in this category are not traded on stock exchanges and do not have quoted market prices. Fair value is determined and reported by the respective investment manager to the Plan's trustee on a recurring basis. The Plan's investment advisor reviews the reported values on a recurring basis and provides analysis to the Plan's board. A summary of significant positions in this category include:

- a) Millennium International, LTD (Millennium) - This fund is engaged in in the business of trading equities, fixed income products, options, futures, and other financial instruments.
- b) IIG Trade Opportunities – This is a global trade finance manager. The Plan has an investment in their IID Trade Opportunities fund. The fund invests short-term financial instruments issued in connection with trade finance transactions on a global basis. These transactions focus on trade and commodity inventory finance including, but not limited to, pre-export production and processing finance.

Investments in limited liability corporations

Firefighters' Pension Trust Fund

Investments in limited liability corporations consist of one fund:

The Wilton Private Equity Fund, LLC (the corporation). The corporation is a Delaware limited liability corporation that invests in closed-end private investment funds that target investments in leveraged buyouts, mezzanine financings, distressed debt, natural resources, and venture capital.

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The fair value of the investments in this fund has been determined using NAV per share (or equivalent) of the investments. Investments in one of the limited liability corporations are not eligible for redemptions; however, distributions from each fund will be received as the underlying investments of the limited liability corporations are liquidated. It is expected that the underlying assets of the funds will be liquidated between one to two years from the year ended December 31, 2018. Investment in one of the limited liability corporations invests in an entertainment corporation. Unit valuation for this investment is monthly and redemption of units requires advance notice of 10 days.

Investments in partnerships

Firefighters' Pension Trust Fund

Investments in partnerships consist of six funds:

- a) The Firefighter's pension trust fund has invested in the Americus Real Estate Fund I, LTD. The partnership earns revenues predominately from leasing commercial real estate in Austin, Texas.
- b) The Firefighter's pension trust fund has invested in Lakewood Restoration Partners LTD. The partnership was formed for the purpose of acquiring, operating, and developing the former Lakewood Country Club and certain surrounding real estate for residential and commercial purposes.
- c) The Firefighter's pension trust fund has invested in Greenspring Associates Global Partners II, LP (the partnership), which is 90% owned by the Fund.
- d) The Firefighter's pension trust fund has invested in Louisiana Fund I, LP The partnership was formed to invest in early stage companies that are located primarily in Louisiana.
- e) The Firefighter's pension trust fund has invested in Murphree Venture Partners VI. The partnership was formed to invest in the debt and equity securities in various private and public companies.
- f) The Firefighter's pension trust fund has invested in Greenspring Associates Crossover Ventures I, LP (the partnership). The partnership was formed to capture returns associated with investing in small companies, venture backed private companies, and mature investment funds.

The fair value of the investments a) through f) above in these funds has been determined using NAV per share (or equivalent) of the investments. These investments are not eligible for redemptions; however, distributions from each partnership will be received as the underlying investments of the partnerships are liquidated.

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(4) Tax Revenues

At December 31, 2018, the total sales tax levied in the City is 10.0%, of which 5% 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.

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 \$45.01 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, 2018 are as follows:

General:

General governmental services	\$	13.91
Dedicated for fire and police		6.40
Public library		5.64
Fire and police, without applying homestead exemption		12.97
Parkways and parks and recreation department		3.00
Street and traffic control device maintenance		1.90
Act 44		1.19

Special revenue:

Neighborhood Housing/Economical Development	1.82
Capital improvement and infrastructure	1.82

Debt service

	25.50
\$	<u>74.15</u>

Property taxes levied on January 1, 2018, collected during 2018, or expected to be collected within the first 60 days of 2018, 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.

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(5) Grantee Loans

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, 2018 totaling \$7,255,000, 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 \$7,104,000 in allowance for bad debt on these loans.

(6) Capital Assets

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

	Restated Balance January 1, 2018	Additions	Deletions	Transfers	Balance December 31, 2018
Nondepreciable capital assets:					
Land	\$ 94,474	\$ -	\$ -	\$ -	\$ 94,474
Construction in progress	298,128	158,571	-	(83,930)	\$ 372,769
Total nondepreciable capital assets	392,602	158,571	-	(83,930)	467,243
Depreciable capital assets:					
Infrastructure	2,823,034	42,709	-	-	2,865,743
Buildings and improvements	562,991	207,168	(172)	-	769,987
Equipment and vehicles	118,599	5,927	-	-	124,526
Other	40,492	-	-	-	40,492
Total depreciable capital assets	3,545,116	255,804	(172)	-	3,800,748
Less accumulated depreciation for:					
Infrastructure	2,008,458	59,999	-	-	2,068,457
Buildings and improvements	196,857	32,320	-	-	229,177
Equipment and vehicles	95,113	5,986	-	-	101,099
Other	34,960	978	-	-	35,938
Total accumulated depreciation	2,335,388	99,283	-	-	2,434,671
Total depreciable capital assets, net	1,209,728	156,521	(172)	-	1,366,077
Total	\$ 1,602,330	\$ 315,092	\$ (172)	\$ (83,930)	\$ 1,833,320

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

General government	\$	35,313
Public safety		2,993
Public works		59,999
Culture and recreation		978
Total depreciation expense	\$	<u>99,283</u>

In June of 2017, the Board of Commissioners of the Port of New Orleans and the City of New Orleans began negotiations for a Cooperative Endeavor Agreement to transfer control of the Public Belt Railroad Commission for the City of New Orleans (the Commission) and all of its assets and property from the City to the Port in exchange for the Port's Governor Nicholls Street and Esplanade Avenue Wharves. The parties agreed to exchange the Governor Nicholls Street and Esplanade Avenue wharves (the Wharves) for the Commission. The Wharves were transferred from the Port to the City, and the City assumed the existing leases of the Wharves with the tenant in possession. The Commission's assets were transferred from a City-owned entity, the Commission, to a Board-owned entity, the New Orleans Public Belt Railroad Corporation (PBRC), and the liabilities of the Commission were assumed by PBRC. The acquisition value of the wharves acquired as of February 1, 2018 was determined to be approximately \$172 million which is recognized as property donation on the Statement of Activities and an addition to capital assets on the Statement of Net Position.

(7) Long-Term Debt

Debt Service Fund

The City's debt service fund includes the Board of Liquidation, City Debt (the Board of Liquidation), an autonomous, self-perpetuating board created under the State of Louisiana Constitution of 1974. All property taxes levied by the City and dedicated to the payment of outstanding general obligation bonds are collected by the City and, as required by law, paid 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.

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Notes to Basic Financial Statements

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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 \$22,354,000 and unamortized discount of \$170,000, at December 31, 2018 comprise the following (all bonds are serial bonds) (amounts in thousands):

Description	Original issue	Range of average interest rates	Amount outstanding	Due in one year
General obligation bonds:				
2007-2016 Public Improvement				
Bonds, due in annual installments ranging from \$2,675 to \$10,475 through December 2046	\$ 330,000	2.7 – 8.4%	\$ 234,470	\$ 5,380
1998 General Obligation Refunding				
Bonds, due in annual installments ranging from \$210 to \$13,080 through December 2021	106,520	3.7 - 5.5%	37,160	11,705
2012 General Obligation Refunding				
Bonds, due in annual installments ranging from \$750 to \$20,700 through December 2033	167,840	2.0 – 5.0%	145,500	19,080
2015 General Obligation Refunding				
Bonds, due in annual installments ranging from \$750 to \$7,855 through December 2034	75,440	3.0 – 5.0%	55,580	7,190
2016 General Obligation Refunding				
Bonds, due in annual installments ranging from \$915 to \$3,735 through December 2036	55,125	2.0-3.5%	51,240	3,075
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%	155,805	10,555
2016 Taxable Limited Tax Bonds, due in annual installments of \$820 to \$1,135 commencing September 2017 through September 2026	10,000	2.6%	8,245	950

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Description	Original issue	Range of average interest rates	Amount outstanding	Due in one year
2015A Limited Tax Refunding Bonds, due in annual installments of \$205 to 2,680 through September 2021	15,528	1.80%	7,883	2,575
2015B Taxable Limited Tax Bonds, due in annual installments of \$1,022 to \$1,136 through September 2021	6,489	2.30%	3,344	1,094
2017 Taxable Limited Tax Bonds, due in annual installments of \$620 to \$1,300 commencing September 2018 through September 2027	10,000	3.26%	9,380	815
Revenue Bonds:				
2004 Variable Rate Revenue Bonds, due in annual installments from \$355 to \$865 through august 2024	11,500	Variable	4,625	685
Total Bonds			713,232	63,104
Premium and discount on bond issuance, net			22,184	3,475
			\$ 735,416	\$ 66,579

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, 2018.

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Notes to Basic Financial Statements

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The payment requirements for all bonds outstanding, (included in interest payments) as of December 31, 2018, are as follows (amounts in thousands):

	Principal	Interest
Year ending December 31:		
2019	\$63,104	\$33,148
2020	64,427	30,453
2021	67,236	27,625
2022	34,650	24,663
2023	36,170	23,165
2024-2028	184,690	90,922
2029-2033	124,740	52,997
2034-2038	66,740	27,838
2039-2043	56,050	11,525
2044-2046	15,425	1,240
	<u>\$713,232</u>	<u>\$323,576</u>

The City's legal debt limit for General Obligation Bonds is \$1,492,383,000. At December 31, 2018, the City's legal debt margin adjusted for outstanding principal of \$523,950,000 plus fund balance available in the Debt Service Fund of \$84,206,000 to service this debt was \$1,052,639,000.

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, 2018, management believes it is in compliance with all financial related covenants.

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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. At issuance, the loans were payable beginning in 5 years in equal installments over 15 years commencing in 2012. Interest was deferred during the initial 5-year period and then accrues at a rate of 4.64% during the repayment period. The loan balance at December 31, 2018 is \$32,227,000.

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

	<u>Principal</u>	<u>Interest</u>
Year ending December 31:		
2019	\$ 3,419	\$ 1,495
2020	3,577	1,337
2021	3,743	1,171
2022	3,917	997
2023	4,099	815
2024-2026	13,472	1,269
	<u>\$ 32,227</u>	<u>\$ 7,084</u>

Vehicle Notes Payable

In 2014, the City entered into a loan agreement. The loan proceeds of \$12,500,000 were restricted for equipment purchases. At issuance, the loan was payable over 4 years beginning in 2015 and accrues interest at a rate of 2.24%. In 2017, the City entered into two loan agreements. The loan proceeds of \$5,000,000 and \$4,200,000 were restricted for vehicle purchases. The loans are payable over 10 years and 4 years, respectively, beginning in 2018 and accrue interest at a fixed rate of 2.66% and 1.93%, respectively. The requirements to amortize the loans are as follows (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>
Year ending December 31:		
2019	\$ 1,495	\$ 183
2020	1,527	151
2021	1,559	116
2022	492	84
2023	505	71
2024-2027	2,159	146
	<u>\$ 7,737</u>	<u>\$ 751</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

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 5. 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, 2018, \$440,000 is recorded as a liability in the government-wide financial statements.

The requirements to amortize the Section 108 loan is as follows (amounts in thousands):

Year ending December 31:	Principal	Interest
2019	<u>\$ 440</u>	<u>\$ 15</u>

Compensated Absences

The City has recorded \$51,352,000 in accrued annual and sick leave in accordance with its pay-out policies. During the year active employees earned and used \$27,534,000 and \$22,701,000, 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, 2018

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018 was as follows (amounts in thousands):

	Restated				
	January 1,			December 31,	Due in
	2018	Additions	Deletions	2018	one year
Claims and judgments (note 14)	\$ 407,894	\$ 98,802	\$ (102,949)	\$ 403,747	\$ 38,715
Landfill closing costs (note 14)	4,162	-	(43)	4,119	119
Accrued annual and sick leave	46,519	27,534	(22,701)	51,352	5,000
Revenue bonds	5,280	-	(655)	4,625	685
General obligation bonds (a)	571,309	-	(47,359)	523,950	46,430
Limited tax bonds	200,115	-	(15,458)	184,657	15,989
Premium on bonds payable	26,095	-	(3,742)	22,353	3,498
Discount on bonds payable	(193)	-	24	(169)	(23)
Debt service assistance program	35,494	-	(3,267)	32,227	3,419
Notes payable	12,365		(4,628)	7,737	1,495
HUD Section 108 loan	870	-	(430)	440	440
Capital leases	1,591	-	(1,591)	-	-
Net pension liability (note 8)	918,609	32,521	-	951,130	-
Post-employment benefit (note 9)	140,316	6,689	(23,282)	123,723	6,689
	<u>\$ 2,370,426</u>	<u>\$ 165,546</u>	<u>\$ (226,081)</u>	<u>\$ 2,309,891</u>	<u>\$ 122,456</u>

(a) Deletions include amounts related to accretion of 1991 Refunding Series of \$(20,445).

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, 2018, the debt service fund had \$92,799,000 in fund balance restricted for debt service.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

(8) Pension Plans and Postretirement Healthcare Benefits

Pension Plans

At December 31, 2018, 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, 2018

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, 2018, the New System and Old System's membership consisted of:

	New System	Old System
Inactive members or beneficiaries receiving benefits	745	475
Inactive members entitled to but not yet receiving benefits	89	-
Active members	512	-
Total participants December 31, 2018	1,346	475

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

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

	City	Employee
Firefighters Pension and Relief Fund		
Old System	Actuarially determined contributions plus budget allocations determined by the City	N/A
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% of earnable compensation
Municipal Police Employees' Retirement System	31.75 - 34.25%	7.50 - 10.00%

The contributions made by the City to the plans during 2018 were as follows:

Firefighters Pension and Relief Fund	
Old System	\$ 16,149,000
New System	33,190,000
Employees' Plan	31,065,000
Municipal Police Employees' Retirement System	22,002,000

The Firefighters' pension fund receives fire insurance taxes of 2% of the fire insurance premiums written in the City of New Orleans. In 2018, the amount of \$1,521,931 received as a result of this tax was divided between the New System and Old System.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

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

The following schedules list 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, 2018 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	\$ 241,241,000	\$ 204,968,000
Proportion (%) of net pension liability	82.442565%	24.2450%
Increase/(decrease) from prior measurement date	0.2467%	(0.0980%)

Plan	Measurement Date
Firefighters Pension and Relief Fund	
Old System	December 31, 2017
New System	December 31, 2017
Employees' Plan	December 31, 2018
Municipal Police Employees' Retirement System	June 30, 2018

	Employees' Plan	New System	Old System
Total pension liability			
Service cost	\$ 7,510,000	\$ 6,020,000	\$ -
Interest on total pension liability	37,955,000	29,807,000	5,432,000
Effect of plan changes	(361,000)	-	-
Effect of economic/demographic gains or (losses)	19,748,000	(222,000)	(5,869,000)
Effect of assumption changes or inputs	-	-	2,284,000
Benefit payments	(41,283,000)	(33,737,000)	(16,787,000)
Net change in total pension liability	23,569,000	1,868,000	(14,940,000)
Total pension liability, beginning	519,196,000	414,297,000	150,250,000
Total pension liability, ending	\$ 542,765,000	\$ 416,165,000	\$ 135,310,000
Plan Fiduciary Net Position			
Employer contributions	\$ 26,029,000	\$ 36,329,000	\$ 12,380,000
Employee contributions	6,799,000	3,011,000	-
Investment income net of investment expenses	(12,852,000)	(4,593,000)	41,000
Benefit payments	(41,283,000)	(33,737,000)	(16,787,000)
Administrative expenses	(201,000)	(1,272,000)	(331,000)
Net change in plan fiduciary net position	(21,508,000)	(262,000)	(4,697,000)
Plan fiduciary net position, beginning	323,032,000	42,998,000	8,515,000
Plan fiduciary net position, ending	\$ 301,524,000	\$ 42,736,000	\$ 3,818,000
City's net pension liability, ending	\$ 241,241,000	\$ 373,429,000	\$ 131,492,000

CITY OF NEW ORLEANS, LOUISIANA

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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, 2017 valuations were based on results of an experience study for the period from January 1, 2017 to December 31, 2017. For Employees Retirement System, the actuarial assumptions used in the December 31, 2018 valuations were based on results of an experience study for the period from January 1, 2018 to December 31, 2018. The required Schedule of Net Pension Liability 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, 2018 or December 31, 2017 is based on actuarial valuations for the same period, updated using general accepted actuarial procedures.

