

RECEIVED  
LEGISLATIVE AUDITOR  
2000 JUL -5 AM 11:35

**CITY OF NEW ORLEANS  
LOUISIANA**

**Comprehensive Annual Financial Report  
Fiscal Year Ended December 31, 1999**

**OFFICIAL  
FILE COPY**  
**DO NOT SEND OUT**  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK IN FILE)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 19 2000

*Prepared by:  
Department of Finance  
Marina M. Kahn  
Director*



# CITY OF NEW ORLEANS, LOUISIANA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 1999

### TABLE OF CONTENTS

<b>Exhibit</b>		<b>Page</b>
<b>INTRODUCTORY SECTION</b>		
	Letter of Transmittal	v
	Selected Officials of the City of New Orleans	xxi
	New Orleans City Government Organizational Chart	xxii
	Department of Finance Organizational Chart	xxiii
	Certificate of Achievement for Excellence in Financial Reporting	xxiv
<b>FINANCIAL SECTION</b>		
<b>Exhibit</b>		<b>Page</b>
	Independent Auditors' Report	1
	General Purpose Financial Statements:	
A-1	Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units	4
A-2	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Similar Discretely Presented Component Units	8
A-3	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Actual (Adjusted to Budgetary Basis) and Budget - General Fund	10
A-4	Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - Nonexpendable Trust Fund and Similar Discretely Presented Component Units	11
A-5	Combined Statement of Cash Flows - Nonexpendable Trust Fund and Similar Discretely Presented Component Units	12
A-6	Combined Statement of Changes in Plan Net Assets - Pension Trust Funds Notes to Financial Statements	15 19
	Combining Individual Fund and Individual Account Group Financial Statements and Schedules:	
General Fund		
B-1	Schedule of Revenues and Other Financing Sources - Budget (Non-GAAP Budgetary Basis) and Actual	56
B-2	Schedule of Expenditures and Other Financing Uses - Budget (Non-GAAP Budgetary Basis) and Actual	61

TABLE OF CONTENTS, CONTINUED

Exhibit		Page
	Special Revenue Funds	
C-1	Combining Balance Sheet	68
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74
	Grant Recipient Funds:	
C-3	Combining Balance Sheet	80
C-4	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	84
	Trust and Agency Funds	
D-1	Combining Balance Sheet	90
	Pension Trust Funds:	
D-2	Combining Statement of Plan Net Assets	92
	Expendable Trust Funds:	
D-3	Combining Balance Sheet	94
D-4	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	96
	Expendable Trust Funds - Endowment Income Trust Funds:	
D-5	Combining Balance Sheet	98
D-6	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	100
	Agency Funds:	
D-7	Combining Statement of Changes in Assets and Liabilities	102
	General Fixed Assets Account Group	
E-1	Schedule of General Fixed Assets By Asset Class and Source	106
E-2	Schedule of General Fixed Assets By Function and Activity	107
E-3	Schedule of Changes in General Fixed Assets By Function and Activity	108
	Debt Service Requirements	
F-1	Schedule of General Bonded Service Requirements Until Maturity	110
	Component Units - Governmental Funds	
G-1	Combining Balance Sheet	112
G-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	113
	Component Units - Proprietary Funds	
H-1	Combining Balance Sheet	116
H-2	Combining Statement of Revenues, Expenses and Changes in Retained Earnings	120
H-3	Combining Statement of Cash Flows	122

TABLE OF CONTENTS, CONTINUED

		Page
STATISTICAL SECTION (UNAUDITED)		
Table		
1	General and Debt Service Funds Expenditures by Function (Non-GAAP Budgetary Basis) - Last Ten Fiscal Years	128
2	General and Debt Service Funds Revenues by Source (Non-GAAP Budgetary Basis) - Last Ten Fiscal Years	130
3	General and Debt Service Funds Expenditures by Function (GAAP Basis) - Last Ten Fiscal Years	132
4	General and Debt Service Funds Revenues by Source (GAAP Basis) - Last Ten Fiscal Years	134
5	Property Tax Levies and Collections - Last Ten Fiscal Years	136
6	Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	137
7	Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	138
8	Computation of Legal Debt Margin - December 31, 1999	142
9	Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita - Last Ten Fiscal Years	143
10	Ratio of Annual Debt Service Expenditures for Total Debt to Total General Expenditures (Non-GAAP Budgetary Basis) - Last Ten Fiscal Years	144
11	Computation of Direct and Overlapping Debt - December 31, 1999	145
12	Property Value and Construction - Last Ten Fiscal Years	146
13	Principal Taxpayers - December 31, 1999	148
14	Demographical and Miscellaneous Statistics	149

**(This Page Intentionally Left Blank)**

**INTRODUCTORY  
SECTION**

# DEPARTMENT OF FINANCE

June 28, 2000

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of New Orleans for the year ended December 31, 1999.

The CAFR has been prepared in conformance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The City's basis of accounting and its various funds are explained in the notes to the accompanying general purpose financial statements.

Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures rests with the City. We believe the data, as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The accompanying financial statements have been audited by the City's certified public accountants and their opinion resulting from their audit is included in this Comprehensive Annual Financial Report.

*Our Comprehensive Annual Financial Report is divided into three sections:*

- The Introductory Section includes a list of principal officials, the City's organizational chart, and information about the organizational structure of the City, its accounting and budgetary systems, and fund structure. It also has summarized data reflecting the financial condition of the City including an analysis of general government operations and debt administration.
- The Financial Section is prepared using the pyramid approach of the GASB. It includes the General Purpose Financial Statements which presents the combined statements as an overview of the City's entire financial operation. Next, combining and individual fund statements present each of the material separate funds and account groups of the City. Schedules provide certain other information and details of data summarized in the financial statements. The statements and schedules included in this section pertain to those operations which, when taken together, make up the reporting entity of the City.
- The Statistical Section includes tables containing historical financial data, debt statistics, and selected financial and demographic information of the City that are of interest to potential investors in our bonds and other readers, including ten-year revenue and expenditure information.

## CITY OF NEW ORLEANS

1300 PERDIDO STREET  
SUITE 3E06 - CITY HALL  
NEW ORLEANS, LA 70112  
TELEPHONE (504) 565-6600 FAX (504) 565-6603

ARC H. MORIAL  
MAYOR

MARINA M. KAHN  
DIRECTOR



## 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 the vote of a majority of the qualified voters in the City, voting at an election called by the City Council on its own initiative, or upon receipt of a petition of not less than ten thousand registered voters.

The City has a Mayor-Council form of government. The Mayor is elected for a four year term and is limited to two consecutive terms. The Mayor appoints the Chief Administrative Officer, who is his principal assistant and budget officer for the City. The Chief Administrative Officer appoints all department heads, subject to the Mayor's approval, except the City Attorney, who is appointed by the Mayor, and the Personnel Director, the City Civil Service Department, who is appointed by the Civil Service Commission. The City has thirteen 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, infrastructure, and recreational activities and cultural events.

The Council is the legislative body of the City government, comprised of five Council members elected from five geographic districts and two elected at large, all for 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-third 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. 14, "The Financial Reporting Entity." Component units are legally separate organizations for which the elected officials of the City are financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

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

**Blended Component Units** - For financial reporting purposes, the following entities are included (blended) in the operations and activities of the City because these entities provide services substantially for the benefit of the City: Board of Liquidation, City Debt and the Rivergate Development Corporation. Complete financial statements for these blended component units may be obtained at the entity's administrative offices.

**Discretely Presented Component Units** - The general purpose financial statements of the City include all government activities, organizations 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 general purpose financial statements:

- Audubon Commission
- Canal Street Development Corporation
- Downtown Development District
- French Market Corporation
- Municipal Yacht Harbor Management Corporation
- New Orleans International Airport
- New Orleans Economic Development Corporation
- New Orleans Tourism Marketing Corporation
- Orleans Parish Communication District
- Upper Pontalba Building Restoration Corporation
- Sewerage and Water Board of New Orleans

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

## **YEAR IN REVIEW**

The City of New Orleans has enjoyed a relatively successful 1999. The general fund ended fiscal year 1999 with a fund balance of \$32 million on a GAAP basis. Some of the factors that helped to make 1999 a successful year for New Orleans were growth and expansion in the tourism business and increased tax income from the Tax-Free shopping program for foreigners. In considering those factors more closely, they are illustrated as follows:

The Office of International Relations and Trade Development has expanded trade with missions to Ecuador, Haiti, Mexico and South Africa. International trade pumps \$6 billion in to the New Orleans economy, and New Orleans is building a national reputation for international trade successes, particularly with our Latin American neighbors.

By its culture, industry and proximity, New Orleans is truly the "Gateway to the Americas", and through innovative profit-sharing programs and new equipment at the Port of New Orleans, the City has established a major presence in Western Hemisphere Trade. The Port of New Orleans continues to see record levels of cargo.

The City is continuing its expansion efforts at the New Orleans International Airport and announced \$170 million in additional improvements as part of continuing efforts to build a first-class international airport to serve Metro New Orleans and the Gulf South.

This \$170 million commitment comes as the airport enters the final phase of completing an \$850 million building, renovation and expansion program. In the rebuilt facilities, the number of new non-stop and direct flights that have been dramatically increased in the last six years and passenger volume has increased by almost 30 percent and will likely reach 10 million this year.