For the year ended December 31, 2018, the City will recognize a pension expense (revenue) of (\$14,724,000), \$4,681,000, \$12,114,000, and \$10,395,000 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, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

Deferred outflows of resources

Difference between expected and actual experience	\$ 87,336,000
Changes in assumptions	54,454,000
Net difference between projected and actual earning on pension plan investments	49,340,000
Changes in proportion and difference between employer contributions and proportionate share of contributions	12,539,000
Employer contributions subsequent to measurement date	62,104,000
Total deferred outflows	<u>\$ 265,773,000</u>

Deferred inflows of resources

Difference between expected and actual experience	\$ 19,233,000
Changes in assumptions	50,780,000
Changes in proportion and difference between employer contributions and proportionate share of contributions	3,077,000
Total deferred inflows	<u>\$ 73,090,000</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

Details of the deferred outflows of resources and deferred inflows of resources related to pension plans at December 31, 2018 are as follows:

	Old System	New System	Employees' Plan	MPERS
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Deferred outflows of resources:</u>				
Difference between expected and actual experience	\$ -	\$ 32,159,000	\$ 54,253,000	\$ 924,000
Changes of assumptions	-	41,059,000	-	13,395,000
Net difference between projected and actual earnings on pension plan investments	1,275,000	16,077,000	22,162,000	9,826,000
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	-	2,950,000	9,589,000
Employer contributions subsequent to the measurement date	<hr/> 16,148,000	<hr/> 33,346,000	<hr/> -	<hr/> 12,610,000
Total deferred outflows	<hr/> <u>\$ 17,423,000</u>	<hr/> <u>\$ 122,641,000</u>	<hr/> <u>\$ 79,365,000</u>	<hr/> <u>\$ 46,344,000</u>
<u>Deferred inflows of resources:</u>				
Difference between expected and actual experience	\$ -	\$ 16,345,000	\$ 2,888,000	\$ -
Changes of assumptions	-	40,306,000	-	10,474,000
Changes in proportion and difference between employer contributions and proportionate share of contributions	<hr/> -	<hr/> -	<hr/> 2,322,000	<hr/> 755,000
Total deferred inflows	<hr/> <u>\$ -</u>	<hr/> <u>\$ 56,651,000</u>	<hr/> <u>\$ 5,210,000</u>	<hr/> <u>\$ 11,229,000</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

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The \$62,104,000 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, 2019.

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
2019	\$ 399,000	\$ 8,305,000	\$ 21,754,000	\$ 16,697,000
2020	489,000	6,097,000	14,962,000	11,227,000
2021	303,000	3,878,000	15,574,000	(5,776,000)
2022	84,000	7,996,000	15,062,000	357,000
2023	-	6,400,000	5,571,000	-
2024	-	(32,000)	1,232,000	-
	<u>\$ 1,275,000</u>	<u>\$ 32,644,000</u>	<u>\$ 74,155,000</u>	<u>\$ 22,505,000</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

Actuarial Assumptions:

The total pension liability was determined by as of December 31, 2018, using the following actuarial assumptions:

	<u>Old System</u>	<u>New System</u>
Valuation date	December 31, 2017	December 31, 2017
Actuary cost method	Entry age normal	Entry age normal
Actuarial assumption:		
Expected remaining service life	6 years	7 years
Investment rate of return	3.5%, net of investment expense	7.50%, net of investment expense
Inflation rate	N/A	0.00%
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.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

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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 developed 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 8.07% for the Employees' Retirement System, 7.50% for the Firefighters' New System, 3.50% for the Firefighters' Old System, and 8.03% for the Municipal Police Employees' Retirement System for the year ended December 31, 2018.

	Employees' System	MPERS
Valuation date	December 31, 2018	June 30, 2018
Actuary cost method	Entry age normal	Entry age normal cost
Actuarial assumption:		
Expected remaining service life	7 years	4 years
Investment rate of return	7.50%, net of investment expense	7.2%, net of investment expense
Inflation rate	2.5%	2.6%
Mortality	RP 2000 Group Annuity Mortality Table	RP 2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables RP2000 Disabled Lives Table RP2000 Employee Table
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 present value of future retirement benefits is based on benefits currently being paid by the System 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.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

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, 2018 are as follows:

Asset Class	Employees' Retirement System	
	Target Asset Allocation	Long-term expected portfolio real rate of return
Cash equivalents	2.0%	0.03%
Equity securities	58.0%	3.94%
Fixed income	25.0%	0.66%
Real estate	5.0%	0.20%
Other alternative investments	10.0%	0.74%
Totals	100.0%	5.57%
Inflation		2.50%
Expected arithmetic nominal rate		8.07%

Asset Class	Firefighters' New System	
	Target Asset Allocation	Long-term expected portfolio real rate of return
Equity securities	40.0%	3.72%
Fixed Income	10.0%	0.50%
Real Estate	45.0%	3.15%
Alternative investments	5.0%	0.13%
Totals	100%	7.50%
Inflation		0.00%
Expected arithmetic nominal rate		7.50%

Asset Class	Firefighters' Old System	
	Target Asset Allocation	Long-term expected portfolio real rate of return
Cash and cash equivalents	100.0%	3.50%
Totals	100.0%	3.50%
Inflation		0.00%
Expected arithmetic nominal rate		3.50%

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

Asset Class	MPERS	
	Target Asset Allocation	Long-term expected portfolio real rate of return
Equity	52.00%	3.58%
Fixed income	22.00%	0.46%
Alternative	20.00%	1.07%
Other	6.00%	0.17%
Totals	100%	5.28%
Inflation		2.75%
Expected arithmetic nominal rate		8.03%

Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the Employees' Retirement System, 7.5% for the Firefighters' New System, 3.50% for the Firefighters' Old System, and 7.2% for the Municipal Police Employees' Retirement System for 2018. 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 (3.5%) 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 (3.5%) and applied to all projected future benefit payments of current plan members.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

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, 2018, 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.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
<u>Old Plan</u>			
Rates	2.50%	3.50%	4.50%
City Share of NPL	\$ 144,329,000	\$ 131,492,000	\$ 123,504,000
<u>New Plan</u>			
Rates	6.50%	7.50%	8.50%
City Share of NPL	\$ 409,327,000	\$ 373,429,000	\$ 340,880,000
<u>Employees' Plan</u>			
Rates	6.50%	7.50%	8.50%
City Share of NPL	\$ 312,231,000	\$ 241,241,000	\$ 197,875,000
<u>MPERS</u>			
Rates	6.20%	7.20%	8.20%
City Share of NPL	\$ 288,038,000	\$ 204,968,000	\$ 135,277,000

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, 2018, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, was 5.57% for the Employees' Retirement System, (11.24)% for the Firefighters' New System, and 0.67% 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, 2018 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 payables. The balance due to each for the plans at December 31, 2018 is as follows:

	<u>2018</u>
Firefighters Pension and Relief Fund	
Old System	\$ -
New System	-
Employees' Plan	-
Municipal Police Employees' Retirement System	\$ 1,960,308

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

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, 2018, the net pension liability for each discretely presented component units are as follows:

	Net Pension Liability	Allocation Percentage
Louis Armstrong New Orleans		
International Airport	\$ 21,889,000	7.48%
New Orleans Municipal Yacht Harbor		
Management Corporation	424,000	0.16%
Canal Street Development Corporation	218,000	0.07%
Orleans Parish Communication District	11,211,000	3.83%
French Market Corporation	4,271,000	1.46%

(9) Postretirement Healthcare Benefits and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The City provides certain continuing health care and life insurance benefits for its retired employees. The City of New Orleans's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a self-insured comprehensive health benefit program. 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, the Louisiana State Municipal Police Retirement System, and the New Orleans Firefighters' Pension and Relief Fund (NOFF). The maximum DROP period is five years in Employees' Plan and NOFF and three years in MPERS. Retirement (DROP entry) eligibility is as follows: in Employees' Plan, the earliest of 30 years of service at any age; age 60 and 10 years of service; age 65 and 20 years of service; or, satisfaction of the "Rule of 80" (age plus service equals or exceeds 80); in 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 NOFF, age 50 and 12 years of service. However, because of the "back-loaded" benefit formula in the NOFF 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 to reflect the actual patterns of retirement and DROP entry in that system. For firefighters hired after August 15, 2016, the minimum age for DROP entry/retirement eligibility is the Social Security maximum retirement age less 10 years.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

Employees covered by benefit terms – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,553
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees (1)	<u>4,979</u>
	<u>6,532</u>

(1) Total active employees including 3,676 employees of the City and 1,303 employees of the City's component units.

Total OPEB Liability

The City's total OPEB liability of \$123,723,000 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.44% annually, beginning of year
	4.10%, annually, end of year
Healthcare cost trend rates	5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

Changes in the Total OPEB Liability

	City of New Orleans	Component Units and Others
Balance at December 31, 2017	\$ 140,316,000	\$ 23,739,000
Changes for the year:		
Service cost	2,007,000	339,000
Interest	4,682,000	792,000
Differences between expected and actual experience	(4,613,000)	(780,000)
Changes in assumptions	(10,255,000)	(1,735,000)
Benefit payments and net transfers	(8,414,000)	(1,423,000)
Net changes	(16,593,000)	(2,807,000)
Balance at December 31, 2018	\$ 123,723,000	\$ 20,932,000

The City is the sponsor of the OPEB Plan, which the City allows the employees of its component units and other city organizations and agencies to participate in the OPEB Plan. At December 31, 2018, the total OPEB liability for each discretely presented component units are as follows:

	Total OPEB Liability	Allocation Percentage
Louis Armstrong New Orleans		
International Airport	\$ 5,627,000	3.89%
New Orleans Municipal Yacht Harbor		
Management Corporation	101,000	0.07%
Canal Street Development Corporation	217,000	0.15%
Orleans Parish Communication District	3,356,000	2.32%
French Market Corporation	998,000	0.69%

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1.0% Decrease (3.10%)	Current Discount Rate (4.10%)	1.0% Increase (5.10%)
Total OPEB liability	\$ 139,466,000	\$ 123,723,000	\$ 110,580,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 110,194,000	\$ 123,723,000	\$ 139,807,000

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$5,697,000. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,305,000)
Changes in assumptions	-	(9,572,000)
Total	\$ -	\$ (13,877,000)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2019	\$ (991,000)
2020	(991,000)
2021	(991,000)
2022	(991,000)
2023	(991,000)
Thereafter	(8,922,000)
Total	\$ (13,877,000)

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

(10) Individual Fund Disclosures

Deficit Fund Equity

At December 31, 2018, the HUD and FEMA funds had deficit fund balances in the amounts of approximately \$6,252,000 and \$26,916,000, respectively. The deficit fund balances in both the HUD and FEMA funds are a result of accrued expenditures for which no revenue has been recognized. The City plans to fund this deficit with 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, 2018, the following special revenue non-major funds had deficit balances:

<u>Special Revenue Non-major Fund</u>	<u>Deficit Amount</u>
Mayoral Fellow Program	\$ 2,000
French Quarter Development District	93,000
Plant-a-tree	182,000
Louisiana Office of Community Development	5,463,000
Federal Justice Administration	66,000
FDJ Office of Justice Program	290,000
Federal Department of Health	2,339,000
Louisiana Commission on Law Enforcement	497,000
Louisiana Department of Public Safety	68,000
Department of Labor	210,000
Federal Department of Homeland Security	50,000
Federal Department of Social Services	200,000
FHWA Federal Highway Commission	21,000
	<u>\$ 9,481,000</u>

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 or the general fund. The City has assigned fund balance in the general fund to cover these deficits. In addition, the negative unassigned fund balance would also need to be covered through either assigned or committed fund balance or 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, 2018

Individual fund interfund receivables and payables at December 31, 2018 were as follows (amounts in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	HUD	\$ 10,698
	Capital Projects	12,716
	Nonmajor	9,829
FEMA	Nonmajor	95
	Capital Projects	1,662
HUD	Nonmajor	17
Capital Projects	Nonmajor	60
	FEMA	1,988
Nonmajor	General Fund	136
	Nonmajor	8
		<u>\$ 37,209</u>

Fund Transfers

Individual fund transfers for the year ended December 31, 2018 were as follows (amounts in thousands):

	<u>Transfers-in</u>	<u>Transfers-out</u>
General	\$ -	\$ (2,000)
Capital projects	60	-
Debt service fund	3,860	-
Nonmajor funds	2,500	(4,420)
	<u>\$ 6,420</u>	<u>\$ (6,420)</u>

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 2018 amounted to \$4,834,000 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.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

(11) Fund Balance

Fund balances for the City's governmental funds consisted of the following as of December 31, 2018:

Non-Spendable Fund Balance – Non-spendable fund balance in the general fund represents advances to the FEMA fund that are not expected to be paid within the next year. 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.

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 or management to be used to fund future litigation costs, public libraries, and to cover deficits of other funds.

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, 2018

(12) 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 2018 (amounts in thousands).

	Total	Collection	December 2018	December 2017	
	Collections	Cost	Payment	Payment	Final
			Distributed	Distributed	Distribution
			in 2018	in 2017	
Orleans Parish School Board	\$ 136,029	\$ (2,174)	\$ (11,229)	\$ 10,767	\$ 133,393
Regional Transit Authority	85,430	(1,365)	(7,062)	6,793	83,796
	<u>\$ 221,459</u>	<u>\$ (3,539)</u>	<u>\$ (18,291)</u>	<u>\$ 17,560</u>	<u>\$ 217,189</u>

(13) 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, 2018 was approximately \$2,150,000.

(14) 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:	
2019	2,854
2020	2,256
2021	1,734
2022	212
2023	57

Annual lease expense for operating lease agreements was approximately \$6,240,000 in 2018.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

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, 2018, 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 \$1,376,000 for motor vehicle fleet, \$272,807,000 for general liability and police department excessive force losses, \$124,909,000 for workers' compensation, and \$4,655,000 for hospitalization and unemployment have been accrued in the government-wide financial statements in the total amount of \$403,747,000.

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 is \$60 million at December 31, 2018.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

Changes to the City's claims liability amounts in fiscal 2018 and 2017 are as follows (amounts in thousands):

	Beginning of fiscal year liability	Claims and changes in estimates	Benefit payments, claims, and adjustments	Balance at fiscal year-end	Due in one year
General liability and police liability:					
2017	202,186	102,552	(17,900)	286,838	8,319
2018	286,838	5,134	(19,165)	272,807	6,567
Workers' compensation:					
2017	113,356	25,638	(23,707)	115,287	22,216
2018	115,287	35,739	(26,117)	124,909	26,117
Motor vehicle fleet:					
2017	298	160	(242)	216	216
2018	216	1,632	(472)	1,376	1,376
Hospitalization and unemployment:					
2017	4,966	61,792	(61,204)	5,554	5,554
2018	5,554	56,297	(57,196)	4,655	4,655
Total:					
2017	320,806	190,142	(103,053)	407,895	36,305
2018	407,895	98,802	(102,950)	403,747	38,715

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.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

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 into a 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, 2018, the City has estimated its liability at \$4,119,000.

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.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

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 continue this Consent Decree over a remaining three year period is estimated to be \$5,981,000.

This litigation was filed against Orleans Parish Sheriff's Office (OPSO) in 2012 to address allegedly unconstitutional conditions at the Orleans Parish Prison (OPP). The City was named as third-party defendant to this litigation solely because it has a statutory obligation to fund the OPSO and OPP. The OPSO agreed to a consent judgment in 2012 that provided for the implementation of various reforms at OPP, many of them operational. These reforms are currently being implemented with the assistance of various federal monitors and an independent compliance director. The Consent Decree does not technically cast the City in judgment, and, thus, does not create a clearly ascertainable monetary liability. Rather, the cost of implementing Consent Decree reforms has been reflected in the Sheriff's overall budgetary allocation since 2013. The Sheriff's budget does not expressly delineate a percentage directly attributable to Consent Decree costs. Nevertheless, it is not anticipated that subsequent OPSO budgets will contain significant additional increases related to Consent Decree compliance.

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

(15) 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):

	2018	Less Non-Cash	
	Taxes Levied	Adjustments	Net
		to Tax Rolls	Taxes Levied
Board of Liquidation	\$ 96,620	\$ (148)	\$ 96,472
Sewerage & Water Board	61,496	(96)	61,400
Orleans School Board	171,680	(262)	171,418
Orleans Levee Board West Bank	2,892	(26)	2,866
Orleans Levee Board East Bank	43,702	(51)	43,651
Law Enforcement District	10,609	(16)	10,593
Audubon Zoological Garden	1,212	(2)	1,210
Aquarium of the Americas	11,329	(18)	11,311
Downtown Development District	7,770	(12)	7,758
Touro Bouligny	328	-	328
Garden District	864	(1)	863
Total	<u>\$ 408,502</u>	<u>\$ (632)</u>	<u>\$ 407,870</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 2018 (amounts in thousands).

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

	A 2017 Due From/ (Due To)	2018 Tax Collected in 2018	2019 Tax Collected in 2018	Prior Years Tax Collected in 2018	B Total Tax Collected in 2018	C 2018 Payments to Boards	A-B+C 2018 Due From/ (Due To)
Board of Liquidation	\$ (7,497)	\$ 83,361	\$ 983	\$ 979	\$ 85,323	\$ 88,451	\$ (4,369)
Sewerage & Water Board	(5,810)	53,056	709	1,133	54,898	56,821	(3,887)
Orleans Parish School Board	(8,607)	148,120	1,979	2,988	153,087	158,314	(3,380)
Orleans Levee Board West Bank	(1,025)	2,577	14	16	2,607	2,615	(1,017)
Orleans Levee Board East Bank	(2,655)	37,625	522	445	38,592	40,017	(1,230)
Law Enforcement District	(837)	9,153	122	109	9,384	9,712	(509)
Audubon Zoological Garden	(95)	1,046	14	12	1,072	1,111	(56)
Aquarium of the Americas	(886)	9,774	131	116	10,021	10,378	(529)
Downtown Development District	(469)	6,865	46	268	7,179	7,390	(258)
New Orleans Regional Business Park	(5)	-	-	-	-	-	(5)
Touro Bouigny	(52)	277	-	-	277	303	(26)
Garden District	(177)	683	22	-	705	800	(82)
Total	\$ (28,115)	\$ 352,537	\$ 4,542	\$ 6,066	\$ 363,145	\$ 375,912	\$ (15,348)

The amount of taxes collected through tax sales for other taxing authorities in 2018 totaled \$1,866,178.

The amount of interest on late ad valorem tax payments that was collected and disbursed to other taxing authorities during 2018 totaled \$3,270,406.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

(16) Restoration Tax Abatement Program

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Restoration Tax Abatement Program ("RTAP"). For the year ending December 31, 2018, the government participated in the Restoration Tax Abatement Program.

Under the RTAP, as authorized by *Article 7, Section 21(H) of the Louisiana Constitution and Louisiana Revised Statutes 47:4311*, companies that expand, restore, improve or develop an existing structure or structures in a downtown, historic, or economic development district can apply to the State Board and the local governing authority for a property tax exemption. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon the approval of the State Board and the local governing authority. The property tax abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

Taxes abated for the fiscal year ended December 31, 2018 as well as future abatement estimates for active abatement agreements as of December 31, 2018 is as follows:

Taxing Body	Millage						Total
	Rate	2018	2019	2020	2021	2022	
Downtown Development District	14.76	\$ 490,000	\$ 442,000	\$ 289,000	\$ 8,000	\$ 8,000	\$ 1,237,000
Sewerage & Water Board	16.23	860,000	720,000	441,000	102,000	80,000	\$ 2,203,000
Audobon Zoo	0.32	17,000	14,000	9,000	2,000	2,000	\$ 44,000
Audobon Aquarium	2.99	158,000	133,000	81,000	19,000	15,000	\$ 406,000
School Board	45.31	2,400,000	2,011,000	1,232,000	284,000	224,000	\$ 6,151,000
Levee Board (East)	12.28	650,000	545,000	334,000	77,000	61,000	\$ 1,667,000
Law Enforcement District	2.8	154,000	130,000	82,000	23,000	20,000	\$ 409,000
City of New Orleans	74.15	4,086,000	3,449,000	2,173,000	622,000	524,000	\$ 10,854,000
		<u>\$8,815,000</u>	<u>\$7,444,000</u>	<u>\$4,641,000</u>	<u>\$1,137,000</u>	<u>\$934,000</u>	<u>\$22,971,000</u>

CITY OF NEW ORLEANS, LOUISIANA

Notes to Basic Financial Statements

December 31, 2018

(17) Restatement

During 2018, the City identified several adjustments which impacted prior year financial statements. A summary of the impact of these adjustments is below.

The impact on governmental fund balance was as follows:

Fund balance, as previously reported, December 31, 2017	\$ 270,877
Adjustments	
Capital projects fund related to understatement of expenditures	(1,575)
Capital projects fund related to overstatement of revenues	(523)
FEMA fund related to understatement of revenues	2,511
Non-major governmental funds related to the understatement of revenues	346
Non-major governmental funds related to the overstatement of expenditures	345
Fund balance, as restated, December 31, 2017	<u>\$ 271,981</u>

The impact on primary government net position was as follows:

Net position (deficit), as previously reported, December 31, 2017	\$ (241,621)
Implementation of GASB Statement No. 75	
Reverse post-employment benefit obligation	89,771
Record total post-employment benefit liability	(140,316)
Other adjustments	
Related to understatement of capital assets	4,030
Related to understatement of accounts payable	(1,575)
Related to understatement of revenues	2,334
Related to overstatement of expenses	345
Net position (deficit), as restated, December 31, 2017	<u>\$ (287,032)</u>

The impact on component unit net position was as follows:

Component unit net position, as previously reported, December 31, 2017	\$ 3,167,537
Implementation of GASB Statement No. 75	(100,655)
Other adjustments	
Difference between unaudited net position of Sewerage and Water Board, as previously reported, and ending actual net position	(133,096)
Related to overstatement of revenues	(3,070)
Related to overstatement of expenses	78
Component unit net position, as restated, December 31, 2017	<u>\$ 2,930,794</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW ORLEANS, LOUISIANA

Notes to Required Supplementary Information

Year ended December 31, 2018

(Unaudited)

Required Supplementary Information includes budgetary comparisons for the General Fund and required schedules for pension and other post-retirement benefits, related to GASBs No. 67 and 68, and 75, respectively.

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.
- After proper official public notification, Public hearings are conducted 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.

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, 2018
(Amounts in thousands)

	Original budget	Revised budget	Actual on budgetary basis	Variance favorable (unfavorable)
Revenues:				
Taxes	\$ 385,329	\$ 385,329	\$ 421,962	\$ 36,633
Licenses and permits	71,472	71,472	76,705	5,233
Intergovernmental	19,380	19,480	28,660	9,180
Charges for services	93,433	93,433	90,534	(2,899)
Fines and forfeits	42,721	42,721	42,371	(350)
Interest income	327	327	2,851	2,524
Contributions, gifts, and donations	1,971	1,971	37	(1,934)
Miscellaneous	8,063	9,173	69,335	60,162
Total revenues	<u>622,696</u>	<u>623,906</u>	<u>732,455</u>	<u>108,549</u>
Expenditures:				
Current:				
General government	262,194	265,099	240,703	24,396
Public safety	270,778	281,222	298,979	(17,757)
Public works	79,593	82,974	79,527	3,447
Health and human services	23,024	23,924	25,312	(1,388)
Culture and recreation	30,686	10,386	29,767	(19,381)
Debt service:		-		
Principal and interest	30,201	30,200	31,401	(1,201)
Total expenditures	<u>696,476</u>	<u>693,805</u>	<u>705,689</u>	<u>(11,884)</u>
Excess (deficiency) of revenues over expenditures	<u>(73,780)</u>	<u>(69,899)</u>	<u>26,766</u>	<u>96,665</u>
Other financing sources (uses):				
Operating transfers in	16,943	60,382	46,491	(13,891)
Operating transfers out	-	-	(48,491)	(48,491)
Total other financing sources (uses)	<u>16,943</u>	<u>60,382</u>	<u>(2,000)</u>	<u>(62,382)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (56,837)</u>	<u>\$ (9,517)</u>	<u>24,766</u>	<u>\$ 34,283</u>
Fund balances, beginning of year			<u>60,327</u>	
Fund balances – budgetary basis, end of year			<u>\$ 85,093</u>	

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)	\$ 24,766
Adjustments:	
To adjust revenues and expenditures for accruals and deferrals	(2,475)
Net change in fund balance	<u><u>\$ 22,291</u></u>

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
 Required Supplementary Information Under GASB Statement No. 67 and 68
 Year ended December 31, 2018
 (Amounts in Thousands)

SCHEDULE OF NET PENSION LIABILITY

Actuarial Valuation Date December 31	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
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%
2016	606,005	353,610	252,395	58.35%	115,505	218.51%
2017	629,766	391,827	234,865	62.22%	120,809	194.41%
2018	658,353	292,615	365,738	44.45%	128,530	284.55%
Firefighters' Pension and Relief Fund (New System):						
2014	\$ 502,316	\$ 65,377	\$ 436,939	13.02%	\$ 26,985	1619.19%
2015	393,707	50,268	343,439	12.77%	27,089	1267.82%
2016	414,297	42,998	371,299	10.38%	27,149	1367.63%
2017	416,165	42,736	373,429	10.27%	27,762	1345.11%
Firefighters' Pension and Relief Fund (Old System):						
2014	\$ 176,689	\$ 15,260	\$ 161,429	8.64%	\$ -	N/A
2015	169,294	15,003	154,291	8.86%	-	N/A
2016	150,250	8,515	141,735	5.67%	-	N/A
2017	135,310	3,818	131,492	2.82%	-	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	Contributions as a % of Covered Payroll
Employees' Retirement System:					
2014	\$ 20,871	\$ 20,307	\$ (564)	\$ 97,244	20.88%
2015	21,892	22,447	555	105,692	21.24%
2016	22,713	27,305	4,592	115,505	23.64%
2017	26,858	27,170	312	120,809	22.49%
2018	28,015	28,096	81	128,530	21.86%
Firefighters' Pension and Relief Fund (New System):					
2014	\$ 36,182	\$ 20,649	\$ (15,533)	\$ 26,985	76.52%
2015	31,993	30,501	(1,492)	27,089	112.60%
2016	33,640	32,279	(1,361)	27,149	118.90%
2017	33,640	36,329	2,689	27,762	130.86%
Firefighters' Pension and Relief Fund (Old System):					
2014	\$ 18,841	\$ 17,173	\$ (1,668)	\$ -	N/A
2015	17,404	18,066	662	-	N/A
2016	17,169	12,121	(5,048)	-	N/A
2017	16,599	12,380	(4,219)	-	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, 2018
(Amounts in Thousands)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	Firefighters' Pension and Relief Fund						
	New System 2017	New System 2016	New System 2015	New System 2014	Old System 2017	Old System 2016	Old System 2015
Total pension liability							
Service cost	\$ 6,020	\$ 6,328	\$ 6,183	\$ 5,865	\$ -	\$ -	\$ -
Interest on total pension liability	29,807	28,033	25,109	31,786	5,433	5,723	6,202
Effect of plan changes	-	(18,913)	(18,530)	(16,072)	-	-	3,065
Effect of economic/demographic gains or (losses)	(222)	44,771	-	-	(5,869)	(4,199)	-
Effect of assumption changes or inputs	-	251	(80,611)	95,806	2,284	(2,589)	1,457
Benefit payments	(33,737)	(39,880)	(40,760)	(38,889)	(16,787)	(17,978)	(18,120)
Net change in total pension liability	1,868	20,390	(108,609)	78,496	(14,939)	(19,043)	(7,396)
Total pension liability, beginning	414,297	393,707	502,316	423,820	150,250	169,293	176,689
Total pension liability, ending (a)	\$ 416,165	\$ 414,297	\$ 393,707	\$ 502,316	\$ 135,311	\$ 150,250	\$ 169,293
Plan Fiduciary Net Position							
Employer contributions	\$ 35,346	\$ 32,279	\$ 30,411	\$ 20,649	\$ 11,689	\$ 11,461	\$ 18,066
Employee contributions	3,994	2,730	2,577	2,039	692	660	-
Investment income net of investment expenses	(5,309)	(1,518)	(6,516)	(5,328)	41	(207)	200
Benefit payments	(33,737)	(39,880)	(40,760)	(38,890)	(16,786)	(17,978)	(18,120)
Administrative expenses	(556)	(880)	(822)	(601)	(331)	(424)	(404)
Net change in plan fiduciary net position	(262)	(7,269)	(15,110)	(22,131)	(4,695)	(6,488)	(258)
Plan fiduciary net position, beginning	42,998	50,267	65,377	87,508	8,514	15,002	15,260
Plan fiduciary net position, ending (b)	\$ 42,736	\$ 42,998	\$ 50,267	\$ 65,377	\$ 3,819	\$ 8,514	\$ 15,002
City's net pension liability, ending = (a) - (b)	\$ 373,429	\$ 371,299	\$ 343,440	\$ 436,939	\$ 131,492	\$ 141,736	\$ 154,291
Plan fiduciary net position as a % of total pension liability	10.27%	10.38%	12.77%	13.02%	2.82%	5.67%	8.86%
Covered payroll	\$ 27,762	\$ 27,149	\$ 27,089	\$ 26,985	\$ -	\$ -	\$ -
City's net pension liability as a % of covered payroll	1345.11%	1367.63%	1267.82%	1619.19%	N/A	N/A	N/A

Valuation date: December 31, 2017.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
Asset valuation method: Actual market value (effective January 1, 2016)
Cost of living raises for retirees and beneficiaries:

Salary increases: 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.

Investment rate of return: New System - 5.00%; Old System - N/A

Retirement rates: New System - 7.50% net of investment expenses; Old System - 3.5% net of investment expenses; rate was 3.5 for 2017

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, 2018
(Amounts in Thousands)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Municipal Police Employees' Retirement System				
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Employer's proportion of the net pension liability	24.2450%	24.3430%	22.6979%	22.3598%	21.9733%
Employer's proportionate share of the net pension liability	\$ 204,969	\$ 212,525	\$ 212,743	\$ 175,166	\$ 137,467
Employer's covered payroll	N/A	N/A	N/A	N/A	\$ 56,923
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	241.50%
Plan fiduciary net position as a percentage of the total pension liability	71.89%	70.08%	66.04%	70.73%	75.10%

SCHEDULE OF CONTRIBUTIONS

	Municipal Police Employees' Retirement System				
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarially required contribution	\$ 22,002	\$ 23,073	\$ 18,757	\$ 18,840	\$ 22,884
Contributions in relation to the actuarially required contribution	(22,023)	(23,089)	(18,776)	(22,814)	(21,729)
Contribution deficiency (excess)	\$ (21)	\$ (16)	\$ (19)	\$ (3,974)	\$ 1,155
Employers' covered payroll	N/A	N/A	N/A	N/A	\$ 56,923
Contributions as a percentage of covered payroll	N/A	N/A	N/A	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.

CITY OF NEW ORLEANS
 Required Supplementary Information Under GASB Statement No. 75
 For the Year Ended December 31, 2018
 (Amounts in Thousands)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Financial statement reporting date	Measurement date	Service cost	Interest	Difference between actual and expected experience	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
12/31/2018	12/31/2018	\$ 2,006,004	\$ 4,682,137	\$ (4,612,629)	\$ (10,255,278)	\$ (8,413,914)	\$ (16,593,680)	\$ 140,315,603	\$ 123,721,923	\$ 198,698,540	62.27%

Notes to Schedule:

1. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
2. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.
3. *Benefit changes*: There were no changes of benefit terms for the year ended December 31, 2018.
4. *Changes of Assumptions*:

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used for in each measurement of total OPEB liability

Measurement Date	Discount Rate
12/31/2018	4.10%
12/31/2017	3.44%

CITY OF NEW ORLEANS
 Required Supplementary Information Under GASB Statement No. 75
 For the Year Ended December 31, 2018
 (Amounts in Thousands)

SCHEDULE OF PROPORTIONATE SHARE OF TOTAL OPEB LIABILITY

<u>OPEB Plan</u>	<u>Measurement Date</u>	<u>Proportion of total OPEB liability</u>	<u>Proportionate share of total OPEB liability</u>	<u>Covered payroll</u>	<u>Proportionate share of the total OPEB liability as a percentage of its covered payroll</u>
City of New Orleans	12/31/2018	85.53%	\$ 123,721,923	\$ 198,698,540	62.27%

Notes to Schedule:

1. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
2. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan
3. *Benefit changes* : There were no changes of benefit terms for the year ended December 31, 2018.
4. *Changes of Assumptions* :

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used for in each measurement of total OPEB liability

<u>Measurement Date</u>	<u>Discount Rate</u>
12/31/2018	4.10%
12/31/2017	3.44%

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Non-major Governmental Funds

December 31, 2018

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.

- *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.
- *Neighborhood Housing Improvement* – Used to account for funds allocated to programs which repair and renovate housing in low-income areas.
- *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.
- *Integrated Green Infrastructure* – Used to account for the fee-in-lieu payments that are received in exchange for properties that do not physically comply with the city's stormwater management plan regulations. The department of public works shall utilize said funds to design, construct, and maintain public green stormwater infrastructure projects.
- *Judgment Fund* – Used to account for funds that shall be dedicated solely to assisting in the payment of legal judgments rendered against the city by state courts. The fund shall be funded by revenues received from state court judgments rendered in favor of the city.
- *Gallier Hall Maintenance Fund* – Used to account for funds received in the rental and use of Gallier Hall. The fund shall be dedicated solely to defraying any maintenance costs associated with the upkeep, care, or improvement of Gallier Hall.
- *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.
- *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.
- *Sidewalk Paving and Repairing* – Used to account for funds dedicated to maintaining sidewalks.
- *Adopt-a-Pothole/Streets* – Used to account for funds donated to repair damaged City streets.
- *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, 2018

- *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.
- *Music and Entertainment Commission* – Used to account for funds allocated for programs designed to attract music and entertainment to the City.
- *New Orleans Police Department Crime Prevention* – Used to account for donations earmarked to assist the Police Department in their crime fighting efforts.
- *Asset Seizure* – Used to account for property confiscated from drug dealers by the police department to be used for crime fighting measures.
- *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.
- *New Orleans Recreation Department* – Used to account for donations designated to assist in the purchase of playground equipment.
- *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.
- *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.
- *Public Library Donations* – Used to account for donations to enhance the City's library system.
- *Plant-a-Tree Campaign* – Used to account for funds allocated to programs designed for planting and beautifying trees, plants, and flowers throughout the City.
- *Capital Improvements and Infrastructure* – Used to account for funds allocated for the improvements of infrastructures within the City.
- *Delgado Albania Plantation Commission* – Used to account for funds generated from the operation of a sugar cane plantation.