The \$170 million rebuilding program, includes the construction of a consolidated rental car facility, the reconfiguration of two concourses, construction of a truck marshaling yard designed to increase the flow of cargo at the airport, a new employee and passenger parking lot, a new firehouse to serve the growing number of activities on the Airport's North Side, construction of a third passenger bridge from the covered parking garage to the expanded West Terminal and resurfacing and repairing of the Airport's east-west runway. Additionally, the Airport plans for the future include a new 3,000-parking space covered garage and 300 room luxury hotel built on Airport property.

Airport construction will add economic growth for the region and will exceed \$1 billion over eight years, beginning in 1994.

The Ernest N. Morial Convention Center is ranked third among U.S. Convention centers and has experienced a 20% increase in business. The \$247 million Phase III expansion, which has increased exhibit space by nearly 60%, has put New Orleans in an elite class for large scale conventions. A kilometer long, the Morial Convention Center has the most contiguous floor space in the country and is expected to increase attendance by 28% in the first year. It will continue to fund new hotel developments and renovations throughout the city.

New Orleans' historic culture and colorful landscape draw visitors from all over the world. Falling crime and an improved economy have bolstered the city's reputation as a mecca for lovers of culture, music and food.

The annual Mardi Gras celebration, which generates nearly \$1 billion, the Jazz and Heritage Festival and the Sugar Bowl are perennial attractions. Complemented with the summer ESSENCE Festival and Bayou Classic, New Orleans has become the leader in multi-cultural tourism and a national model for hosting large-scale special events.

Various programs and governmental agencies have been set up throughout the City of New Orleans to improve the city's economic outlook. They are as follows:

**The City Business Center** is guiding new businesses through City permits, licenses, zoning regulations and tax obligations for start up or expansion.

**The New Orleans Business Retention and Expansion Program** is working with an advisory committee of local business leaders to promote New Orleans to potential corporations and ensure that businesses stay in New Orleans.

**The Office of Small, Minority, and Disadvantaged Business** sponsors ongoing management workshops and training seminars for small business owners and entrepreneurs to identify procurement opportunities for small business citywide.

## ECONOMIC OUTLOOK

The New Orleans economy is on the rebound with impressive job growth, and the City is taking advantage of opportunities for economic development. The City's new approach of communication and coordination with the national and state legislatures is bringing significant results in maintaining funding levels.

Two stars of the New Orleans' economy - tourism and the port - will continue in their roles through the rest of the century. The Port of New Orleans is one of the largest industries in New Orleans and Louisiana. The Port of New Orleans together with the South Louisiana Port Commission ranks as one of the top world ports in tonnage of cargo handled. Already, some organizations are interested in establishing distribution centers in New Orleans for cargoes to and from Mexico.

International tourism is on the rise. Louisiana Tax Free Shopping has been a real incentive to international tourists. International tourism markets are showing an increase in business between 5% and 10%.

The New Orleans International Airport has experienced a 25% increase in passenger flights and a 32% increase in passenger traffic. The airport has non-stop and direct scheduled passenger service to over 40 cities across the United States and internationally. The synergy between tourism and the airport has been helping both the hospitality and air travel industries launch programs of expansion that are already paying off in thousands of new jobs for the metro New Orleans economy.

The attractions, charm and history of New Orleans make it a natural place to grow a new and viable entertainment industry. The combined economic impact of the film and music industries in New Orleans is over \$2 billion annually. New Orleans hosts many large sporting events including the Sugar Bowl, the Bayou Classic and the Louisiana Games.

Major events, like Mardi Gras, the Louisiana Jazz and Heritage Festival, and the Essence Festival generate over \$1 billion in economic impact. Worldwide, event organizers know that New Orleans is the premiere city to host an event.

Additionally, the city has a comprehensive capital facilities plan which includes projects that are catalysts for economic development. Some examples are:

- Earhart Expressway/Tchoupitoulas Corridor - \$209 million
- LSU Clinical Science Building - \$40 million
- Port of New Orleans - \$33.5 million
- Renovation to the Custom House, Federal Building, U.S. - \$11 million

## MAJOR INITIATIVES

Young people are the City's most important asset and the key to our future growth and success. Recreational and educational programming enhance the development of the city's youth. As a result, city government has focused considerable attention on children. The New Orleans Recreation Department (NORD) has been revitalized with expanded programs, improvements to facilities and increased community partnerships. The improvements made have enabled NORD to serve more boys and girls in every neighborhood in New Orleans. NORD is now providing children and teenagers a full range of activities including recreation, art and cultural enrichment as well as social and job skills preparation for future employment. The City's young people also need the opportunity to learn employment skills on the job. The NORD Team Summer Job Initiative has impacted 2,500 young people. Over 30 parks and playgrounds have been renovated through the City's Rebuild Capital Improvement Program, and a record 18 public swimming pools are now open to the public for the summer.

Home ownership is the key to strengthening New Orleans neighborhoods. Public, private and non-profit organizations are coming to New Orleans by providing programs that assist low and middle income families in purchasing a new home.

Innovative partnerships with the city, other government agencies, community development corporations and lenders are rebuilding the neighborhoods of New Orleans by providing incentives to purchase new homes or renovate existing homes.

In the last five years, over 10,000 people have become homeowners in New Orleans, and the rental-ownership ratio continues to improve. Today, about 50 percent of New Orleans families own their own homes.

The Mayor's Division of Housing and Neighborhood Development is a national leader in forming innovative partnership to generate money for more home ownership and historic restorations. The Mayor's Office received awards from the U.S. Conference of Mayors for public/private partnerships with the AFL-CIO, Fannie-Mac and Freddie Mac. "House New Orleans" with Fannie Mae will generate up to \$535 million in new home purchases, and "At Home in New Orleans" with Freddie Mac will generate \$25 million in blight redevelopment.

Other initiatives targeting historic neighborhoods, like the \$15 million Central City Initiative with Bank One and the \$10 million Project Renaissance with Hibernia Bank, are all part of the Mayor's Impact Neighborhoods Strategy.

The historic corridors and neighborhoods of New Orleans are coming back to life through multi-faceted approaches of encouraging home ownership and redevelop residential and commercial properties throughout the city.

The results of our investments in the New Orleans Police Department are the most striking. Through innovative programs and reorganization of the NOPD, murders in our community have decreased by over 63% and violent crime is down nearly 60% since 1994. Lower crime is making our city a more attractive place to live and work, which translates into rising property values and increased tax revenues for city government. In a recent survey, New Orleans had the fifth highest appreciation rate in the country, and from 1998-1999, the City's assessed property values rose 10%.

More police officers and a reorganized department have enabled Superintendent Richard Pennington to target high crime areas. Weekly COMSTAT (Computer Statistics) meetings allow NOPD officers to identify and saturate hot-spot areas to stay pro-active in the fight against crime.

Youth development and juvenile crime prevention programs have reduced juvenile crime five-percent to ten percent a year since 1995. Programs such as Safe Harbor after school programs, Safe-Night, and Weed and Seed school programs on gun violence and responsibility have helped to steer young people away from a path of destructiveness with the help of the Covenant House of New Orleans and the St. Mark Community Center has also been expanded to continue to provide guidance for youth.

New Orleans' dramatic success in reducing crime and increasing public safety has become the model for large police departments around the world. With innovative thinking, the NOPD and partnering organizing are building a foundation of confidence in the growing overall quality of the life in New Orleans. City government is moving forward and looking to the future. To make government work effectively into the 21st century, revisions to the City's Home Rule Charter and a comprehensive zoning and land use plan must be timely implemented.

To plan for the next century, City leaders and citizens are working together to foster responsible growth that will enhance the City's environment and quality of life. A citizen committee is helping the City administer the Brownsfield Program to encourage development of abandoned industrial sites. A Master Plan Advisory Committee will synchronize an effective long-range master plan with an updated comprehensive zoning ordinance. New Orleanians have learned that in building for the future, we can also preserve what is most uniquely New Orleans and the environment that expresses who we are.

## DEPARTMENT FOCUS

The Fire Department, headed by the Superintendent of Fire, shall:

1. Organize, administer, supervise and discipline the fire force of the City;
2. Extinguish fires and investigate their causes;
3. Operate and maintain the communication systems, either separately or in conjunction with others;
4. Administer and enforce ordinances, regulations and laws relating to fire prevention and safety of persons;
5. Respond either separately or in conjunction with others to situations involving hazardous materials and to other emergency situations involving the safety of person or property; and
6. Perform such other duties required by this Charter or assigned in writing by the Mayor.