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Non-major Governmental Funds

December 31, 2018

- *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.
- *LaHache Music* – Used to account for funds to promote the history of New Orleans musicians and facilitate the development of new musicians and composers.
- *Simon Hersheim* – Used to account for funds for the purpose of purchasing books for the Public Library.
- *Kiwanis Club Lee Circle Sprinkler System* – Used to maintain and improve the sprinkler system for the beautification and benefit of Lee 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.
- *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 Will of Lilly Violet* – a bequest to the City to maintain Lafayette Cemetery No. 1.
- *Mahalia Zimmerman* – a bequest to the City to maintain Ms. Zimmerman's tomb.
- *Mrs. Otto Joachim* – Used to account for funds to promote the study of orchestra music and violinists.
- *Sickles Legacy* – Used to account for funds designated to establish a city dispensary for gratuitous dispensing of medicine and medical advice for the poor.
- *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.

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Non-major Governmental Funds

December 31, 2018

- *Housing and Environment Improvements* – Used to improve health, housing, and environmental conditions in the City.
- *Indigent Defender* – Used to account for revenues collected for specified traffic violations. These funds are maintained by the Orleans Parish Public Defender's Office.
- *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.
- *French Quarter Development District* – Used to account for funds collected to fund enhanced security in the French Quarter.
- *Utilities* – All revenues derived from utility settlements and corresponding expenditures.
- *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.
- *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.
- *Miscellaneous Donations* – Used to account for donations designated to specific City departments.

CITY OF NEW ORLEANS, LOUISIANA

Combining Balance Sheet

Non-major Governmental Funds

December 31, 2018

(Amounts in thousands)

Exhibit C-1

Assets	New Orleans Economic Development	Neighborhood Housing Improvement	Environmental Improvement	Integrated Green Infrastructure	Judgment Fund	Gallier Hall Maintenance Fund	American Can	Sex Offender Proprietary Fund
Cash	\$ 1,931	\$ 4,597	\$ 791	\$ 169	\$ 2,000	\$ 249	\$ 480	\$ 307
Investments	1,071	1,904	164	-	-	-	-	-
Property taxes receivable	63	62	-	-	-	-	-	-
Accounts receivable (net, where applicable, of allowances for uncollectibles)	-	-	43	-	-	-	-	-
Grantee loans receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 3,065	\$ 6,563	\$ 998	\$ 169	\$ 2,000	\$ 249	\$ 480	\$ 307

Liabilities, Deferred Inflows of Resources,
and Fund Balances

Liabilities:

Accounts payable	\$ 1	\$ 411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34
Accrued liabilities	3	4	-	-	-	-	-	-
Due to other funds	-	17	-	-	-	-	-	-
Due to other governments	-	106	-	-	-	-	-	-
Total liabilities	4	538	-	-	-	-	-	34

Deferred inflows of resources:

Unavailable revenue	80	80	-	-	-	-	-	-
Total deferred inflows of resources	80	80	-	-	-	-	-	-

Fund balances:

Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	2,981	5,945	997	169	2,000	249	480	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	1	-	-	-	-	273
Total fund balances (deficit)	2,981	5,945	998	169	2,000	249	480	273
Total liabilities, deferred inflows, and fund balances	\$ 3,065	\$ 6,563	\$ 998	\$ 169	\$ 2,000	\$ 249	\$ 480	\$ 307

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

Combining Balance Sheet
Non-major Governmental Funds
December 31, 2018
(Amounts in thousands)

Exhibit C-1

	Sidewalk Paving and Repairing	Adopt-a- Pothele Program	Mayor's Office of Tourism and Arts	Mayoral Fellows Program	Music and Entertainment Commission	New Orleans Police Department Crime Prevention	Asset Seizure	New Orleans Recreation Foundation
Assets								
Cash	\$ -	\$ -	\$ 644	\$ -	\$ 99	1	\$ 1,171	\$ 178
Investments	2	-	-	-	120	-	-	-
Property taxes receivable	-	-	-	-	-	-	-	-
Accounts receivable (net, where applicable, of allowances for uncollectibles)	-	-	-	-	-	-	-	1
Grantee loans receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	26
Due from other governments	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 2	\$ -	\$ 644	\$ -	\$ 219	1	\$ 1,171	\$ 205
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1	-	\$ 2	\$ 69
Accrued liabilities	-	-	-	2	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	2	1	-	2	69
Deferred inflows of resources:								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	136
Committed	-	-	644	-	218	1	1,169	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	2	-	-	(2)	-	-	-	-
Total fund balances (deficit)	2	-	644	(2)	218	1	1,169	136
Total liabilities, deferred inflows, and fund balances	\$ 2	\$ -	\$ 644	\$ -	\$ 219	1	\$ 1,171	\$ 205

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Combining Balance Sheet

Non-major Governmental Funds

December 31, 2018

(Amounts in thousands)

Exhibit C-1

	New Orleans Recreation Department	New Orleans Film Commission	Vieux Carre' Residential	Public Library Donations	Plant- a-Tree Campaign	Capital Improvement and Infrastructure	Delgado- Albania Plantation Commission	Edward Wisner
Assets								
Cash	\$ 52	\$ 171	\$ 1	\$ 831	\$ -	\$ 7,455	\$ 305	\$ 1,733
Investments	-	163	-	42	-	287	1,049	2,555
Property taxes receivable	-	-	-	-	-	127	-	-
Accounts receivable (net, where applicable, of allowances for uncollectibles)	-	-	-	43	-	-	-	171
Grantee loans receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	12	-
Total assets	\$ 52	\$ 334	\$ 1	\$ 916	\$ -	\$ 7,869	\$ 1,366	\$ 4,459
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts payable	\$ -	\$ 1	\$ -	\$ 3	\$ -	\$ 374	\$ -	\$ 950
Accrued liabilities	-	-	-	-	-	1	-	-
Due to other funds	-	-	-	-	182	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Total liabilities	-	1	-	3	182	375	-	950
Deferred inflows of resources:								
Unavailable revenue	-	-	-	-	-	159	-	-
Total deferred inflows of resources	-	-	-	-	-	159	-	-
Fund balances:								
Nonspendable	52	-	-	913	-	-	-	-
Restricted	-	-	1	-	-	-	-	3,509
Committed	-	333	-	-	-	7,335	1,366	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(182)	-	-	-
Total fund balances (deficit)	52	333	1	913	(182)	7,335	1,366	3,509
Total liabilities, deferred inflows, and fund balances	\$ 52	\$ 334	\$ 1	\$ 916	\$ -	\$ 7,869	\$ 1,366	\$ 4,459

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-1

Combining Balance Sheet
Non-major Governmental Funds
December 31, 2018
(Amounts in thousands)
Kiwanis

	LaHache Music		Simon Hersheim		Lee Circle Sprinkler System		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	
Assets																		
Cash	\$	-	\$	2	\$	5	\$	4	\$	341	\$	-	\$	19	\$	3	\$	1
Investments	-	-	82	-	-	-	4	-	217	-	6	-	2	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable (net, where applicable, of allowances for uncollectibles)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grantee loans receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$	-	\$	84	\$	5	\$	8	\$	558	\$	6	\$	21	\$	3	\$	1

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:																		
Accounts payable	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred inflows of resources:																		
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances:																		
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	84	5	-	8	558	6	21	3	1	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	-	-	84	5	-	8	558	6	21	3	1	-	-	-	-	-	-	-
Total liabilities, deferred inflows, and fund balances	\$	-	\$	84	\$	5	\$	8	\$	558	\$	6	\$	21	\$	3	\$	1

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-1

Combining Balance Sheet
Non-major Governmental Funds
December 31, 2018
(Amounts in thousands)

	Sickles Legacy		Helen Adler Levy Library		Housing and Environment Improvement		Indigent Defender		Environmental Disaster Mitigation Revolving Fund		French Quarter Development District		Utilities		French Quarter Improvement		Coroner's Office	
Assets																		
Cash	\$ 1	\$ 1	\$ 1	\$ 1	\$ 7,928	\$ 178	\$ 320	\$ 690	\$ 882	\$ 1,743	\$ 67							
Investments	320	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable (net, where applicable, of allowances for uncollectibles)	-	-	-	-	372	112	-	-	-	-	1,565	1	-	-	-	-	-	-
Grantee loans receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 321	\$ 22	\$ 8,300	\$ 290	\$ 320	\$ 690	\$ 882	\$ 3,308	\$ 68									

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:

Accounts payable	\$ -	\$ -	\$ 239	\$ 178	\$ -	\$ 783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	60	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	248	178	-	783	-	-	60	-	-	-	-	-	-	-	-	-

Deferred inflows of resources:

Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Fund balances:

Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	321	22	-	-	-	-	-	-	822	3,308	-	-	-	-	-	-	-	-
Committed	-	-	8,052	112	320	-	-	-	-	-	68	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(93)	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	321	22	8,052	112	320	(93)	822	3,308	68									
Total liabilities, deferred inflows, and fund balances	\$ 321	\$ 22	\$ 8,300	\$ 290	\$ 320	\$ 690	\$ 882	\$ 3,308	\$ 68									

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2018
(Amounts in thousands)

Exhibit C-1

Assets	Ad Valorem Property Tax	Miscellaneous Donations	Other	Grant Recipient Funds		Total
Cash	\$ 589	\$ 718	\$ 14	\$ 6,119	\$	\$ 42,790
Investments	-	-	163	-	-	8,172
Property taxes receivable	-	-	-	-	-	252
Accounts receivable (net, where applicable, of allowances for uncollectibles)	7	-	-	1	-	2,316
Grantee loans receivable	-	-	-	151	-	151
Due from other funds	-	-	-	118	-	144
Due from other governments	-	-	-	8,654	-	8,654
Other assets	-	-	-	1,812	-	1,824
Total assets	\$ 596	\$ 718	\$ 177	\$ 16,855	\$	\$ 64,303

Liabilities, Deferred Inflows of Resources,
and Fund Balances

Liabilities:						
Accounts payable	\$ 1	\$ -	\$ -	\$ 5,946	\$	\$ 8,993
Accrued liabilities	-	-	-	1,971	-	1,990
Due to other funds	-	-	-	9,750	-	10,009
Due to other governments	-	-	-	687	-	793
Total liabilities	1	-	-	18,354	-	21,785
Deferred inflows of resources:						
Unavailable revenue	-	-	-	1,642	-	1,961
Total deferred inflows of resources	-	-	-	1,642	-	1,961
Fund balances:						
Nonspendable	-	-	167	-	-	1,132
Restricted	-	-	7	-	-	8,812
Committed	595	-	-	-	-	33,034
Assigned	-	718	-	-	-	718
Unassigned	-	-	3	(3,141)	-	(3,139)
Total fund balances (deficit)	595	718	177	(3,141)	-	40,557
Total liabilities, deferred inflows, and fund balances	\$ 596	\$ 718	\$ 177	\$ 16,855	\$	\$ 64,303

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2018
(Amounts in thousands)

	New Orleans Economic Development	Neighborhood Housing Improvement	Environmental Improvement	Integrated Green Infrastructure	Judgment Fund	Gallier Hall Maintenance Fund
Revenues:						
Taxes	\$ 3,220	\$ 3,220	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charge for services	-	602	232	169	-	249
Program income	-	2	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Fees	-	-	29	-	-	-
Interest income	-	-	-	-	-	-
Contributions, gifts, and donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	3,220	3,824	261	169	-	249
Expenditures:						
General government	327	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and human services	-	-	15	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban development and housing	-	-	-	-	-	-
Economic development and assistance	3,735	2,599	-	-	-	-
Debt service	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	4,062	2,599	15	-	-	-
Excess (deficiency) of revenue over expenditures	(842)	1,225	246	169	-	249
Other financing sources (uses):						
Operating transfers in	-	-	-	-	2,000	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	2,000	-
Net change in fund balance	(842)	1,225	246	169	2,000	249
Fund balances – beginning of year	3,823	4,374	752	-	-	-
Prior period adjustments	-	346	-	-	-	-
Fund balances – beginning of year, as restated	3,823	4,720	752	-	-	-
Fund balances (deficit) – end of year	\$ 2,981	\$ 5,945	\$ 998	\$ 169	\$ 2,000	\$ 249

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2018
(Amounts in thousands)

	American Can	Sex Offender Proprietary Fund	Sidewalk Paving and Repairing	Adopt-a- Pothole Program	Mayor's Office of Tourism and Arts	Mayoral Fellows Program	Music and Entertainment Commission
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charge for services	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-
Interest income	12	-	-	-	-	-	2
Contributions, gifts, and donations	-	-	-	-	67	500	100
Miscellaneous	-	84	-	-	-	-	-
Total revenues	12	84	-	-	67	500	102
Expenditures:							
General government	-	-	-	-	67	501	105
Public safety	-	214	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban development and housing	-	-	-	-	-	-	-
Economic development and assistance	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Principal	430	-	-	-	-	-	-
Interest	28	-	-	-	-	-	-
Total expenditures	458	214	-	-	67	501	105
Excess (deficiency) of revenue over expenditures	(446)	(130)	-	-	-	(1)	(3)
Other financing sources (uses):							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	(446)	(130)	-	-	-	(1)	(3)
Fund balances – beginning of year	926	403	2	-	644	(1)	221
Prior period adjustments	-	-	-	-	-	-	-
Fund balances – beginning of year, as restated	926	403	2	-	644	(1)	221
Fund balances (deficit) – end of year	\$ 480	\$ 273	\$ 2	\$ -	\$ 644	\$ (2)	\$ 218

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2018
(Amounts in thousands)

	New Orleans Department - Police Crime Prevention	Asset Seizure	New Orleans Recreation Foundation	New Orleans Recreation Department	New Orleans Film Commission	Vieux Carre' Restoration	Public Library Donations
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charge for services	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-
Fines and forfeits	-	718	-	-	-	-	-
Fees	-	-	-	-	-	-	-
Interest income	-	-	-	-	3	-	-
Contributions, gifts, and donations	-	-	389	-	100	-	-
Miscellaneous	-	-	-	-	-	-	130
Total revenues	-	718	389	-	103	-	130
Expenditures:							
General government	-	-	-	-	50	-	-
Public safety	-	458	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture and recreation	-	-	497	-	-	-	84
Urban development and housing	-	-	-	-	-	-	-
Economic development and assistance	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	-	458	497	-	50	-	84
Excess (deficiency) of revenue over expenditures	-	260	(108)	-	53	-	46
Other financing sources (uses):							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	-	260	(108)	-	53	-	46
Fund balances – beginning of year	1	909	244	52	280	1	867
Prior period adjustments	-	-	-	-	-	-	-
Fund balances – beginning of year, as restated	1	909	244	52	280	1	867
Fund balances (deficit) – end of year	1	\$ 1,169	\$ 136	\$ 52	\$ 333	\$ 1	\$ 913

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2018
(Amounts in thousands)

	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	\$ -	\$ 6,437	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charge for services	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-
Interest income	-	5	20	49	-	-	-
Contributions, gifts, and donations	173	-	-	2,917	-	2	-
Miscellaneous	-	-	140	-	-	-	-
Total revenues	173	6,442	160	2,966	-	2	-
Expenditures:							
General government	-	3,475	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture and recreation	49	-	-	1,867	-	-	-
Urban development and housing	-	-	-	-	-	-	-
Economic development and assistance	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	49	3,475	-	1,867	-	-	-
Excess (deficiency) of revenue over expenditures	124	2,967	160	1,099	-	2	-
Other financing sources (uses):							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	(3,860)	-	-	-	-	-
Total other financing sources (uses)	-	(3,860)	-	-	-	-	-
Net change in fund balance	124	(893)	160	1,099	-	2	-
Fund balances – beginning of year	(306)	8,228	1,206	2,210	-	82	5
Prior period adjustments	-	-	-	200	-	-	-
Fund balances – beginning of year, as restated	(306)	8,228	1,206	2,410	-	82	5
Fund balances (deficit) – end of year	\$ (182)	\$ 7,335	\$ 1,366	\$ 3,509	\$ -	\$ 84	\$ 5