In the past five years the New Orleans Fire Department has made great strides and provided various new and innovating programs including:

- Safety awareness fire education targeting youth (safety) program. The program is designed to identify, evaluate and treat the juvenile fire setter to prevent recurrence of the fire setting behavior.
- Physical Fitness Program. The City developed comprehensive fitness program that structures a complete program for enhancing the fitness of city firefighters. This program takes into consideration the current condition of each firefighter, his/her "lifestyle" and reasonable goals to increase fitness through exercise and training.
- Arson sniffer dog. The arson squad has been chosen by the Bureau of Alcohol, Tobacco and Firearms to participate in the "canine accelerant detection training" program. This program is sponsored by ATF, the Connecticut State Police and the Aetna Insurance Company. An arson investigator was trained and teamed with the sniffer dog. These teams have proven to be the most effective means available to locate and identify accelerants used by arsonist in the commission of their crime.
- Safe House. Safe house is a mobile classroom with real life hazards like smoke and heat. This creates an environment that provides children with the knowledge needed and the steps to follow if they find themselves in a fire situation. A non-toxic smoke system allows children to practice "crawling low" in a fire, a heated door demonstrates the need to feel closed doors, a log-light fireplace is the focal point of the living room, and an escape ladder is used to exit from the bedroom.
- Learn not to burn is a nationally tested and proven fire safety education program. It is life affirming in its emphasis. Through a joint venture of the New Orleans Fire Department, the Orleans Parish Public Schools System, Archdiocese of New Orleans Schools, area private schools and the National Fire Protection Association, this program is taught in all parish public elementary schools, grades Pre-K through Third. It will reach over 30,000 students and will seek to involve their parents in fire safe practices. This program is a proven life saver.
- Smoke Detector Program. This program has been funded by various companies. The Fire Department encourages companies to donate smoke detectors so that they can be given to citizens who cannot afford them. The detectors are then installed by members of the NOFD.

## 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.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, can be found in the separate report on the single audit of the City of New Orleans.

## 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. These cost object classifications were originally specified as four by the City's Home Rule Charter (the Charter): personal services of officials and employees; contractual services; supplies; and equipment and property. However, charter amendments adopted late in 1995 amended those classifications to three classifications for 1996 which are classified as: personal services, other operating expenses, and debt service. Although all expenditures are recorded at the individual line item level, they are summarized for reporting purposes to these three expenditure classifications.

Encumbrances are recorded via the Bureau of Accounting through a an on-line processing system before the requisitions are electronically transmitted to the Bureau of Purchasing. 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 cancellation. Appropriations are allowed to be amended through councilmanic action during the year and all unencumbered appropriations lapse at year end. The City Charter, as well as state law, does not allow deficit spending. The Department of Finance is able to control all of the above through a computerized financial management system initiated in 1997 and uses a program budget. The basic concept of program budgeting rests in the tenet that public expenditures should be justified by their impact on public goals and not measured solely by the criteria of efficiency and economy.

## **CAPITAL BUDGET**

The Mayor annually 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 of each separate project. The amounts budgeted constitute appropriations from the funds indicated when they become available. Expenditures for capital projects are made through the capital projects fund.

## **BUDGETARY AND FINANCIAL REPORTING**

The fund structure by which the financial transactions of the City of New Orleans are recorded is defined in the 1954 Home Rule Charter and does not conform to the current standards of the Governmental Accounting Standard Board (GASB). For purposes of explication, however, the accompanying combined financial statements, which are presented in the financial section of this report, have been structured to substantially conform with the GASB's promulgated standards. Primarily 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 and are included in the columns titled "actual on a budgetary basis" in the statements in the financial section of this report. Appropriations neither encumbered nor expended lapse at the end of the fiscal year.

## **GENERAL FUND**

Revenues and other financing sources for the general fund in 1999 totaled approximately \$382,436,000. These revenues represent a \$1.5 million decrease from 1998, since revenues for 1998 totaled \$383,966,000. Factors contributing to significant changes in revenues from the prior year include the following:

Taxes increased \$9.1 million in 1999 over 1998. This increase was due to improved collection of sales taxes and property taxes.

Licenses and permits decreased \$1.4 million in 1999 from 1998. This decrease was due to the receipt of one time revenues from audit of Bell South.

Intergovernmental revenues decreased \$2.9 million in 1999 from 1998. This decrease was due to a reduction in funding from Parish Transportation funds.

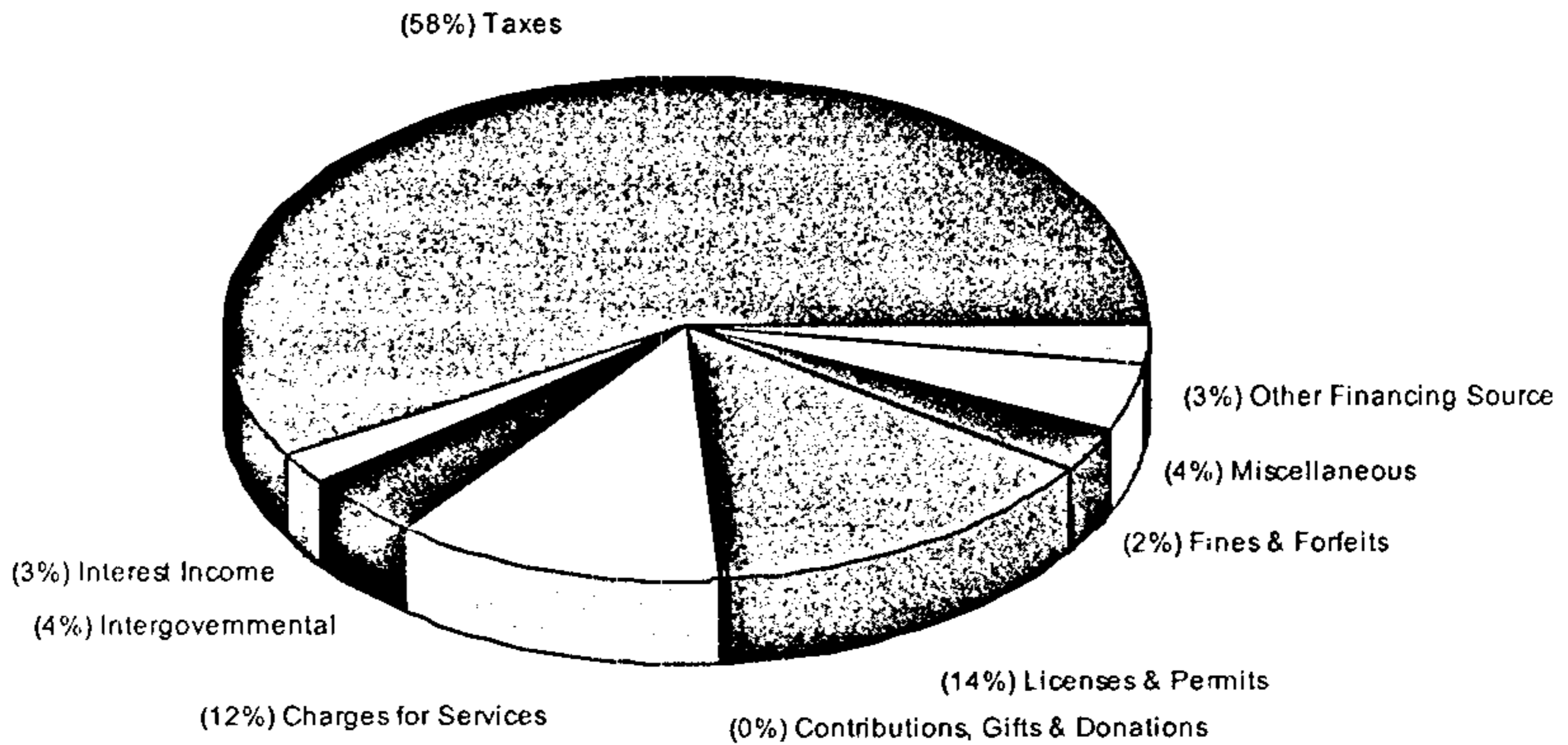
Contributions, gifts, and donations decreased by \$5.4 million from 1998. This reduction was due to a receipt of a settlement from McFrugals in 1998.



The accompanying table/chart shows the amount (in thousands) of general fund revenues by source for 1999 and 1998.

Revenues and Other Financing Sources	1999 Actual	% of Total	Increase (Decrease) Over 1998	1998 Actual	% of Total
Taxes	\$221,915	58	\$9,194	\$212,721	56
License & permits	53,672	14	(1,494)	55,166	14
Intergovernmental	18,548	5	34	18,514	5
Charges for services	44,039	12	865	43,174	12
Fines and Forfeits	10,803	3	(712)	11,515	3
Interest income	8,229	2	(582)	8,811	2
Contributions, gifts, and donations	1,128	0	(5,486)	6,614	2
Miscellaneous	14,506	4	(2,063)	16,569	3
Other financing source	9,596	2	(1,286)	10,882	3
	<u>\$382,436</u>	<u>100</u>	<u>\$(1,530)</u>	<u>\$383,966</u>	<u>100</u>

**Revenue Dollar**  
 (Percentage and Source)



1999 Dollars

Factors contributing to significant changes in expenditures from the prior year include the following:

The decrease in general government expenses was primarily due to a reduction in other operating expenditures in this category since during 1998 there were some one time only expenditures.

Public Safety expenditures increased slightly due to additional personnel expenditures.

Public Works expenditures increased slightly due additional personnel expenditures among these departments.

Health and Welfare expenditures increased slightly due to increased personnel costs for this function.

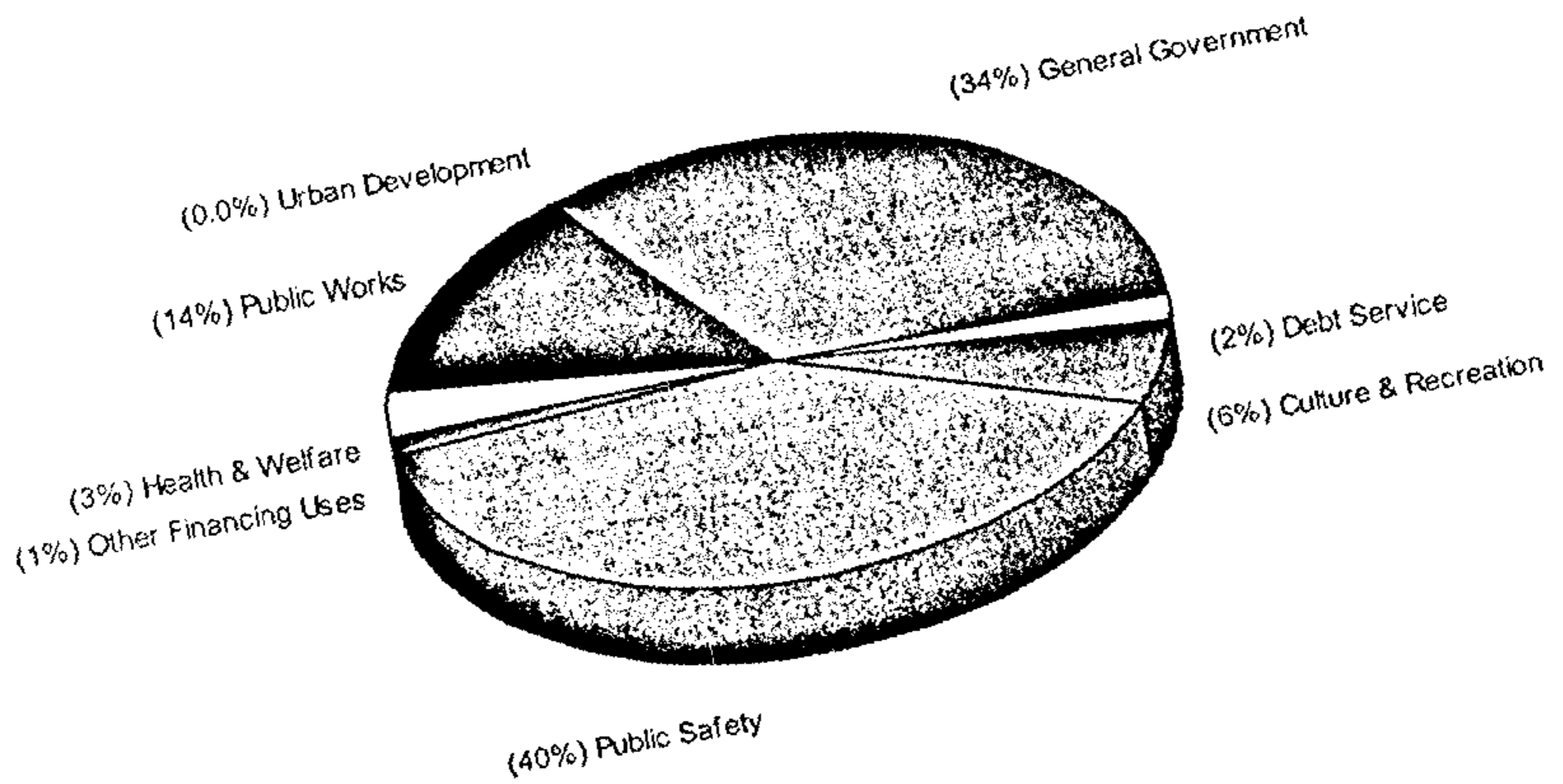
Culture and recreation expenditures increase slightly due to increased personnel expenditures among all departments.

Urban Development increased expenditures reflects an increase in grants allowed for this purpose.

The following table/chart shows the amount (in thousands) of general fund expenditures by function and other financing uses for 1998 and 1999.

	1999 Actual	% of Total	Increase (Decrease) Over 1998	1998 Actual	% of Total
Expenditures and Other Financing Uses					
General government	\$127,823	33	\$(1,506)	\$129,329	32
Public Safety	155,136	40	837	154,299	41
Public Works	54,645	14	901	53,744	16
Health and Welfare	12,877	3	463	12,414	4
Culture and Recreation	22,213	6	1,832	20,381	5
Urban Development	239	0	63	176	--
Debt Services	12,204	3	3,334	8,870	2
Other financing uses	<u>1,830</u>	<u>1</u>	<u>(385)</u>	<u>2,215</u>	<u>--</u>
<b>Total</b>	<b><u>\$386,967</u></b>	<b><u>100</u></b>	<b><u>\$5,539</u></b>	<b><u>\$381,428</u></b>	<b><u>100</u></b>

**Expenditure Dollars**  
(Percentage and Function)



1999 Dollars

The fund balances of the General Fund at December 31, 1995 through December 31, 1999 are as follows (amounts in thousands):

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Reserved for encumbrances	\$37,257	\$21,859	\$27,907	\$22,471	25,946
Designated	7,936	5,966	2,008	2,218	1,717
Undesignated	<u>14,213</u>	<u>34,690</u>	<u>5,319</u>	<u>13,082</u>	<u>5,578</u>
Total	<u>\$59,406</u>	<u>\$62,515</u>	<u>\$35,234</u>	<u>\$37,772</u>	<u>\$33,241</u>

### **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used for certain revenue sources which are restricted by law or other formal action to expenditures for specific purposes.

### **DEBT SERVICE FUNDS**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Total fund balance for the Debt Service Fund was \$32,605,000 at December 31, 1999.

### **CAPITAL PROJECT FUNDS**

The Capital Projects Fund is used to account for all resources and expenditures in connection with the acquisition of capital facilities other than those accounted for in the Component Units. Expenditures for capital improvement projects in 1999 totaled \$48,275,000 a decrease of \$7,165,000 from the 1998 total.

### **COMPONENT UNITS**

The City operates three major Component Units: the Sewerage and Water Board, the New Orleans International Airport and the Audubon Park Commission. Other Component Units include the French Market Corporation, the Municipal Yacht Harbor, the Upper Pontalba Building Restoration Corporation, the Orleans Parish Communication District, the Canal Street Development Corporation, the Downtown Development District, the New Orleans Tourism Marketing Corporation, and the New Orleans Development Corporation.

The Sewerage and Water Board reported 1999 operating revenues and net income of \$127,695,000 and \$7,303,000, respectively. Operating expenses increased 2% to \$125,849,000 in 1999 from \$123,283,000 in 1998.

New Orleans International Airport is the air carrier airport serving the New Orleans metropolitan area - the largest metropolitan area in the state of Louisiana. The Federal Aviation Administration (FAA) classifies New Orleans as a medium air traffic hub. The airport primarily serves passengers whose travel originates or terminates in New Orleans.

The airport is located on approximately 1,500 acres of land in Jefferson and St. Charles parishes and the city of Kenner, Louisiana. The terminal building complex consists of about 760,000 square feet and accommodates a total of 44 aircraft parking positions.

The airport's 1999 operating revenue amounted to \$56,132,000, which permitted the airport to meet its current operating expenses and pay current debt service and reserve requirements as they became due.

The Audubon Commission (the Commission), a 24 member body appointed by the Mayor with the approval of the City Council, is entrusted with the management and control of Audubon Zoo, Audubon Golf Course, the Aquarium, and the Species Survival Center.

The Commission receives its financing from a dedicated special ad valorem tax, which is pledged as security for \$3,160,000 in bonds issued in 1979 and 1986; admission fees to the zoo; concession rentals and fees; donations; and other miscellaneous sources. In 1986 the voters approved a special ad valorem tax pledged as security for \$25,000,000 in bonds issued in April 1988 to construct the Riverfront Aquarium. All operations of the Audubon Commission are administered by the Audubon Institute, a private development associated with the Commission.

### **TRUST AND AGENCY FUNDS**

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City's Pension Trust Funds are used to account for the accumulation of resources to be used for retirement annuities and death and disability benefits to employees.

### **GENERAL FIXED ASSETS**

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of the Proprietary Funds and infrastructure items such as roads, bridges and drainage canals. As of December 31, 1999, the general fixed assets (excluding construction in progress) of the City amounted to \$290,458,000.

### **DEBT ADMINISTRATION**

The ratio of general bonded debt to assessed value of taxable property and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. This data for the City at the end of the 1999 fiscal year was as follows:

	<b>Amount</b>	<b>Ratio of general debt to assessed value of taxable property</b>	<b>Bonded Debt per capita</b>
General bonded debt	\$485,156,000	21.93%	\$976

Outstanding general obligation bonds at December 31, 1999 totaled \$485,156,000 all of which are considered to be net, direct-tax supported debt. There are no special assessment bonds outstanding. Tables 8 through 12 in the statistical section of this report present more detailed information about the debt position of the city.

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 No. 1 of the City's debt limit, based on the most recent assessed valuations, is \$1,969,443,000 as of December 31, 1999.

As of the end of 1999, the City's general obligation bonds were rated "BAA" from Moody's Investor Service and "BBB+" from Standard and Poor's Corporation.

### **CASH MANAGEMENT**

The Finance Department strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure the most efficient and profitable use of the City's cash resources. While efforts are made to maximize the return on the City's investment dollar, our primary concern in achieving this goal is to always ensure the return of principal.

Cash temporarily idle during the year was invested in certificates of deposit, reverse repurchase agreements, and U.S. Government securities. All investment decisions are based upon time periods to maturity and maximum yields by competitive bids. The total interest income earned by the City in the General Fund for the year ended December 31, 1999 on a non-GAAP budgetary basis was \$8,229,000 compared to \$8,811,000 in 1998.