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2018
(Amounts in thousands)

Exhibit C-2

	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
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charge for services	-	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-
Interest income	-	4	-	-	-	-	7
Contributions, gifts, and donations	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	-	4	-	-	-	-	7
Expenditures:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban development and housing	-	-	-	-	-	-	-
Economic development and assistance	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-
Excess (deficiency) of revenue over expenditures	-	4	-	-	-	-	7
Other financing sources (uses):							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	-	4	-	-	-	-	7
Fund balances – beginning of year	8	554	6	21	3	1	314
Prior period adjustments	-	-	-	-	-	-	-
Fund balances – beginning of year, as restated	8	554	6	21	3	1	314
Fund balances (deficit) – end of year	\$ 8	\$ 558	\$ 6	\$ 21	\$ 3	\$ 1	\$ 321

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2018
(Amounts in thousands)

	Helen Adler Levy Library	Housing and Environment Improvement	Indigent Defender	Disaster Mitigation	French Quarter Development District	Utilities	French Quarter Improvement	Coroner's Office
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,080	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charge for services	-	-	-	-	-	-	-	-
Program income	-	2	-	-	-	-	-	-
Fines and forfeits	-	1,916	1,057	-	-	-	-	27
Fees	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
Contributions, gifts, and donations	-	-	-	-	2,000	-	-	-
Miscellaneous	-	-	-	-	-	-	1,676	-
Total revenues	-	1,918	1,057	-	5,080	-	1,676	27
Expenditures:								
General government	-	1,252	-	-	-	-	-	59
Public safety	-	-	-	-	5,176	-	-	-
Public works	-	-	1,210	-	-	19	-	-
Health and human services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban development and housing	-	1,041	-	-	-	-	-	-
Economic development and assistance	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	2,293	1,210	-	5,176	19	-	59
Excess (deficiency) of revenue over expenditures	-	(375)	(153)	-	(96)	(19)	1,676	(32)
Other financing sources (uses):								
Operating transfers in	-	-	-	-	500	-	-	-
Operating transfers out	-	-	-	-	-	(60)	(500)	-
Total other financing sources (uses)	-	-	-	-	500	(60)	(500)	-
Net change in fund balance	-	(375)	(153)	-	404	(79)	1,176	(32)
Fund balances – beginning of year	22	8,427	265	320	(497)	901	1,987	100
Prior period adjustments	-	-	-	-	-	-	145	-
Fund balances – beginning of year, as restated	22	8,427	265	320	(497)	901	2,132	100
Fund balances (deficit) – end of year	22	8,052	112	320	(93)	822	3,308	68
	\$	\$	\$	\$	\$	\$	\$	\$

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2018
(Amounts in thousands)

	Ad Valorem Property Tax	Miscellaneous Donations	Other	Grant Recipient Funds	Total
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 15,957
Intergovernmental	-	-	-	38,187	38,187
Charge for services	-	-	-	-	1,252
Program income	-	-	-	497	501
Fines and forfeits	-	-	-	34	3,752
Fees	-	-	-	-	29
Interest income	-	-	3	8	113
Contributions, gifts, and donations	-	10	-	-	6,258
Miscellaneous	21	-	-	-	2,051
Total revenues	21	10	3	38,726	68,100
Expenditures:					
General government	156	1	-	11,824	17,817
Public safety	-	-	-	1,677	7,525
Public works	-	-	-	1,674	2,903
Health and human services	-	6	-	14,206	14,227
Culture and recreation	-	-	-	373	2,870
Urban development and housing	-	-	-	671	1,712
Economic development and assistance	-	-	-	4,551	10,885
Debt service	-	-	-	-	-
Principal	-	-	-	-	430
Interest	-	-	-	-	28
Total expenditures	156	7	-	34,976	58,397
Excess (deficiency) of revenue over expenditures	(135)	3	3	3,750	9,703
Other financing sources (uses):					
Operating transfers in	-	-	-	-	2,500
Operating transfers out	-	-	-	-	(4,420)
Total other financing sources (uses)	-	-	-	-	(1,920)
Net change in fund balance	(135)	3	3	3,750	7,783
Fund balances – beginning of year	730	715	174	(6,891)	32,083
Prior period adjustments	-	-	-	-	691
Fund balances – beginning of year, as restated	730	715	174	(6,891)	32,774
Fund balances (deficit) – end of year	595	718	177	(3,141)	\$ 40,557

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Combining Balance Sheet
Non-major Grant Recipient Funds
December 31, 2018
(Amounts in thousands)

Exhibit C-3

	Federal Department of Interior	Federal UDAG	Louisiana Office of Community Development	Federal Justice Administration	FDJ Office of Justice Program	Federal Department of Health	Department of Defense	Federal Department of Commerce
Assets								
Cash	\$ 1	\$ 3,961	\$ 74	\$ -	\$ -	\$ -	\$ 25	\$ -
Accounts receivable	-	-	-	-	-	-	-	-
Grantee loans	-	151	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	7	-	-
Due from other governments	-	-	525	94	325	4,071	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 1	\$ 4,112	\$ 599	\$ 94	\$ 325	\$ 4,078	\$ 25	\$ -
Liabilities, Deferred Inflows, and Fund Balances								
Liabilities:								
Accounts payable	\$ -	\$ 16	\$ 702	\$ 63	\$ 133	\$ 3,093	\$ -	\$ -
Accrued liability	-	-	1,928	-	4	22	-	-
Due to other funds	-	-	3,170	97	331	2,342	-	-
Due to other governments	-	-	-	-	-	-	-	-
Total liabilities	-	16	5,800	160	468	5,457	-	-
Deferred inflows of resources								
Unavailable revenues	-	-	262	-	147	960	-	-
Total deferred inflows of resources	-	-	262	-	147	960	-	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	1	4,096	(5,463)	(66)	(290)	(2,339)	25	-
Total fund balances	1	4,096	(5,463)	(66)	(290)	(2,339)	25	-
Total liabilities, deferred inflows, and fund balances	\$ 1	\$ 4,112	\$ 599	\$ 94	\$ 325	\$ 4,078	\$ 25	\$ -

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-major Grant Recipient Funds
December 31, 2018
(Amounts in thousands)

Exhibit C-3

	Department of Economic Development	Federal Department of Energy	Federal Department of Agriculture	LHS LA Highway Safety Commission	Louisiana Commission on Law Enforcement	Department of Health and Human Resources	Environmental Protection Agency	Louisiana Department of Public Safety
Assets								
Cash	\$ 19	\$ 75	\$ 978	\$ 3	\$ -	\$ -	\$ 144	\$ -
Accounts receivable	-	-	-	-	-	-	-	-
Grantee loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	111	-	-
Due from other governments	-	-	-	23	13	336	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 19	\$ 75	\$ 978	\$ 26	\$ 13	\$ 447	\$ 144	\$ -
Liabilities, Deferred Inflows, and Fund Balances								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 38	\$ 112	\$ -	\$ -
Accrued liability	-	-	-	-	8	4	-	1
Due to other funds	-	-	-	-	70	124	-	67
Due to other governments	-	4	-	-	394	-	-	-
Total liabilities	-	4	-	-	510	240	-	68
Deferred inflows of resources								
Unavailable revenues	-	-	-	-	-	106	-	-
Total deferred inflows of resources	-	-	-	-	-	106	-	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	19	71	978	26	(497)	101	144	(68)
Total fund balances	19	71	978	26	(497)	101	144	(68)
Total liabilities, deferred inflows, and fund balances	\$ 19	\$ 75	\$ 978	\$ 26	\$ 13	\$ 447	\$ 144	\$ -

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-major Grant Recipient Funds
December 31, 2018
(Amounts in thousands)

Exhibit C-3

Assets	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	Private Grants	Federal Department of Homeland Security
Cash	\$ 5	\$ 109	\$ 2	\$ 265	\$ 110	\$ 289	\$ 27	\$ -
Accounts receivable	-	-	-	1	-	-	-	-
Grantee loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	1,090	-	-	1,705	-
Other assets	-	-	-	-	-	-	1,812	-
Total assets	\$ 5	\$ 109	\$ 2	\$ 1,356	\$ 110	\$ 289	\$ 3,544	\$ -
Liabilities, Deferred Inflows, and Fund Balances								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 1,396	\$ 3	\$ -	\$ 347	\$ -
Accrued liability	-	-	-	3	-	-	1	-
Due to other funds	-	-	-	-	-	-	2,848	50
Due to other governments	-	-	-	-	-	289	-	-
Total liabilities	-	-	-	1,399	3	289	3,196	50
Deferred inflows of resources								
Unavailable revenues	-	-	-	167	-	-	-	-
Total deferred inflows of resources	-	-	-	167	-	-	-	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	5	109	2	(210)	107	-	348	(50)
Total fund balances	5	109	2	(210)	107	-	348	(50)
Total liabilities, deferred inflows, and fund balances	\$ 5	\$ 109	\$ 2	\$ 1,356	\$ 110	\$ 289	\$ 3,544	\$ -

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-major Grant Recipient Funds
December 31, 2018
(Amounts in thousands)

Exhibit C-3

	Federal Department of Social Service	Louisiana Military Department	Federal American Recovery Act	Federal Transportation Authority	FHWA Federal Highway Commission	National Endowments for the Arts	Total
Assets							
Cash	\$ -	\$ 32	\$ -	\$ -	\$ -	\$ -	\$ 6,119
Accounts receivable	-	-	-	-	-	-	1
Grantee loans	-	-	-	-	-	-	151
Due from other funds	-	-	-	-	-	-	118
Due from other governments	-	-	-	471	1	-	8,654
Other assets	-	-	-	-	-	-	1,812
Total assets	\$ -	\$ 32	\$ -	\$ 471	\$ 1	\$ -	\$ 16,855
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities:							
Accounts payable	\$ 22	\$ 1	\$ -	\$ -	\$ 20	\$ -	\$ 5,946
Accrued liability	-	-	-	-	-	-	1,971
Due to other funds	178	-	-	471	2	-	9,750
Due to other governments	-	-	-	-	-	-	687
Total liabilities	200	1	-	471	22	-	18,354
Deferred inflows of resources							
Unavailable revenues	-	-	-	-	-	-	1,642
Total deferred inflows of resources	-	-	-	-	-	-	1,642
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(200)	31	-	-	(21)	-	(3,141)
Total fund balances	(200)	31	-	-	(21)	-	(3,141)
Total liabilities, deferred inflows, and fund balances	\$ -	\$ 32	\$ -	\$ 471	\$ 1	\$ -	\$ 16,855

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-4

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-major Grant Recipient Funds
(Amounts in thousands)

	Federal Department of Interior	Federal UDAG	Louisiana Office of Community Development	Federal Justice Administration	FDJ Office of Justice Program	Federal Department of Health	Department of Defense
Revenues:							
Intergovernmental	\$ -	\$ -	\$ 3,302	\$ 1,063	\$ 504	\$ 14,296	\$ -
Program income	-	43	66	-	-	388	-
Fines and forfeits	-	-	34	-	-	-	-
Interest income	-	8	-	-	-	-	-
Total revenues	-	51	3,402	1,063	504	14,684	-
Expenditures:							
General government	-	-	3,225	445	12	-	-
Public safety	-	-	-	654	406	-	-
Public works	-	44	-	-	-	-	-
Health and human services	-	-	-	46	261	12,823	-
Culture and recreation	-	-	-	-	-	-	-
Urban Development	-	-	474	-	-	-	-
Economic development and assistance	-	-	-	-	-	-	-
Total expenditures	-	44	3,699	1,145	679	12,823	-
(Deficiency) excess of revenues over expenditures	-	7	(297)	(82)	(175)	1,861	-
Net change in fund balance	-	7	(297)	(82)	(175)	1,861	-
Fund balances – beginning of year	1	4,089	(5,166)	16	(115)	(4,128)	25
Prior period adjustments	-	-	-	-	-	(72)	-
Fund balances – beginning of year, as restated	1	4,089	(5,166)	16	(115)	(4,200)	25
Fund balances (deficit) – end of year	1	\$ 4,096	\$ (5,463)	\$ (66)	\$ (290)	\$ (2,339)	\$ 25

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-4

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-major Grant Recipient Funds
(Amounts in thousands)

	Federal Department of Commerce	Department of Economic Development	Federal Energy Grant	Federal Department of Agriculture	Louisiana Commission on Law Enforcement	Department of Health and Human Resources	Environmental Protection Agency
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 402	\$ 1,152	\$ -
Program income	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Total revenues	-	-	-	-	402	1,152	-
Expenditures:							
General government	-	-	-	-	60	432	36
Public safety	-	-	-	-	396	-	-
Public works	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	650	-
Culture and recreation	-	-	-	-	-	-	-
Urban Development	-	-	-	-	-	-	-
Economic development and assistance	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	456	1,082	36
(Deficiency) excess of revenues over expenditures	-	-	-	-	(54)	70	(36)
Net change in fund balance	-	-	-	-	(54)	70	(36)
Fund balances – beginning of year	-	19	71	978	(443)	(41)	180
Prior period adjustments	-	-	-	-	-	72	-
Fund balances – beginning of year, as restated	-	19	71	978	(443)	31	180
Fund balances (deficit) – end of year	\$ -	\$ 19	\$ 71	\$ 978	\$ (497)	\$ 101	\$ 144

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-4

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-major Grant Recipient Funds
(Amounts in thousands)

	Louisiana Department of Public Safety	Louisiana Department of Education	Louisiana Department of Agriculture and Forestry	Department of Culture, Recreation and Tourism	LA Highway Safety Commission	Department of Labor
Revenues:						
Intergovernmental	\$ 228	\$ -	\$ -	\$ -	373	\$ 4,894
Program income	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Total revenues	228	-	-	-	373	4,894
Expenditures:						
General government	-	-	-	-	-	-
Public safety	221	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	373	-
Urban Development	-	-	-	-	-	-
Economic development and assistance	-	-	-	-	-	4,486
Total expenditures	221	-	-	-	373	4,486
(Deficiency) excess of revenues over expenditures	7	-	-	-	-	408
Net change in fund balance	7	-	-	-	-	408
Fund balances – beginning of year	(75)	5	109	2	26	(618)
Prior period adjustments	-	-	-	-	-	-
Fund balances – beginning of year, as restated	(75)	5	109	2	26	(618)
Fund balances (deficit) – end of year	(68)	5	109	2	26	(210)
	\$	\$	\$	\$	\$	\$

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-4

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-major Grant Recipient Funds
(Amounts in thousands)

	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
Revenues:							
Intergovernmental	\$ 6	\$ -	\$ 11,026	\$ 50	\$ 11	\$ 304	\$ -
Program income	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Total revenues	6	-	11,026	50	11	304	-
Expenditures:							
General government	8	-	7,044	50	-	206	175
Public safety	-	-	-	-	-	-	-
Public works	-	-	1,630	-	-	-	-
Health and human services	-	-	326	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban Development	-	-	-	-	197	-	-
Economic development and assistance	-	-	65	-	-	-	-
Total expenditures	8	-	9,065	50	197	206	175
(Deficiency) excess of revenues	(2)	-	1,961	-	(186)	98	(175)
over expenditures	(2)	-	1,961	-	(186)	98	(175)
Net change in fund balance							
Fund balances – beginning of year	109	-	(1,613)	(50)	(14)	(67)	175
Prior period adjustments	-	-	-	-	-	-	-
Fund balances – beginning of year, as restated	109	-	(1,613)	(50)	(14)	(67)	175
Fund balances (deficit) – end of year	107	\$ -	\$ 348	\$ (50)	\$ (200)	\$ 31	\$ -

(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit C-4

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-major Grant Recipient Funds
(Amounts in thousands)

	Federal Transportation Authority	FHWA Federal Highway Commission	National Endowments for the Arts	Total
Revenues:				
Intergovernmental	\$ 471	\$ 105	-	\$ 38,187
Program income	-	-	-	497
Fines and forfeits	-	-	-	34
Interest income	-	-	-	8
Total revenues	471	105	-	38,726
Expenditures:				
General government	131	-	-	11,824
Public safety	-	-	-	1,677
Public works	-	-	-	1,674
Health and human services	-	100	-	14,206
Culture and recreation	-	-	-	373
Urban Development	-	-	-	671
Economic development and assistance	-	-	-	4,551
Total expenditures	131	100	-	34,976
(Deficiency) excess of revenues over expenditures	340	5	-	3,750
Net change in fund balance	340	5	-	3,750
Fund balances – beginning of year	(340)	(26)	-	(6,891)
Prior period adjustments	-	-	-	-
Fund balances – beginning of year, as restated	(340)	(26)	-	(6,891)
Fund balances (deficit) – end of year	-	(21)	-	(3,141)

See accompanying independent auditors' report.