### **RISK MANAGEMENT**

The City maintains a self-insurance program for its 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 self-insurance programs and to employees and the City's various funds for the hospitalization self-insurance programs. In addition, the City's Risk Management Division works toward reducing the number of claims which proceed to lawsuit, shorten length of time in which a claim is processed or resolved, and provides investigations and support services and employs various risk control techniques.

### **INDEPENDENT AUDIT**

The City Charter requires an audit of the financial statements of all accounts of the City by an independent certified public accountant selected by the City Council. Accordingly, this year's audit was completed by Deloitte & Touche LLP with assistance from Bruno and Tervalon, CPA's, Luther Speight, CPA's, and Duplantier, Hrapmann, Hogan and Maher, LLP, among others.

### **AWARD FOR DISTINGUISHED BUDGET PRESENTATION**

The Government Finance Officers Association (GFOA) award a Certificate of Achievement for Excellence in Financial Reporting to governments for their comprehensive annual financial reports. In order to be awarded a Certificate of Achievement, governments are required to publish an easily readable and efficiently organized comprehensive annual financial report. In 1994, 1996, 1997, and 1998 the City was awarded the Certificate of Achievement for Excellence in Financial Reporting.

We believe that our current annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

## 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 the 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, members of the City Council and Council Audit Committee. Their support is greatly appreciated.

Respectfully submitted,

A handwritten signature in black ink, reading "Marina M. Kahn". The signature is written in a cursive, flowing style.

Marina M. Kahn  
Director of Finance

# CITY OF NEW ORLEANS, LOUISIANA

## Selected Officials December 31, 1999

### The City Council

Mr. James Singleton	Councilmember-at-Large
Mr. Eddie L. Sapir	Councilmember-at-Large
Ms. Suzanne Haik Terrell	Councilmember - District A
Mr. Oliver Thomas	Councilmember - District B
Mr. Troy Carter	Councilmember - District C
Mr. Roy Glapion	Councilmember - District D
Ms. Ellen Hazeur-Distance	Councilmember - District E

### The Executive Staff

Mr. Marc H. Morial	Mayor
Mr. Marlin Gusman	Chief Administrative Officer
Mr. Cedric Grant	Deputy Chief Administrative Officer
Ms. Thelma French	Executive Assistant
Ms. Cheryl Teamer	Executive Assistant
Mr. Vincent Sylvain	Executive Assistant

### The Department Heads

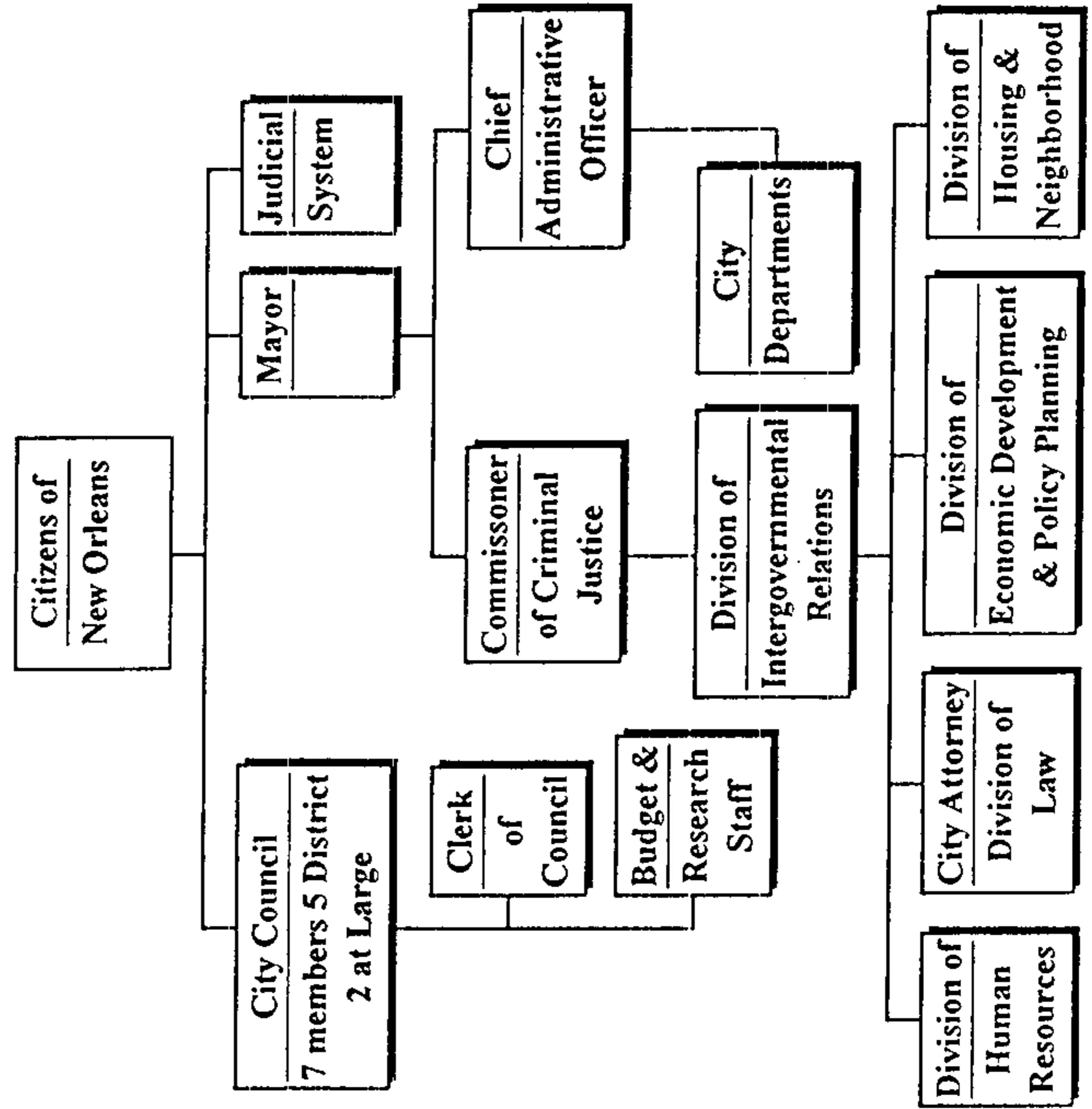
Ms. Avis Marie Russell	City Attorney
Ms. Kristina Ford	Director, City Planning
Mr. J. Michael Doyle	Director, Civil Service
Ms. Marina M. Kahn	Director, Finance
Ms. Shelia Webb	Director, Health
Dr. Morris F.X. Jeff, Jr.	Director, Human Resources
Mr. Kerry DeCay	Director, Property Management
Mr. Clifford J. Scineaux	Director, Public Works
Ms. Angele Wilson	Director, Recreation
Ms. Cynthia Sylvain-Lear	Director, Parkway and Parks
Mr. Paul May	Director, Safety and Permits
Ms. Lynette Wiltz	Director, Sanitation
Mr. Harold Gorman	Director, Sewerage and Water Board
Ms. Lilliam Regan	Director, Utilities
Mr. William McDaniels	Superintendent, Fire
Mr. Richard Pennington	Superintendent, Police





# THE CITY OF NEW ORLEANS

## Organizational Chart





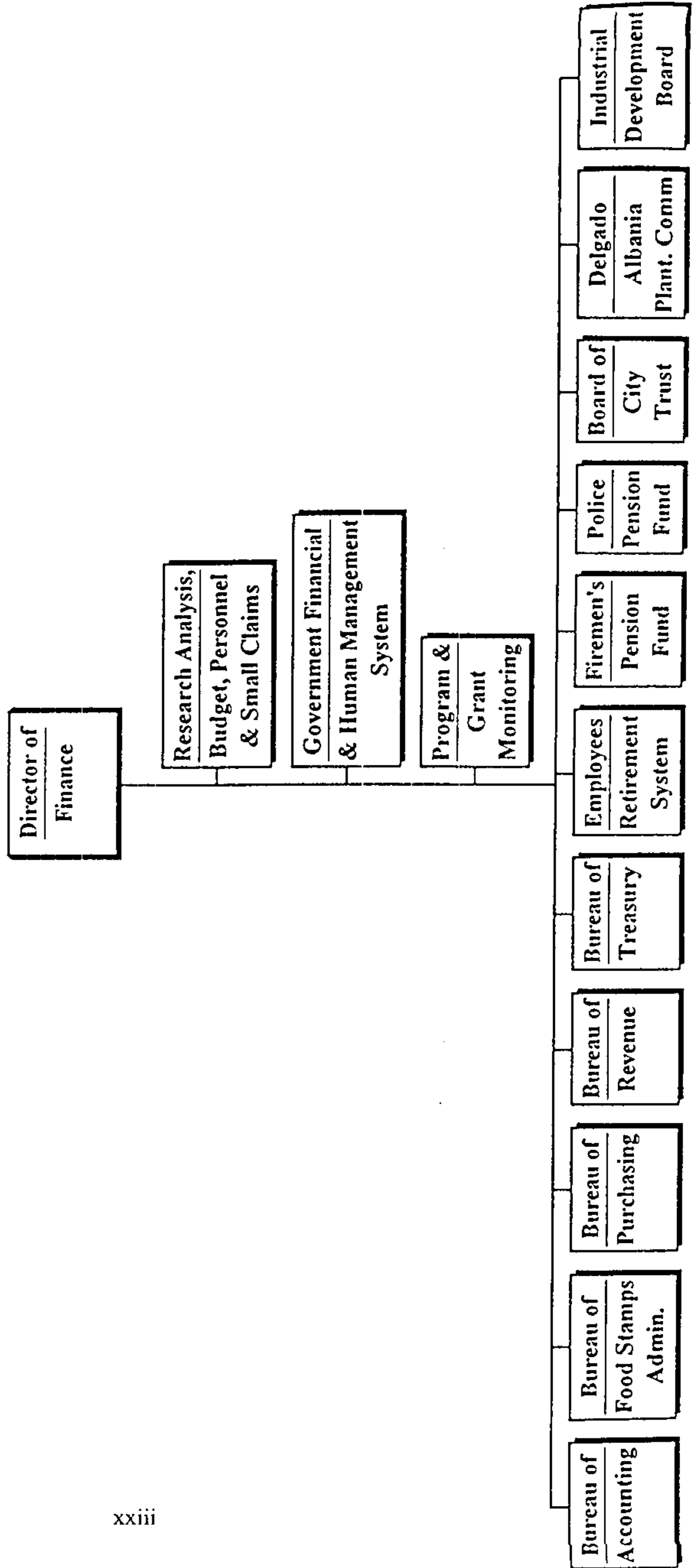
# THE CITY OF NEW ORLEANS

## Department of Finance

### Organizational Chart

Marc H. Morial, Mayor  
City of New Orleans

Marina M. Kahn, Director  
Department of Finance



# Certificate of Achievement for Excellence in Financial Reporting

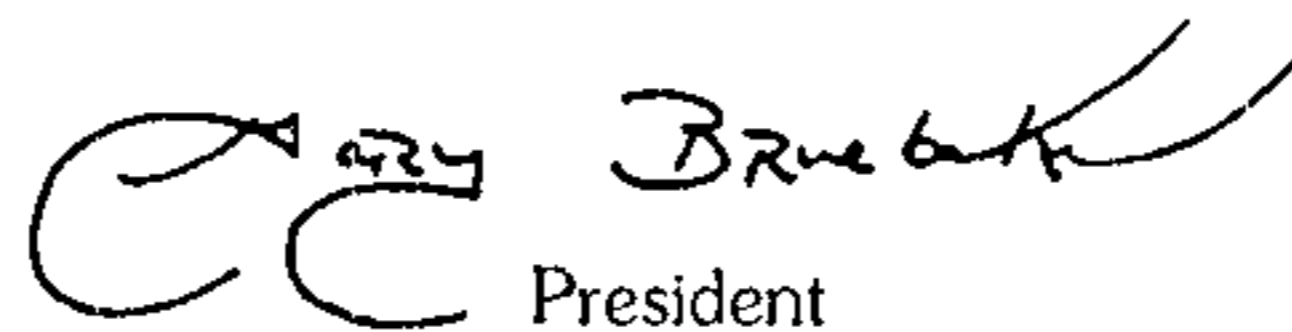
Presented to

City of New Orleans,  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



  
President

  
Executive Director

**FINANCIAL SECTION**

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying general purpose financial statements of the City of New Orleans, Louisiana ("the City") as of December 31, 1999 and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Downtown Development District, the New Orleans Tourism Marketing Corporation, and the New Orleans Economic Development Corporation, which are shown as the Governmental Component Units; the Audubon Commission, the Sewerage and Water Board of New Orleans, the French Market Corporation, the Upper Pontalba Building Restoration Corporation and the Canal Street Development Corporation, which represent 74 percent and 74 percent, respectively, of the assets and operating revenues of the Proprietary Component Units; the Fire Fighters' Old System, the Fire Fighters' New System, the Police Old System and the Employees' Retirement System, which represent 86 percent of the assets of the Trust and Agency Funds and 100 percent of the Pension Trust Funds; and the financial statements of the Board of Liquidation, City Debt, which are shown as the Debt Service Fund and represent 60 percent of the liabilities of the General Long-Term Debt Account Group. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Downtown Development District, the New Orleans Tourism Marketing Corporation, the New Orleans Economic Development Corporation, the Audubon Commission, the Sewerage and Water Board of New Orleans, the French Market Corporation, the Upper Pontalba Building Restoration Corporation, the Canal Street Development Corporation, the Fire Fighters' Old System, the Fire Fighters' New System, the Police Old System, the Employees' Retirement System and the Board of Liquidation, City Debt, is based solely on the reports 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, such general purpose financial statements present fairly, in all material respects, the financial position of the City as of December 31, 1999, and the results of its operations and the cash flows of its nonexpendable trust fund and similar discretely presented component units, and changes in plan net assets of its pension trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical tables, listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2000 on our consideration of the City's internal control over financial reporting and its compliance with certain provisions of laws and regulations. That report is an integral part of an audit and should be read in conjunction with this report in considering the results of our audit.

*Deloitte & Touche LLP*

New Orleans, Louisiana  
June 27, 2000

(This Page Intentionally Left Blank)

# CITY OF NEW ORLEANS, LOUISIANA

## COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

ASSETS	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
Cash (Note 2)	\$ 13,168	\$ 11,029	\$ 77	\$ 624	\$ 35,958
Investments (Note 2)	9,596	30,466	33,073	117,327	626,824
Receivables (net, where applicable, of allowances for uncollectibles):					
Sales taxes	10,788				
Property taxes (Note 3)	21,602				
Franchise taxes	6,100				
Accounts	8,110	794			231
Grantee loans (Note 4)		35,049			
Accrued interest	898				3,559
Grants					
Other					1,194
Due from other funds (Note 8)	35,048	676			15,150
Due from component units (Note 8)	3,051	106		106	12
Due from other governments	1,473	24,874		9,111	802
Due from primary government (Note 8)					
Inventory of supplies					
Prepaid expenses and deposits					
Advances to other funds (Note 8)	252				
Advance to primary government (Note 8)					
Restricted assets - cash and investments, at cost or amortized cost					
Fixed assets (net, where applicable, of accumulated depreciation) (Note 5)					
Other assets					750
Amounts available in debt service fund					
Amounts available in general fund					
Amounts to be provided for:					
Retirement of general long term debt (Note 6)					
Claims and judgments (Note 11)					
Landfill closing costs (Note 11)					
Accrued annual and sick leave					
Payment to HUD for Section 108 loan (Note 6)					
Certificates of indebtedness (Note 6)					
Payment to Audubon Commission (Note 6)					
Payments to HUD and DOL for disallowed costs (Note 6)					
<b>TOTAL ASSETS</b>	<u>\$ 110,086</u>	<u>\$ 102,994</u>	<u>\$ 33,150</u>	<u>\$ 127,168</u>	<u>\$ 684,480</u>

See notes to financial statements.



Account Groups		Totals Primary Government (Memorandum Only)	Component Units		Totals Reporting Entity (Memorandum Only)	
General Fixed Assets	General Long Term Debt		Governmental	Proprietary	1999	1998 (Restated - Note 1)
		\$ 60,856	\$ 2,140	\$ 9,074	\$ 72,070	\$ 53,735
		817,286	3,331	195,979	1,016,596	961,580
		10,788			10,788	13,310
		21,602		153	21,755	6,630
		6,100			6,100	2,868
		9,135	938	20,250	30,323	29,736
		35,049			35,049	34,968
		4,457	39	2,103	6,599	6,828
				3,610	3,610	1,145
		1,194		2,365	3,559	2,944
		50,874			50,874	39,282
		3,275		475	3,750	2,252
		36,260	1,343		37,603	27,887
				2,979	2,979	1,298
				6,148	6,148	6,319
				1,958	1,958	1,487
		252			252	252
				5,371	5,371	5,037
				219,606	219,606	239,682
\$ 497,805		497,805		1,405,965	1,903,770	1,848,399
		750	3,046	26,137	29,933	28,572
	\$ 32,605	32,605			32,605	33,362
	500	500			500	
	463,931	463,931			463,931	454,314
	128,268	128,268			128,268	126,947
	12,777	12,777			12,777	13,021
	50,788	50,788			50,788	53,840
	30,230	30,230			30,230	30,125
	102,330	102,330			102,330	109,475
	1,571	1,571			1,571	1,644
	3,212	3,212			3,212	7,223
<u>\$ 497,805</u>	<u>\$ 826,212</u>	<u>\$ 2,381,895</u>	<u>\$ 10,837</u>	<u>\$ 1,902,173</u>	<u>\$ 4,294,905</u>	<u>\$ 4,144,162</u>

(Continued)