FIDUCIARY FUNDS

CITY OF NEW ORLEANS, LOUISIANA

Combining Financial Statements

Fiduciary Funds
December 31, 2018

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, 2018
(Amounts in thousands)

Assets	Firefighters'		Police	Employees' Retirement System	Total
	Old System	New System			
Current assets:					
Cash	\$ 706	\$ 213	\$ 46	\$ 1	\$ 966
Investments:					
Cash equivalents	3,914	4,562	-	33,356	41,832
Fixed income securities	-	251	-	76,486	76,737
Equities	-	-	-	186,372	186,372
Mutual funds	-	19,147	-	-	19,147
Investment in corporations, partnerships, and limited liability companies	-	7,195	1,508	-	8,703
Investment in hedge funds and private equity funds	-	-	-	44,492	44,492
Investment in real estate	-	301	-	10,672	10,973
Other	-	-	-	22,361	22,361
Receivables:					
Accrued interest	-	-	-	135	135
Contribution	-	124	-	1,931	2,055
Due (to)/from Old/New System	410	(410)	-	-	-
Other	3	36	18	16	73
Total assets	<u>\$ 5,033</u>	<u>\$ 31,419</u>	<u>\$ 1,572</u>	<u>\$ 375,822</u>	<u>\$ 413,846</u>
Liabilities and Net Position					
Current liabilities:					
Accounts payable	\$ 5	\$ -	\$ 6	\$ -	\$ 11
Other payables and accruals	-	-	-	10,084	10,084
Total liabilities	<u>5</u>	<u>-</u>	<u>6</u>	<u>10,084</u>	<u>10,095</u>
Net position:					
Restricted for:					
Pension benefits	<u>5,028</u>	<u>31,419</u>	<u>1,566</u>	<u>365,738</u>	<u>403,751</u>
Total net position held in trust for pension benefits	<u>5,028</u>	<u>31,419</u>	<u>1,566</u>	<u>365,738</u>	<u>403,751</u>
Total liabilities and net position	<u>\$ 5,033</u>	<u>\$ 31,419</u>	<u>\$ 1,572</u>	<u>\$ 375,822</u>	<u>\$ 413,846</u>

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, 2018
(Amounts in thousands)

	Firefighters'		Police	Employees'	
	Old System	New System	Old System	Retirement System	Total
Additions:					
Contributions:					
Employer	\$ 16,149	\$ 33,190	\$ -	\$ 31,065	\$ 80,404
Members	-	3,052	-	8,247	11,299
Fire insurance rebate	609	913	-	-	1,522
Other	-	92	253	507	852
Total contributions	<u>16,758</u>	<u>37,247</u>	<u>253</u>	<u>39,819</u>	<u>94,077</u>
Investment income:					
Net appreciation (depreciation) in fair value of investments	-	(10,946)	22	(20,855)	(31,779)
Interest and dividends	70	609	-	6,051	6,730
Other investment income	-	-	-	153	153
Less: investment expense	<u>(1)</u>	<u>(2,310)</u>	<u>-</u>	<u>(939)</u>	<u>(3,250)</u>
Net investment income (loss)	<u>69</u>	<u>(12,647)</u>	<u>22</u>	<u>(15,590)</u>	<u>(28,146)</u>
Total additions	<u>16,827</u>	<u>24,600</u>	<u>275</u>	<u>24,229</u>	<u>65,931</u>
Deductions:					
Pension benefits	14,769	25,593	48	43,589	83,999
Refund of member contributions	-	184	-	1,966	2,150
Death benefits	42	36	-	288	366
Administrative expenses	322	566	112	244	1,244
DROP withdrawal	127	5,468	-	3,765	9,360
PLOP withdrawal	358	3,969	-	-	4,327
Transfers	-	100	140	467	707
Total deductions	<u>15,618</u>	<u>35,916</u>	<u>300</u>	<u>50,319</u>	<u>102,153</u>
Net increase (decrease)	1,209	(11,316)	(25)	(26,090)	(36,222)
Net position held in trust for pension benefits – beginning of year	<u>3,819</u>	<u>42,735</u>	<u>1,591</u>	<u>391,828</u>	<u>439,973</u>
Net position held in trust for pension benefits – end of year	<u>\$ 5,028</u>	<u>\$ 31,419</u>	<u>\$ 1,566</u>	<u>\$ 365,738</u>	<u>\$ 403,751</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, 2018
(Amounts in thousands)

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
Clearing fund:				
Assets:				
Cash	\$ 41,630	\$ 2,069,737	\$ 2,088,708	\$ 22,659
Accounts receivable	61	-	57	4
	<u>\$ 41,691</u>	<u>\$ 2,069,737</u>	<u>\$ 2,088,765</u>	<u>\$ 22,663</u>
Liabilities:				
Other payables and accruals	\$ 41,691	\$ 2,690,325	\$ 2,709,353	\$ 22,663
	<u>\$ 41,691</u>	<u>\$ 2,690,325</u>	<u>\$ 2,709,353</u>	<u>\$ 22,663</u>
Deposit fund:				
Assets:				
Cash	\$ 1,181	\$ 9,021	\$ 8,521	\$ 1,681
Investments	889	18	1	906
Accounts receivable	44	17	-	61
	<u>\$ 2,114</u>	<u>\$ 9,056</u>	<u>\$ 8,522</u>	<u>\$ 2,648</u>
Liabilities:				
Accounts payable	\$ 4	\$ -	\$ -	\$ 4
Other payables and accruals	2,110	5,123	4,589	2,644
	<u>\$ 2,114</u>	<u>\$ 5,123</u>	<u>\$ 4,589</u>	<u>\$ 2,648</u>
				(Continued)

See accompanying independent auditors' report.

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year ended December 31, 2018
(Amounts in thousands)

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
Escrow fund				
Assets:				
Cash	\$ 16,072	\$ 67,885	\$ 68,824	\$ 15,133
Investments	17,345	354	19	17,680
	<u>\$ 33,417</u>	<u>\$ 68,239</u>	<u>\$ 68,843</u>	<u>\$ 32,813</u>
Liabilities:				
Other payables and accruals	\$ 33,417	\$ 75,179	\$ 75,783	\$ 32,813
	<u>\$ 33,417</u>	<u>\$ 75,179</u>	<u>\$ 75,783</u>	<u>\$ 32,813</u>
Total all agency funds:				
Assets:				
Cash	\$ 58,883	\$ 2,146,643	\$ 2,166,053	\$ 39,473
Investments	18,234	372	20	18,586
Accounts receivable	105	17	57	65
	<u>\$ 77,222</u>	<u>\$ 2,147,032</u>	<u>\$ 2,166,130</u>	<u>\$ 58,124</u>
Liabilities:				
Accounts payable	\$ 4	\$ -	\$ -	\$ 4
Other payables and accruals	77,218	2,770,627	2,789,725	58,120
	<u>\$ 77,222</u>	<u>\$ 2,770,627</u>	<u>\$ 2,789,725</u>	<u>\$ 58,124</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, 2018
(Amounts in thousands)

	Downtown Development District	New Orleans Tourism Marketing Corporation	Orleans Parish Communication District	Municipal Yacht Harbor Management Corporation	French Market Corporation	New Orleans Building Corporation	Parking Facilities Corporation	Parish Hospital District for the Parish of Orleans District A	Total
Assets and Deferred Outflows of Resources									
Current assets:									
Cash	\$ 3,356	\$ 666	\$ 5,183	\$ 3,491	\$ 13,527	\$ 30,935	\$ 75,274	\$ 1,152	\$ 133,584
Investments	-	2,061	-	-	-	-	-	-	2,061
Receivables (net of allowances):									
Property taxes	493	-	-	-	-	-	-	-	493
Accounts	-	5,592	849	-	323	1,249	184	5,730	13,927
Accrued interest	-	-	-	-	-	98	-	-	98
Other	38	92	236	-	-	-	-	-	366
Due from other governments	-	-	323	-	-	469	-	-	792
Prepaid expenses and deposits	115	1,411	238	84	181	88	-	863	2,980
Other assets	-	-	-	35	-	-	-	959	994
Total current assets	4,002	9,822	6,829	3,610	14,031	32,839	75,458	8,704	155,295
Restricted cash and investments:									
Customer deposits	-	-	-	-	-	1,000	5,069	-	6,069
Future debt service account	231	-	-	-	-	-	-	-	231
Other	-	-	-	-	-	13,956	-	4,346	18,302
Total restricted assets	231	-	-	-	-	14,956	5,069	4,346	24,602
Property, plant, and equipment – at cost, less accumulated depreciation	454	-	16,130	46	20,755	48,389	39,817	112,790	238,581
Other assets	-	-	-	1	-	-	1,278	27	1,306
Total assets	4,687	9,822	22,959	3,657	34,786	96,384	121,622	125,867	419,784
Deferred outflows of resources:									
Deferred amounts related to net pension liability	-	-	10,700	-	1,772	-	-	-	12,472
Total deferred outflows of resources	-	-	10,700	-	1,772	-	-	-	12,472
Total assets and deferred outflows of resources	\$ 4,687	\$ 9,822	\$ 33,659	\$ 3,657	\$ 36,558	\$ 96,384	\$ 121,622	\$ 125,867	\$ 432,256

See accompanying independent auditors' report.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA
Combining Statement of Net Position
Non-major Component Units
December 31, 2018
(Amounts in thousands)

	Downtown Development District	New Orleans Tourism Marketing Corporation	Orleans Parish Communication District	Municipal Yacht Harbor Management Corporation	French Market Corporation	New Orleans Building Corporation	Parking Facilities Corporation	Parish Hospital District for the Parish of Orleans District A	Total
Liabilities, Deferred Inflows, and Net Position									
Current liabilities (payable from current assets):									
Accounts payable	\$ 922	\$ 1,192	\$ 1,017	\$ 58	\$ 379	\$ 322	\$ 5,974	\$ 3,560	\$ 13,424
Other payables and accruals	86	-	533	129	135	2,547	3,327	30,154	36,911
Due to other governments	-	2,552	-	-	1,285	-	-	-	3,837
Total current liabilities	1,008	3,744	1,550	187	1,799	2,869	9,301	33,714	54,172
Current liabilities (payable from current assets)									
Accrued interest	-	-	13	-	-	-	1,301	-	1,314
Bonds payable, current portion	365	-	905	853	-	-	-	-	2,123
Deposits and other	-	-	-	20	291	-	-	-	311
Total current liabilities (payable from restricted assets)	365	-	918	873	291	-	1,301	-	3,748
Total current liabilities	1,373	3,744	2,468	1,060	2,090	2,869	10,602	33,714	57,920
Long-term liabilities:									
Revenue bonds (net of current portion)	2,875	-	-	-	-	-	115,881	74	118,830
Net pension liability	-	-	15,457	-	4,138	-	-	-	19,595
Other	-	122	634	-	305	33,770	-	93,380	128,211
Total long-term liabilities	2,875	122	16,091	-	4,443	33,770	115,881	93,454	266,636
Total liabilities	4,248	3,866	18,559	1,060	6,533	36,639	126,483	127,168	324,556
Deferred inflows of resources:									
Deferred amounts related to net pension liability	-	-	962	-	644	-	-	-	1,606
Unavailable revenue	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	962	-	644	-	-	-	1,606
Net position:									
Net investment in capital assets	454	-	15,225	47	20,755	48,589	-	19,411	104,481
Restricted for bond debt service	231	-	944	635	-	-	-	4,346	6,156
Operations reserve	-	-	-	-	-	1,000	-	-	1,000
Unrestricted	(246)	5,956	(2,031)	1,915	8,626	10,156	(4,861)	(25,058)	(5,543)
Total net position	439	5,956	14,138	2,597	29,381	59,745	(4,861)	(1,301)	106,094
Total liabilities, deferred inflows of resources, and net position	\$ 4,687	\$ 9,822	\$ 33,659	\$ 3,657	\$ 36,558	\$ 96,384	\$ 121,622	\$ 125,867	\$ 432,256

See accompanying independent auditors' report.

CITY OF NEW ORLEANS
Combining Statement of Activities
Non-major Component Units
Year ended December 31, 2018
(Amounts in thousands)

	Program Revenues		Net (expense) revenue and changes in net position												
	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	New Orleans Building Corporation	Parish Hospital District for the Parish of Orleans District A		Total
					Expenses										
Component units:															
Downtown Development District	\$ 8,518	\$ -	\$ 190	\$ -	\$ (8,328)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,328)
New Orleans Tourism Marketing Corporation	22,475	-	-	-	-	(22,475)	-	-	-	-	-	-	-	-	(22,475)
Orleans Parish Communication District	17,606	-	-	-	-	-	-	(11,558)	-	-	-	-	-	-	(11,558)
Municipal Yacht Harbor Management Corporation	676	738	-	-	-	-	-	-	62	-	-	-	-	-	62
French Market Corporation	9,052	10,627	-	-	-	-	-	-	-	1,575	-	-	-	-	1,575
New Orleans Building Corporation	53,274	20,141	-	-	-	-	-	-	-	-	(33,133)	-	-	-	(33,133)
Parking Facilities Corporation	12,778	11,881	-	-	-	-	-	-	-	-	-	-	(897)	-	(897)
Parish Hospital District for the Parish of Orleans	78,276	67,038	340	1,050	-	-	-	-	-	-	-	-	(9,848)	-	(9,848)
Total component units	\$ 202,655	\$ 116,473	\$ 530	\$ 1,050	\$ (8,328)	\$ (22,475)	\$ (11,558)	\$ 62	\$ 1,575	\$ (33,133)	\$ (897)	\$ (9,848)	\$ (84,602)		
General revenue (expense):															
Interest revenue				60	32	61	-	41	151	-	-	17	362		
Property taxes				7,437	-	-	-	-	-	-	-	-	7,437		
Other				-	22,712	9,716	-	-	-	-	366	743	33,537		
Total general revenues (expense)				7,497	22,744	9,777	-	41	151	-	366	760	41,336		
Changes in net position															
				(831)	269	(1,781)	62	1,616	(32,982)	(531)	(9,088)	(43,266)			
Net position – beginning				1,240	5,687	15,919	2,535	27,765	92,727	(4,330)	10,809	152,352			
Prior period adjustments				30	-	-	-	-	-	-	(3,022)	(2,992)			
Net position – beginning, as restated				1,270	5,687	15,919	2,535	27,765	92,727	(4,330)	7,787	149,360			
Net position – ending				\$ 439	\$ 5,956	\$ 14,138	\$ 2,597	\$ 29,381	\$ 59,745	\$ (4,861)	\$ (1,301)	\$ 106,094			

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

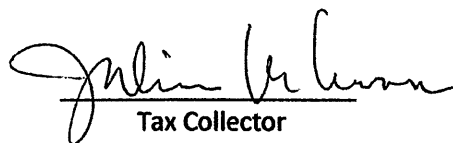
For the year ended December 31, 2018

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

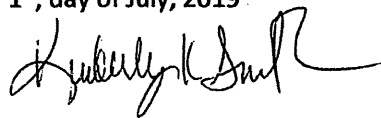
I, Julius Nunn, Tax Collector for the Parish of Orleans, do solemnly swear that the information reflected in the Summary of Ad Valorem Tax Collections Remitted to Other Taxing Authorities, included in the footnotes of the City of New Orleans "Basic Financial Statement, "is true and correctly reflects all taxes collected and distributed to my office during the period January1, 2018 to December 31, 2018 and that the cash available for the settlement of the unsettled collections amounted to \$15,348,000. as of December 31, 2018.

The amount of taxes collected through tax sales in 2018 totaled \$1,866,178.

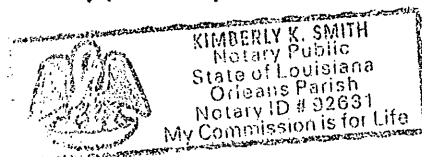
The amount of interest on late ad valorem tax payments that was collected and disbursed during 2018 totaled \$3,270,406.