# CITY OF NEW ORLEANS, LOUISIANA

## COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
<b>LIABILITIES:</b>					
Accounts payable	\$ 46,231	\$ 2,558		\$ 4,800	\$ 9,047
Retainages payable				1,762	
Other payables and accruals (Note 6)			\$ 545		42,640
Due to other funds (Note 8)	5,684	26,876			18,314
Due to primary government (Note 8)					
Due to other governments	607	59		2,719	15,625
Due to component units (Note 8)	2,584	135			260
Deferred revenues (Notes 3 and 4)	21,739	35,049			
Payable from restricted assets:					
Retainages payable					
Capital projects payable					
Accrued interest					
Limited tax bonds (Note 12)					
Bonds payable, current portion					
Revenue bonds					
Deposits and other					
Claims payable (Notes 6 and 11)					
Advances from other funds (Note 8)		252			
Advances from component units (Note 8)				5,371	
Certificates of indebtedness (Note 6)					
Loans payable					
Bonds payable:					
General obligation (Note 6)					
Limited tax (Note 12)					
Revenue, less unamortized discount of \$1,346					
Refunding					
Other					
Total liabilities	<u>76,845</u>	<u>64,929</u>	<u>545</u>	<u>14,652</u>	<u>85,886</u>
<b>EQUITY AND OTHER CREDITS:</b>					
Contributed capital (Note 12)					
Investment in general fixed assets (Note 5)					
Retained earnings:					
Reserved for:					
Property, plant and equipment					
Bond debt service					
Capital improvements					
Unreserved					
Total retained earnings					
Fund balance:					
Reserved (Note 9)	25,946	104	32,605	20,419	589,865
Unreserved:					
Designated for subsequent years' expenditures	1,717	15,968		92,097	
Undesignated	5,578	21,993			8,729
Total fund balance	<u>33,241</u>	<u>38,065</u>	<u>32,605</u>	<u>112,516</u>	<u>598,594</u>
Total equity and other credits	<u>33,241</u>	<u>38,065</u>	<u>32,605</u>	<u>112,516</u>	<u>598,594</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<u>\$ 110,086</u>	<u>\$ 102,994</u>	<u>\$ 33,150</u>	<u>\$ 127,168</u>	<u>\$ 684,480</u>

See notes to financial statements.

Account Groups		Totals Primary Government (Memorandum Only)	Component Units		Totals Reporting Entity (Memorandum Only)	
General Fixed Assets	General Long Term Debt		Governmental	Proprietary	1999	1998 (Restated - Note 1)
		\$ 62,636	\$ 903	\$ 19,195	\$ 82,734	\$ 60,915
		1,762	61	506	2,329	4,272
	\$ 98,578	141,763		36,761	178,524	178,905
		50,874			50,874	40,290
			1,273	2,002	3,275	1,244
		19,010			19,010	13,193
		2,979		475	3,454	1,298
		56,788	1,064	21	57,873	41,872
				1,914	1,914	1,783
				3,237	3,237	1,741
				2,019	2,019	1,825
				1,417	1,417	4,852
				13,511	13,511	7,948
				839	839	2,061
				9,191	9,191	7,734
	128,268	128,268		4,698	132,966	132,690
		252			252	252
		5,371			5,371	5,037
	102,330	102,330			102,330	109,475
				4,867	4,867	6,191
					485,156	474,421
	485,156	485,156		56,139	68,019	74,084
	11,880	11,880		83,112	83,112	84,607
				201,181	201,181	221,387
				971	971	946
	<u>826,212</u>	<u>1,069,069</u>	<u>3,301</u>	<u>442,056</u>	<u>1,514,426</u>	<u>1,479,023</u>
				355,840	355,840	343,367
\$ 497,805		497,805	845		498,650	478,481
				697,827	697,827	688,616
				25,400	25,400	25,607
				64,837	64,837	62,977
				144,379	144,379	133,160
				932,443	932,443	910,360
		668,939	3,725	171,834	844,498	811,189
		109,782	1,659		111,441	77,661
		36,300	1,307		37,607	44,081
		815,021	6,691	171,834	993,546	932,931
497,805		1,312,826	7,536	1,460,117	2,780,479	2,665,139
<u>\$ 497,805</u>	<u>\$ 826,212</u>	<u>\$ 2,381,895</u>	<u>\$ 10,837</u>	<u>\$ 1,902,173</u>	<u>\$ 4,294,905</u>	<u>\$ 4,144,162</u>

(Concluded)

# CITY OF NEW ORLEANS, LOUISIANA

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND SIMILAR DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>REVENUES:</b>				
Taxes (Note 3)	\$ 221,915	\$ 5,402	\$ 41,031	
Licenses and permits	53,672			
Intergovernmental	18,548	37,733		\$ 24,719
Charges for services	44,039			
Program income		3,258		
Fines and forfeits	10,803	3,635		
Interest income (Note 10)	8,229	470	2,920	(248)
Contributions, gifts and donations	1,128	474		
Miscellaneous	14,506	11,936	877	933
<b>Total revenues</b>	<b>372,840</b>	<b>62,908</b>	<b>44,828</b>	<b>25,404</b>
<b>EXPENDITURES:</b>				
Current:				
General government	127,823	15,896	746	
Public safety	155,136	7,240		
Public works	54,645	617		
Health and human services	12,877	7,218		
Culture and recreation	22,213	1,522		
Urban development and housing	239	2,737		
Economic development and assistance		12,372		
Capital projects				48,275
Debt service:				
Principal retirement	7,145		23,040	
Interest and fiscal charges	5,059		21,799	
Bond issuance costs				
<b>Total expenditures</b>	<b>385,137</b>	<b>47,602</b>	<b>45,585</b>	<b>48,275</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(12,297)</b>	<b>15,306</b>	<b>(757)</b>	<b>(22,871)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in (Note 8)	8,596	1,830		
Transfer in from component unit (Note 8)	1,000			
Operating transfers out (Note 8)	(1,830)	(8,596)		
Proceeds from bond issuance				32,400
Proceeds of refunding bonds				
Payment to refunded bond escrow agent				
Other, net				
<b>Total other financing sources (uses)</b>	<b>7,766</b>	<b>(6,766)</b>		<b>32,400</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(4,531)</b>	<b>8,540</b>	<b>(757)</b>	<b>9,529</b>
<b>FUND BALANCES, BEGINNING OF YEAR (Restated Note 1)</b>	<b>37,772</b>	<b>29,525</b>	<b>33,362</b>	<b>102,987</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 33,241</b>	<b>\$ 38,065</b>	<b>\$ 32,605</b>	<b>\$ 112,516</b>

Fiduciary Fund Type  Expendable Trust	Totals Primary Government (Memorandum Only)	Component Units  Governmental	Totals Reporting Entity (Memorandum Only)	
			1999	1998 (Restated - Note 1)
	\$ 268,348	\$ 8,077	\$ 276,425	\$ 265,537
	53,672		53,672	55,166
	81,000		81,000	99,864
	44,039		44,039	43,174
	3,258		3,258	520
	14,438		14,438	13,754
\$ 516	11,887	333	12,220	14,185
632	2,234		2,234	9,218
	<u>28,252</u>	<u>2,330</u>	<u>30,582</u>	<u>28,247</u>
<u>1,148</u>	<u>507,128</u>	<u>10,740</u>	<u>517,868</u>	<u>529,665</u>
	144,465	6,883	151,348	144,155
	162,376		162,376	159,904
	55,262	805	56,067	56,001
146	20,241		20,241	21,856
638	24,373	3,389	27,762	25,635
	2,976		2,976	32,498
	12,372		12,372	9,727
	48,275		48,275	55,440
	30,185		30,185	23,096
	26,858		26,858	26,096
				145
<u>784</u>	<u>527,383</u>	<u>11,077</u>	<u>538,460</u>	<u>554,553</u>
<u>364</u>	<u>(20,255)</u>	<u>(337)</u>	<u>(20,592)</u>	<u>(24,888)</u>
	10,426		10,426	12,097
	1,000		1,000	900
	(10,426)		(10,426)	(12,097)
	32,400		32,400	40,000
				106,520
				(106,520)
				885
	<u>33,400</u>		<u>33,400</u>	<u>41,785</u>
364	13,145	(337)	12,808	16,897
<u>8,365</u>	<u>212,011</u>	<u>7,028</u>	<u>219,039</u>	<u>202,142</u>
<u>\$ 8,729</u>	<u>\$ 225,156</u>	<u>\$ 6,691</u>	<u>\$ 231,847</u>	<u>\$ 219,039</u>

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-3

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET - GENERAL FUND  
 YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	General Fund (Note 1)				Variance Favorable (Unfavorable)
	Actual	Adjusted to Budgetary Basis	Actual on Budgetary Basis (Non-GAAP)	Revised Budget	
<b>REVENUES:</b>					
Taxes	\$ 221,915	\$	\$ 221,915	\$ 218,644	\$ 3,271
Licenses and permits	53,672		53,672	51,580	2,092
Intergovernmental	18,548	(3)	18,545	18,332	213
Charges for services	44,039		44,039	45,308	(1,269)
Fines and forfeits	10,803		10,803	12,308	(1,505)
Interest income	8,229		8,229	8,400	(171)
Contributions, gifts and donations	1,128		1,128	11,962	(10,834)
Miscellaneous	14,506	1,000	15,506	23,205	(7,699)
Total revenues	<u>372,840</u>	<u>997</u>	<u>373,837</u>	<u>389,739</u>	<u>(15,902)</u>
<b>EXPENDITURES:</b>					
Current:					
General government	127,823	1,557	129,380	133,934	4,554
Public safety	155,136	(563)	154,573	154,577	4
Public works	54,645	2,667	57,312	57,346	34
Health and human services	12,877	(12)	12,865	12,866	1
Culture and recreation	22,213	54	22,267	22,309	42
Urban development and housing	239	(17)	222	222	
Debt service:					
Principal retirement	7,145		7,145	7,145	
Interest and fiscal charges	5,059		5,059	5,059	
Total expenditures	<u>385,137</u>	<u>3,686</u>	<u>388,823</u>	<u>393,458</u>	<u>4,635</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(12,297)</u>	<u>(2,689)</u>	<u>(14,986)</u>	<u>(3,719)</u>	<u>(11,267)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	8,596		8,596	1,404	7,192
Operating transfers out	(1,830)		(1,830)		(1,830)
Transfer in from component unit	1,000		1,000	2,315	(1,315)
Reduction in prior year's outstanding encumbrances		210	210		210
Other, net		(810)	(810)		(810)
Total other financing sources	<u>7,766</u>	<u>(600)</u>	<u>7,166</u>	<u>3,719</u>	<u>3,447</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(4,531)</u>	<u>(3,289)</u>	<u>(7,820)</u>		
FUND BALANCES, BEGINNING OF YEAR	<u>37,772</u>	<u>(22,923)</u>	<u>14,849</u>		
FUND BALANCES, END OF YEAR	<u>\$ 33,241</u>	<u>\$ (26,212)</u>	<u>\$ 7,029</u>		

See notes to financial statements.