Tax Collector

Sworn to and subscribed before me, this
1st, day of July, 2019



Notary (affix seal)



SCHEDULE OF COMPENSATION PAID TO CITY COUNCIL

CITY OF NEW ORLEANS, LOUISIANA

Schedule of Compensation Paid to City Council

Year ended December 31, 2018

New Orleans City Council	Compensation	Term
Stacy S. Head, Councilmember-at-Large	\$ 35,963	January 1, 2018 - May 7, 2018
Helena Moreno, Councilmember-at-Large	58,714	May 7, 2018 - December 31, 2018
Jason R. Williams, Councilmember-at-Large	94,677	January 1, 2018 - December 31, 2018
Susan G. Guidry, Councilmember - District A	35,963	January 1, 2018 - May 7, 2018
Joseph I. Giarrusso III, Councilmember - District A	58,714	May 7, 2018 - December 31, 2018
Latoya W. Cantrell, Councilmember - District B	35,963	January 1, 2018 - May 7, 2018
Jay H. Banks, Councilmember - District B	58,714	May 7, 2018 - December 31, 2018
Nadine M. Ramsey, Councilmember - District C	35,963	January 1, 2018 - May 7, 2018
Kristin Gisleson Palmer, Councilmember - District C	58,714	May 7, 2018 - December 31, 2018
Jared C. Brossett, Councilmember - District D	94,667	January 1, 2018 - December 31, 2018
James A. Gray II, Councilmember - District E	35,963	January 1, 2018 - May 7, 2018
Cyndi Nguyen, Councilmember - District E	58,714	May 7, 2018 - December 31, 2018
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, 2018

Mayor LaToya Cantrell (May 7, 2018 - December 31, 2018)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 102,410
Benefits - insurance	5,538
Benefits - retirement	23,812
Benefits - Social Security, Medicare, Workers' Compensation	7,489
Per Diem	776
Reimbursements	562
Vehicle provided by government	8,685
Travel	6,362
Registration fees	1,050
Conference travel	3,808
Cell phone	476
Fuel	1,258
Total	<u>\$ 162,226</u>

Mayor Mitch Landrieu (January 1, 2018 - May 7, 2018)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 64,646
Benefits - insurance	3,462
Benefits - retirement	14,883
Benefits - Social Security, Medicare, Workers' Compensation	5,061
Per Diem	1,218
Vehicle provided by government	4,312
Travel	6,886
Cell phone	202
Fuel	588
Total	<u>\$ 101,258</u>

See accompanying independent auditors' report.

STATISTICAL SECTION

(unaudited)

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, Governmental Funds

Table 4 Schedule of Changes in Fund Balance, 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

Sources: Orleans Parish School Board, Orleans Levee District, SWB and BOL CAFR

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's 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 City of New Orleans Full time Employees by Department or Component Unit

Table 15 City of New Orleans 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

Exhibit E-1

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(expressed in thousands)
(unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 641,513	\$ 741,516	\$ 826,219	\$ 890,521	\$ 894,662	\$ 929,620	\$ 933,606	\$ 914,834	\$ 955,314	\$ 1,269,531
Restricted	85,692	60,839	59,140	81,294	113,204	124,597	113,437	114,897	76,485	162,247
Unrestricted	(929,327)	(744,250)	(777,932)	(943,237)	(823,058)	(1,354,503)	(1,344,840)	(1,231,601)	(1,320,819)	(1,420,011)
Total governmental activities net position	\$ (202,122)	\$ 58,105	\$ 107,427	\$ 28,578	\$ 184,808	\$ (300,086)	\$ (297,797)	\$ (201,870)	\$ (289,020)	\$ 11,767
Primary government										
Invested in capital assets, net of related debt	\$ 641,513	\$ 741,516	\$ 826,219	\$ 890,521	\$ 894,662	\$ 936,247	\$ 933,606	\$ 914,834	\$ 955,314	\$ 1,269,531
Restricted	85,692	60,839	59,140	81,294	113,204	124,597	113,437	114,897	76,485	162,247
Unrestricted	(929,327)	(744,250)	(777,932)	(943,237)	(823,058)	(764,975)	(1,344,840)	(1,231,601)	(1,320,819)	(1,420,011)
Total primary government net position	\$ (202,122)	\$ 58,105	\$ 107,427	\$ 28,578	\$ 184,808	\$ 295,869	\$ (297,797)	\$ (201,870)	\$ (289,020)	\$ 11,767

Source : City of New Orleans Bureau of Accounting

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

(expressed in thousands)

(unaudited)

Expenses	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
General government	\$ 302,394	\$ 321,303	\$ 242,417	\$ 382,386	\$ 247,118	\$ 260,852	\$ 311,617	\$ 234,282	\$ 381,449	\$ 323,826
Public Safety	214,899	224,915	236,058	233,745	230,231	229,968	295,707	264,860	271,886	313,849
Public Works	136,344	124,952	126,080	134,130	124,136	123,826	141,746	146,064	149,164	147,410
Health and Human Services	20,682	19,084	21,678	26,805	27,981	29,587	31,806	32,492	35,803	39,904
Culture and recreation	25,392	23,577	21,575	24,576	23,403	26,021	27,500	30,228	35,274	35,017
Urban development and housing	47,544	40,114	32,682	33,538	23,891	24,968	28,539	22,090	22,212	23,837
Economic development	24,321	10,329	8,680	8,793	12,731	8,488	7,933	7,434	10,295	10,885
Interest and fiscal charges	73,590	76,276	69,621	66,996	60,546	62,647	61,926	60,607	60,567	60,078
Total primary government expenses	843,166	840,550	758,791	910,969	750,037	766,357	906,774	798,057	966,650	954,806
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	71,578	46,153	69,191	73,770	70,692	67,016	71,912	74,010	68,411	72,623
Public Safety	28,336	17,602	37,947	36,845	22,331	19,113	28,826	29,501	37,486	40,269
Public Works	25,373	32,218	36,753	36,756	37,015	34,571	41,570	46,353	58,570	50,100
Health and Human Services	8,535	9,862	9,873	7,967	8,003	14,792	13,856	14,692	16,652	15,556
Culture and recreation	310	235	309	861	814	1,025	1,033	898	964	863
Urban development and housing	-	-	60	-	1,735	2,605	3,304	3,204	4,023	2,520
Economic development	116	890	-	2,007	-	-	-	-	70	-
Operating grants and contributions	143,482	170,164	142,497	143,964	139,577	119,512	125,122	107,845	94,041	145,672
Capital grants and contributions	51,230	111,859	75,728	90,434	141,650	119,963	54,091	46,127	78,308	122,873
Total primary government program revenues	328,960	388,983	372,358	392,604	421,817	378,597	339,714	322,630	358,525	450,476
Net Revenue (Expense)	(516,206)	(451,567)	(386,433)	(518,365)	(328,220)	(387,760)	(567,060)	(475,427)	(608,125)	(504,330)
Total primary government										
General Revenues										
Governmental Activities:										
Property Taxes	145,956	175,863	187,199	180,318	204,335	209,059	212,507	248,493	265,555	277,047
Sales Taxes	133,868	147,453	153,955	163,128	176,465	193,183	204,293	203,235	218,051	233,375
Other Taxes	45,332	49,567	45,787	46,953	57,134	55,875	53,616	55,927	50,659	60,840
Investment Earnings	32,791	5,301	(770)	13,470	15,231	16,851	19,724	22,705	25,232	29,188
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Miscellaneous	65,785	67,695	47,296	29,674	29,199	22,649	79,209	40,994	34,834	30,678
Gain (loss) on impairment	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sales of capital assets	-	-	-	-	-	-	-	-	-	-
Forgiveness of Debt	-	265,915	2,288	5,973	2,086	-	-	-	-	-
Transfers in/out	-	-	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	2,600	-	-	-	172,000
Total general revenues, transfers, and special items	423,732	711,794	435,755	439,516	484,450	500,217	569,349	571,354	594,331	803,128
Change in Net Position	\$ (92,474)	\$ 260,227	\$ 49,322	\$ (78,849)	\$ 156,230	\$ 112,457	\$ 2,289	\$ 95,927	\$ (13,794)	\$ 298,798

Source : City of New Orleans Bureau of Accounting

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-3

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

General Fund	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Reserved	\$ 680	\$ 530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Designated for subsequent year										
Undesignated	15,933	13,619	-	-	-	-	-	-	-	-
(8,677)	(8,677)	(25,210)	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	18,345
Restricted	-	-	-	-	-	-	250	250	31,646	31,645
Committed	-	-	13,934	10,661	6,036	4,735	2,080	4,769	12,338	23,192
Assigned	-	-	-	-	-	27,634	38,196	47,899	51,861	58,142
Unassigned	-	-	(17,344)	(19,997)	10,926	10,615	35,047	21,067	(20,158)	(33,346)
Total general fund	7,936	(11,061)	(3,410)	(9,336)	16,962	42,984	75,573	73,985	75,687	97,978
All Other Governmental Funds										
Reserved	130,974	149,398	-	-	-	-	-	-	-	-
Unreserved reported in:										
HUD	(385)	(7,493)	-	-	-	-	-	-	-	-
Federal UDAG	-	-	-	-	-	-	-	-	-	-
FEMA	(49,882)	(55,328)	-	-	-	-	-	-	-	-
CDL	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital Projects	66,185	55,119	-	-	-	-	-	-	-	-
Louisiana Office of Community Development	(1,169)	(14,190)	-	-	-	-	-	-	-	-
Non-major Governmental	17,582	20,231	-	-	-	-	-	-	-	-
No spendable	-	-	6,886	5,368	2,407	1,632	1,636	1,083	1,086	7,032
Restricted	-	-	122,991	146,778	137,113	152,806	139,243	125,103	83,388	171,601
Committed	-	-	17,891	25,402	58,882	81,597	133,220	167,272	148,283	33,034
Assigned	-	-	4,022	3,164	225	315	308	725	715	718
Unassigned	-	-	(78,511)	(64,424)	(36,557)	(30,271)	(37,176)	(19,807)	(38,282)	(36,849)
Total all other government funds	\$ 163,305	\$ 147,737	\$ 73,279	\$ 116,288	\$ 162,070	\$ 206,079	\$ 237,231	\$ 274,376	\$ 195,190	\$ 175,536

Source : City of New Orleans Bureau of Accounting

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-4

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes	\$ 305,240	\$ 333,849	\$ 360,944	\$ 372,012	\$ 396,973	\$ 424,204	\$ 446,239	\$ 472,836	\$ 501,782	\$ 533,034
Licenses and permits	54,136	58,117	57,219	56,612	62,963	62,428	60,597	65,821	71,220	76,705
Intergovernmental	237,485	261,670	212,684	273,457	265,594	224,706	177,624	152,413	144,797	256,142
Charges for services	48,189	50,417	72,171	74,164	78,906	81,351	85,753	91,491	90,482	93,026
Program income	1,182	145	4,898	82	1,942	6,541	620	1,640	938	834
Fines and forfeits	26,619	33,565	38,824	37,766	35,977	32,603	44,701	41,444	46,463	44,250
Interest income	4,906	1,203	684	461	300	417	540	1,882	2,801	5,006
Contributions, gifts, donations	3,249	3,860	2,742	3,092	3,687	4,088	4,737	7,087	6,842	6,295
Miscellaneous and other	34,801	67,233	41,808	33,295	28,367	49,916	85,081	46,891	36,649	40,806
Total Revenues	715,807	810,059	791,974	850,941	874,799	886,254	905,892	881,505	901,974	1,056,098
EXPENDITURES										
General government	231,838	245,451	226,518	238,166	207,631	233,012	264,663	276,604	263,484	284,385
Public safety	210,363	220,734	235,946	229,457	226,831	226,854	250,164	270,897	296,338	306,544
Public works	77,851	65,730	64,811	75,217	65,903	67,183	78,728	84,132	87,946	86,248
Health and human services	20,682	19,084	21,678	26,785	27,981	29,587	31,806	32,492	35,803	39,539
Culture and recreation	23,784	22,047	20,048	23,027	22,016	24,666	26,193	29,121	34,265	33,610
Urban development and housing	47,544	40,114	33,439	35,424	23,891	24,968	28,539	22,090	22,212	23,837
Economic development and assistance	24,321	10,329	9,243	8,793	12,731	8,488	7,933	7,434	10,295	10,885
Capital projects	151,878	140,928	142,715	96,535	152,947	135,780	108,485	85,905	110,820	158,445
Debt service:										
Principal	45,072	53,019	56,775	46,198	47,103	55,820	47,745	50,831	74,187	52,942
Interest and fiscal charges	66,495	69,374	63,536	63,205	57,004	61,151	68,808	62,590	60,031	58,130
Total Expenditures	899,828	886,810	874,709	842,807	844,038	867,509	913,064	922,096	995,381	1,054,565
Revenue over (under) expenditures	(184,021)	(76,751)	(82,735)	8,134	30,761	18,745	(7,172)	(40,591)	(93,407)	1,533
OTHER FINANCING SOURCES (USES)										
Transfers in	26,844	72,319	21,048	28,219	55,067	66,413	76,726	82,409	4,444	6,420
Transfers in from component unit	42,269	40,726	-	-	-	-	-	-	-	-
Transfers out	(26,844)	(72,319)	(21,048)	(28,219)	(55,067)	(66,413)	(76,726)	(82,409)	(4,444)	(6,420)
Issuance of notes payable	8,458	975	-	3,500	-	12,500	-	-	19,200	-
Issuance of Go Zone Notes	334	485	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-	-	-
Issuance of bonds	-	-	15,995	363,725	40,000	40,000	162,457	135,125	-	-
Premium/Discount on issuance of long-term debt	-	-	-	25,800	263	182	9,617	6,007	-	-
Debt service assistance loan	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	(319,178)	-	-	(99,488)	(60,679)	-	-
Federal subsidy - Build America Bonds	-	-	-	-	1,012	-	-	-	-	-
Other, net	-	-	(67)	1,102	44	-	-	-	-	-
Total other financing sources (uses)	51,061	42,186	15,928	74,949	41,319	52,682	72,586	80,453	19,200	-
Special Items										
Termination of interest rate swap	-	-	-	46,000	-	-	-	-	-	-
Net change in fund balances	\$ (132,960)	\$ (34,565)	\$ (66,807)	\$ 37,083	\$ 72,080	\$ 71,427	\$ 65,414	\$ 39,862	\$ (74,207)	\$ 1,533
GASB 44 debt service disclosure	14.92%	16.41%	16.44%	14.74%	15.06%	15.99%	14.49%	13.56%	15.17%	12.39%

Source : City of New Orleans Bureau of Accounting

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-5

Assessed Value and Estimated Actual Value of Taxable Property

Year	Real Estate		Personal Property		Public Service Corporations		Exemption (\$)	Estimated Actual Value (\$) *	Assessed Value (\$)	Net Assessed Value (\$)
	Estimated Fair Market Value (\$)	Total Assessed Value (\$)	Estimated Fair Market Value (\$)	Total Assessed Value (\$)	Total Assessed Value (\$)	Total Assessed Value (\$)				
2009	21,896,630,780	2,349,536,358	2,697,334,439	404,600,166	152,439,600	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	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	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	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	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	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	170,541,020	458,941,272	32,149,759,367	3,790,273,230	3,331,331,958
2016	28,607,113,989	3,376,000,510	2,266,157,700	456,453,540	169,105,350	169,105,350	468,352,645	30,873,271,689	4,001,559,400	3,533,206,755
2017	32,308,258,367	3,481,746,390	3,167,096,334	471,985,530	175,685,210	175,685,210	475,463,500	35,475,354,701	4,129,417,130	3,653,953,630
2018	33,390,091,967	3,592,392,910	2,509,978,134	497,655,080	173,902,710	173,902,710	474,928,030	35,900,070,101	4,263,950,700	3,789,022,670

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

Source: Louisiana Tax Commission Report (2009-2018)

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-6

Property Tax Rates - Direct and Overlapping Governments

Property tax rates:	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City alimony	13.91	13.91	15.1	15.1	15.1	15.1	15.1	15.1	11.72	11.72
Interest and redemption city bond.	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	23.8
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	4.27	4.27	4.27	3.11	3.11
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	2.13	2.13	2.13	1.55	1.55
Special tax, Police without Homestead Exemption: Police protection	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26	3.98	3.98
Special tax, Fire without Homestead Exemption: Additional millages for fire protection	7.71	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	3.94
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	0.32	0.32
Special tax to establish and maintains an aquarium by the Audubon Commission	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99	2.99
Special dedicated tax to operate the Public Library	5.64	5.64	5.64	3.14	3.14	3.14	3.14	3.14	3.14	3.14
Capital Improvements & Infrastructure Trust Fund	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82
Special tax, Neighborhood Housing Improvement	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Special tax, New Orleans Economic Development Fund	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Special tax, Parkways and Park and Recreation Department	3	3	3	3	3	3	3	3	2.18	2.18
Special tax, Street and Traffic Control Device Maintenance	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.38	1.38
Special tax for maintenance, operations and extension of the drainage system	16.23	11.77	16.43	16.43	16.43	16.43	16.43	16.43	16.43	16.03
Total direct property tax rates	92.5	85.54	91.39	88.89	88.89	88.89	88.89	88.89	81.15	77.78
Special tax to provide funds for Board of funds for Board of Assessors										
Special tax, Law Enforcement District of Orleans Parish	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.9
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	45.31	45.31	45.31	44.81	43.6	44.12	44.12	38.47
Sub Total overlapping property tax rates	48.11	48.11	48.11	48.11	48.11	47.71	46.5	47.02	47.02	41.37
Orleans Levee Board										
Orleans Levee District (Eastbank)	12.28	12.28	12.28	11.67	11.67	11.67	11.67	11.67	11.67	10.95
Algiers Levee District (Westbank)	12.56	12.56	6.21	12.56	12.56	12.36	12.76	12.76	12.76	9.28
Total Overlapping property tax rates	60.39	60.39	60.39	59.78	59.78	59.38	58.17	58.69	58.69	52.32
Eastbank	60.67	60.67	54.32	60.67	60.67	60.07	59.26	59.78	59.78	50.65
Westbank										
Total Eastbank	152.89	145.93	151.78	148.67	148.67	148.27	147.06	147.58	139.84	130.1
Total Westbank	153.17	146.21	145.71	149.56	149.56	148.96	148.15	148.67	140.93	128.43

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

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-7

Principal Property Taxpayers
And 10 Years Before
(Amounts in thousands)

(Unaudited)

Name of Taxpayer	Type of business	2018		
		Taxable Assessed Value (\$)	Rank	Percentage of total assessed value
Entergy	Electric and gas utilities	114,444	1	3.02%
Capital One Bank	Financial Institution	47,329	2	1.25%
Marriott Hotel	Hospitality	32,944	3	0.87%
BellSouth	Telephone utilities	31,242	4	0.82%
Whitney Bank/Hancock Bank	Financial Institution	30,697	5	0.81%
Harrah's	Hospitality & Gaming	26,582	6	0.70%
J P Morgan Chase Bank	Financial Institution	22,068	7	0.58%
Folger Coffee	Coffee Roasting Plant	19,740	8	0.52%
International Rivercenter	Real Estate	18,105	9	0.48%
Sheraton Hotel	Hospitality	16,899	10	0.45%

Name of Taxpayer	Type of business	2008		
		Taxable Assessed Value (\$)	Rank	Percentage of total assessed value
Energy Services	Electric and gas utilities	63,918	1	2.51
BellSouth Telecommunications	Telephone utilities	57,127	2	2.25
Hibernia National Bank	Financial institution	46,409	3	1.82
Harrah's Entertainment	Hospitality and gaming	35,163	4	1.38
Whitney National Bank	Financial institution	41,221	5	1.62
CS&M Association (Sheraton)	Real Estate	19,907	6	0.78
International River Center	Real Estate	19,196	7	0.76
Marriott Hotel Properties	Hospitality	19,173	8	0.76
J P Morgan Chase Bank	Financial institution	13,723	9	0.54
SHC New Orleans (Hyatt)	Hospitality	10,877	10	0.43

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

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-8

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

(unaudited)

Fiscal Year	Total levied (\$)	Collected within		Collections in Subsequent Years	Total Collections to Date	
		Fiscal year of the Levy Amount (\$)	Percent		Amount (\$)	Percentage of Levy
Real estate taxes:						
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%	8,642	374,260	97.74%
2014	393,304	375,815	95.55%	0	375,815	95.6%
2015	422,306	397,843	94.21%	11,168	409,011	96.9%
2016	457,800	442,153	96.58%	13,137	455,290	99.5%
2017	480,924	458,767	95.39%	7,711	466,478	97.0%
2018	497,718	469,414	95.39%	6,567	475,981	95.6%
Personal property taxes:						
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%	0	81,926	96.82%
2015	86,961	81,773	94.03%	1,002	82,775	95.19%
2016	92,428	88,797	96.07%	744	89,541	96.88%
2017	96,441	92,123	95.52%	827	92,950	96.38%
2018	101,280	100,453	99.18%	499	100,952	99.68%

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

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-9

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

<u>Fiscal year</u>	<u>Population*</u>	Assessed value real estate and personal property	General obligation bonded debt	Ratio of bonded debt to assessed value	Bonded debt per capita (1)
2008	312	2,844,876	523,955	18.42	1,679
2009	327	2,921,471	508,019	17.39	1,554
2010	343	3,041,047	529,219	17.40	1,543
2011	356	3,139,338	509,544	16.23	1,431
2012	369	3,334,929	470,077	14.10	1,274
2013	379	3,526,858	489,463	13.88	1,291
2014	384	3,579,163	507,081	14.17	1,321
2015	390	3,790,273	536,326	14.15	1,375
2016	391	3,832,454	577,562	15.07	1,477
2017	393	3,953,732	550,864	13.93	1,402
2018	391	4,090,048	523,950	12.81	1,340

Source: United States Census Bureau / Louisiana Tax Commission Report / City of New Bureau of Accounting

(1) 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

Exhibit E-10

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of New Orleans:										
General Obligation, limited tax, and revenue bonds**	\$ 672,664	\$ 685,609	\$ 673,279	\$ 695,587	\$ 712,508	\$ 734,035	\$ 761,663	\$ 799,115	\$ 766,349	\$ 732,477
Sewerage and Water Board	21,525	20,290	18,990	17,630	16,205	14,365	12,750	11,100	9,410	7,665
Audubon Commission	51,813	48,775	49,316	28,343	26,035	23,005	19,860	16,615	13,590	10,405
Total direct City debt	746,002	754,674	741,585	741,560	754,748	771,405	794,273	826,830	789,349	750,547
Overlapping Debt: * (1)										
Orleans Parish School Board	170,898	155,411	120,130	183,796	168,939	153,803	140,575	130,670	120,295	109,415
Southeast Louisiana Flood Protection Authority East	48,665	3,745	3,120	-	-	-	-	-	-	-
Total overlapping debt	219,563	159,156	123,250	183,796	168,939	153,803	140,575	130,670	120,295	109,415
Total direct and overlapping debt	\$ 965,565	\$ 913,830	\$ 864,835	\$ 925,356	\$ 923,687	\$ 925,208	\$ 934,848	\$ 957,500	\$ 909,644	\$ 859,962

* 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, Orleans Levee District, SWB, and BOL CAFR

(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

Exhibit E-11

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 Bds. (\$)	Legal debt margin (\$)
			General Obligation Bonds *** (\$)	Effects of Accretion Discount Bonds (\$)	Deep		
2009	2,906,576	1,020,858	508,019	181,946	32,802	363,695	
2010	3,041,047	1,098,156	529,219	163,361	30,188	435,764	
2011	3,139,339	1,168,903	509,544	144,316	29,859	544,902	
2012	3,334,929	1,232,669	470,077	124,844	30,826	668,574	
2013	3,526,858	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	1,341,359	536,326	55,645	45,825	795,213	
2016	3,832,454	1,383,806	577,562	38,964	33,016	800,296	
2017	3,953,732	1,431,517	550,864	20,445	44,417	904,625	
2018	4,090,048	1,395,577	523,950	-	62,161	933,787	
2019****	3,987,362						

Sources: Louisiana Tax Commission Report and Board of Liquidation CAFR

* 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 2019 was based on the 2018 assessment, which was available by the end of Fiscal Year 2018.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-12

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>
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	46,684	4.6
2016	391	**	5.1
2017	393	**	4.7
2018	391	**	4.2

Source:

* BLS 2000, 2010 Census and Projections

** 2016 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

Exhibit E-13

Employees by Industry
Last Ten Years

(unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016 *	2017 *	2018 *
Agriculture, forestry, fishing and hunting	26	22	32	39	66	86	68	607	627	602
Mining	3,618	3,253	2,867	2,391	2,431	2,589	2,144	6,637	4,285	4,738
Utilities	1,163	918	906	921	920	933	962	3,984	3,991	3,999
Construction	5,285	5,388	5,419	5,357	5,653	6,031	4,935	33,835	29,319	30,257
Manufacturing	5,929	4,959	4,536	4,031	4,048	4,187	4,114	30,500	30,229	29,709
Wholesale trade	4,002	3,881	3,896	3,750	3,547	3,845	3,835	22,084	21,122	21,003
Retail trade	12,284	12,057	12,428	12,926	13,595	14,965	15,792	65,649	63,201	61,093
Transportation and warehousing	7,885	7,827	8,259	8,448	8,625	9,049	9,191	27,781	26,815	27,018
Information	3,033	3,644	3,724	4,700	4,449	3,442	4,646	9,559	7,865	8,150
Finance and insurance	5,546	5,475	5,468	5,409	5,100	5,570	5,993	18,467	18,355	17,776
Real estate and rental and leasing	2,222	2,241	2,460	2,587	2,695	2,963	3,028	9,078	8,798	8,701
Professional and technical services	13,815	14,410	14,709	14,671	16,004	15,990	16,040	33,369	32,534	31,257
Management of companies and enterprises	3,404	3,335	3,396	3,348	3,015	2,609	2,760	7,785	8,319	8,203
Administrative and waste services	9,248	9,338	9,439	9,864	10,026	10,846	12,157	34,430	31,979	32,726
Educational services	20,530	20,829	20,997	21,303	22,357	21,950	23,026	44,803	44,130	44,470
Health care and social assistance	20,858	20,796	21,171	21,239	20,759	22,867	24,231	75,837	77,651	77,596
Arts, entertainment, and recreation	4,696	4,955	4,975	5,056	5,608	5,722	6,215	13,283	13,392	13,239
Accommodation and food services	27,300	28,949	31,410	33,162	33,725	35,214	37,988	73,868	74,839	76,056
Other services, except public administration	5,046	5,082	5,277	5,509	5,497	5,495	6,051	15,634	15,141	15,034
Public administration	12,222	12,796	12,308	12,154	12,053	11,965	12,094	25,482	25,451	25,517
Total	168,587	170,413	173,677	176,865	180,173	186,318	195,270	552,672	538,043	537,144

Source: Louisiana Workforce Commission

* Information includes the New Orleans Regional Metropolitan Area:

Jefferson, Orleans, Plaquemines, St. Bernard St. Charles, St. James, St. John the Baptist and St. Tammany Parishes.

CITY OF NEW ORLEANS, LOUISIANA

Exhibit E-14

Full Time City Employees by Department or Component Unit
Last Ten Years

(unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Aviation	117	114	186	164	161	170	148	163	170	187
Chief Administrative Office	76	89	96	99	96	98	95	110	98	105
City Council	62	63	63	63	63	71	65	64	51	60
City Planning	21	20	22	22	20	16	22	20	23	24
Civil Service	21	23	19	18	17	22	23	25	27	30
Neighborhood One/NHIF	100	102	104	110	106	101	103	108	105	103
Coroner's Office	15	14	15	14	15	17	19	19	20	19
Criminal District Court/Clerk	89	89	90	87	81	67	74	73	72	73
Finance	90	90	125	114	115	110	110	111	115	125
Fire	731	750	753	711	662	635	601	584	612	586
French Market	31	31	40	40	47	55	54	53	51	52
Health	219	218	202	219	227	239	184	178	209	216
Historic Districts	9	10	8	8	9	9	9	9	10	11
Inspector General	28	23	34	34	34	31	27	31	24	23
Juvenile Court	25	47	44	46	40	31	29	28	27	28
Law	69	62	62	60	59	60	68	67	66	72
Library	128	150	162	192	191	190	184	193	199	208
Mayor's Office	119	131	168	165	177	186	190	190	222	253
Recreation	108	109	132	127	147	176	101	139	136	131
Mosquito Control	2	32	28	32	26	31	22	30	23	26
Municipal Court	96	56	46	46	48	63	49	46	37	80
Museum of Art	16	14	12	11	9	9	10	6	3	3
Parks and Parkways	124	124	124	124	124	124	124	122	130	135
Police	1,839	1,725	1,591	1,498	1,432	1,419	1,511	1,471	1,442	1,459
Police Secondary Employment	0	0	0	0	9	9	11	10	9	8
Property Management	74	72	69	68	65	59	70	68	81	78
Public Works	138	129	124	115	124	123	188	208	196	181
Rivergate Development Corp.	2	4	4	4	4	4	4	4	4	4
Safety and Permits	96	95	81	82	84	81	83	91	101	94
Sanitation	28	27	26	24	31	33	42	54	50	50
Sewer and Water Board	963	985	999	991	1,024	1,060	1,183	1,108	1,179	1,210
Traffic Court	83	88	86	72	69	69	61	53	47	47
Vieux Carre	4	4	5	5	4	4	5	6	6	6
Welfare	31	36	44	41	37	38	32	33	39	56
Workforce Investment Act	7	6	6	5	7	4	6	7	7	5
Yacht Harbor	2	3	4	4	4	4	4	4	3	3
	5,563	5,535	5,574	5,415	5,368	5,418	5,511	5,486	5,594	5,751

Source : City of New Orleans Department of Civil Service and City of New Orleans Accounting Department

City Of New Orleans, LOUISIANA

Exhibit E-15

Capital Asset Statistics by Function
Last Ten Fiscal Years

(unaudited)

Function:	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	32	32	32	32
Recreation (1)										
Active Playground (1)	*	*	*	*	30	33	33	36	38	38
Passive Playground (2)	*	*	*	*	71	72	72	69	20	20
Recreation Centers (3)	*	*	*	*	10	10	10	12	12	12
Stadiums	*	*	*	*	8	8	8	8	5	5
Pools (3)	*	*	*	*	14	15	15	16	18	3
Tennis Locations (3)	*	*	*	*	10	10	10	9	8	3
Dog Run	*	*	*	*	1	1	1	1	1	1
Roads:										
Miles of roads maintained	*	*	*	1,652	1,652	1,652	1,652	1,652	1,547	1,547

Sources: City of New Orleans Police, Fire, 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

Exhibit E-16

Operating Indicators by Function
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	(unaudited)									
Police Department:										
Response to Phone Emergencies	163,135	215,336	311,949	228,482	280,696	191,719	181,290	*	*	*
911 Responses	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%	37%	41%	*
Field Operations Bureau Investigations clearance rate for crimes against property	*	*	13%	15%	13%	14%	16%	17%	18%	*
Number of Driving While Intoxicated (DWI) arrests	*	*	1,624	1,252	1,392	1,473	1,214	*	*	*
Fire Department:										
Response to Phone Emergencies	31,828	31,460	27,755	26,890	29,811	25,409	26,056	*	*	*
911 Responses	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	7,180	*	*
Percent of response times under 6 minutes 20 seconds	*	*	79%	75%	74%	74%	71%	69%	67%	*
EMS:										
Response to Phone Emergencies	28,306	26,373	25,823	23,041	26,716	21,118	23,420	*	*	*
911 Responses	40,048	45,825	50,597	56,740	70,690	60,181	64,529	63,975	67,532	*
Percent of Emergency Medical Service responses for acute cases within 12 minutes	*	*	81%	77%	76%	80%	74%	72%	66%	*
Law:										
Number of public records requests completed	*	*	573	563	1,047	891	1,080	1,249	1,669	*
Number of tax and public nuisance cases filed before the ABO Board	*	*	227	324	268	224	122	159	172	*
Sanitation:										
Garbage Tonnage Collected	192,626	179,068	164,238	173,333	164,556	180,728	*	*	*	*
Number of illegal dumping sites cleared	*	*	1,013	972	2,135	2,832	1,916	1,951	*	*
Number of tons of recyclable material collected	*	*	3,627	6,138	6,650	7,317	7,300	7,102	7,220	*
Public Works:										
Number of potholes filled	*	*	53,309	60,401	31,263	25,168	78,054	116,593	71,290	*
Number of catch basins cleaned	*	*	3,339	5,364	2,839	3,178	7,611	7,382	19,131	*
Number of streetlight outages restored	*	*	10,925	12,500	19,356	3,687	9,180	10,879	5,078	*
Number of parking citations	*	*	302,653	290,214	315,778	257,274	338,477	320,925	332,740	*
Number of tows	*	*	12,499	11,093	14,480	17,578	17,055	13,403	10,731	*
Number of boats	*	*	4,599	6,702	7,489	7,652	11,833	10,517	10,924	*
Capital Projects:										
Percent of projects delivered on schedule	*	*	79%	80%	79%	79%	82%	78%	81%	*
Property Management:										
Number of work order requests completed	*	*	2,551	2,855	3,691	3,774	2,915	3,377	3,590	*
Percent of work orders/service requests completed within 30 days	*	*	68%	83%	91%	92%	94%	93%	98%	*
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	2,069	1,628	*
Number of blighted properties brought into compliance	*	*	946	642	836	1,041	887	*	653	*
Number of blighted units demolished	*	*	2,030	1,234	329	212	180	185	265	*
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 moved	*	*	19,681	19,485	19,795	18,801	20,800	23,200	25,188	*
Number of emergency tree service requests completed	*	*	629	1,061	915	447	598	600	649	*
Library:										
Number of items circulated (checked-out)	*	*	880,638	1,141,002	1,067,472	1,143,210	1,182,500	1,148,435	1,200,432	*
Information Technology & Innovation:										
Call abandonment rate for the Service Desk	*	*	25%	16%	9%	13%	8%	7%	9%	*
Percent of critical ITI projects delivered on schedule	*	*	53%	70%	67%	61%	58%	67%	67%	*
Equipment Maintenance Division:										
Number of gallons of fuel dispensed	*	*	1,903,872	1,786,898	1,676,255	1,600,663	1,604,600	1,594,261	1,532,877	*

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

* Information not available.