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-4

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES  
 NONEXPENDABLE TRUST FUND AND SIMILAR DISCRETELY PRESENTED COMPONENT UNITS  
 YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Non- expendable Trust Fund	Total Primary Government (Memorandum Only)	Component Units Proprietary Funds	Totals Reporting Entity (Memorandum Only)	
				1999	1998
<b>OPERATING REVENUES:</b>					
Charges for services			\$ 182,930	\$ 182,930	\$ 173,404
Tax revenues (Note 1)			32,857	32,857	32,120
Other			1,635	1,635	1,775
Total operating revenues			217,422	217,422	207,299
<b>OPERATING EXPENSES:</b>					
Benefit payments					
Personal services			62,862	62,862	59,786
Contractual services			94,891	94,891	88,128
Materials and supplies			1,757	1,757	1,753
Depreciation and amortization			57,016	57,016	54,896
Other			8,673	8,673	8,345
Total operating expenses			225,199	225,199	212,908
OPERATING LOSS			(7,777)	(7,777)	(5,609)
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Interest revenue			14,797	14,797	13,323
Interest expense			(23,730)	(23,730)	(22,282)
Dedicated taxes			9,051	9,051	8,881
Grants			3,785	3,785	1,677
Other			18,186	18,186	14,698
Unrealized gain					
Total nonoperating revenues			22,089	22,089	16,297
INCOME BEFORE TRANSFERS			14,312	14,312	10,688
TRANSFER OUT TO PRIMARY GOVERNMENT			(1,000)	(1,000)	(900)
NET INCOME			13,312	13,312	9,788
DEPRECIATION ON FIXED ASSETS ACQUIRED BY CONTRIBUTIONS			8,771	8,771	8,948
INCREASE IN RETAINED EARNINGS/FUND BALANCES			22,083	22,083	18,736
RETAINED EARNINGS/FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	\$ 205	\$ 205	910,360	910,565	891,829
RETAINED EARNINGS/FUND BALANCES, END OF YEAR	\$ 205	\$ 205	\$ 932,443	\$ 932,648	\$ 910,565

See notes to financial statements.

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-5  
Page 1 of 3

COMBINED STATEMENT OF CASH FLOWS -  
NONEXPENDABLE TRUST FUND AND SIMILAR DISCRETELY  
PRESENTED COMPONENT UNITS  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Non- expendable Trust Fund	Totals Primary Government (Memorandum Only)	Component Units Proprietary Funds	Totals Reporting Entity (Memorandum Only)	
				1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating loss	\$	\$	\$ (7,777)	\$ (7,777)	\$ (5,609)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation and amortization			57,016	57,016	54,896
Gain on disposal of property			302	302	
Provision for claims			7,165	7,165	7,200
Provision for doubtful accounts			1,027	1,027	17
Changes in current assets and liabilities:					
Taxes receivable			(19)	(19)	112
Accounts receivable			(4,449)	(4,449)	1,141
Other receivables			8	8	(923)
Due from other funds			(143)	(143)	
Due from primary government			(273)	(273)	(472)
Inventory			221	221	(426)
Prepaid expenses and deposits			(583)	(583)	767
Other assets			(86)	(86)	101
Capital projects payable			1,623	1,623	(587)
Accounts payable	34	34	(1,695)	(1,661)	4,629
Other payables and accruals			239	239	203
Due to other funds			152	152	50
Due to primary government			(1,013)	(1,013)	200
Advances from other funds, net					(119)
Deferred revenues			10	10	(4)
Increase in inventory of materials and supplies			41	41	(5,528)
Other			(6,488)	(6,488)	(131)
Increase in accrued salary/compensation			(202)	(202)	(107)
Net cash provided by operating activities	<u>34</u>	<u>34</u>	<u>45,076</u>	<u>45,110</u>	<u>55,410</u>

(Continued)



**COMBINED STATEMENT OF CASH FLOWS -  
NONEXPENDABLE TRUST FUND AND SIMILAR DISCRETELY  
PRESENTED COMPONENT UNITS  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	Non- expendable Trust Fund	Totals Primary Government (Memorandum Only)	Component Units <u>Proprietary Funds</u>	Totals Reporting Entity (Memorandum Only)	
				1999	1998
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Payment of loans payable			(100)	(100)	(394)
Residual equity transfer			(200)	(200)	
Other revenues			1,988	1,988	2,814
Dedicated taxes					2,371
	-----	-----	-----	-----	-----
Net cash provided by noncapital financing activities			1,688	1,688	4,791
	-----	-----	-----	-----	-----
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of property and equipment			(90,962)	(90,962)	(76,086)
Decrease (increase) in restricted assets			1,941	1,941	2,425
Decrease (increase) in restricted liabilities			(425)	(425)	(146)
Proceeds from property taxes dedicated to construction			6,624	6,624	6,510
Principal paid on bonds			(13,667)	(13,667)	(14,778)
State and federal grants			24,607	24,607	11,644
Interest paid on bonds			(21,540)	(21,540)	(20,447)
Grants from Audubon Institute			3,785	3,785	1,677
Proceeds from issuance of bonds			35,001	35,001	51,148
Bond issuance costs			(1,032)	(1,032)	(474)
Passenger facilities charges			12,611	12,611	12,233
Other			(47,812)	(47,812)	(120)
	-----	-----	-----	-----	-----
Net cash used in capital and related financing activities			(90,869)	(90,869)	(26,414)
	-----	-----	-----	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of investments			(296,767)	(296,767)	(364,127)
Proceeds from sale and maturity of investments			254,139	254,139	374,179
Interest and dividends received			14,396	14,396	15,068
	-----	-----	-----	-----	-----
Net cash provided by (used in) investing activities			(28,232)	(28,232)	25,120
	-----	-----	-----	-----	-----

(Continued)

COMBINED STATEMENT OF CASH FLOWS -  
NONEXPENDABLE TRUST FUND AND SIMILAR DISCRETELY  
PRESENTED COMPONENT UNITS  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Non- expendable Trust Fund	Totals Primary Government (Memorandum Only)	Component Units <u>Proprietary Funds</u>	Totals Reporting Entity (Memorandum Only)	
				1999	1998
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	34	34	(72,337)	(72,303)	58,907
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3</u>	<u>3</u>	<u>91,733</u>	<u>91,736</u>	<u>32,829</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 1)	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 19,396</u>	<u>\$ 19,433</u>	<u>\$ 91,736</u>

See notes to financial statements.

(Concluded)

## CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-6

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS  
YEAR ENDED DECEMBER 31, 1999 (IN THOUSANDS)

	Fire Fighters'		Police Old System	Employees' Retirement System	Totals Primary Government (Memorandum Only)	Proprietary Component Unit Sewerage and Water Board	Total Reporting Entity (Memorandum Only)	
	Old System	New System					1999	1998
<b>Additions</b>								
<b>CONTRIBUTIONS:</b>								
Employer	\$ 16,750	\$ 3,519	\$ 626	\$ 6,162	\$ 27,057	\$ 4,930	\$ 31,987	\$ 33,781
Members	1	877		3,718	4,596	1,028	5,624	5,548
Drivers' and chauffers' licenses			184		184		184	1,070
Fire insurance rebate	875				875		875	
Other			5	26	31	221	252	71
Total contributions	17,626	4,396	815	9,906	32,743	6,179	38,922	40,470
<b>INVESTMENT INCOME:</b>								
Net appreciation in fair value of investments	129	9,110	106	16,377	25,722	10,216	35,938	16,782
Interest and dividends	337	7,117		11,734	19,188	5,901	25,089	25,595
Other investment income		17		164	181		181	28,492
Less investment expense	(7)	(1,140)	(1)	(1,660)	(2,808)	(147)	(2,955)	(2,490)
Net investment income	459	15,104	105	26,615	42,283	15,970	58,253	68,379
OTHER INCOME	3	18	16		37		37	5
Total additions	18,088	19,518	936	36,521	75,063	22,149	97,212	108,854
<b>Deductions</b>								
Pension benefits	17,558	6,609	519	15,240	39,926	5,463	45,389	42,353
Refunds of member contributions		106		1,523	1,629	352	1,981	1,448
Administrative expenses	334	276	122		732	1,114	1,846	1,349
Transfers	24		23	143	190		190	153
Total deductions	17,916	6,991	664	16,906	42,477	6,929	49,406	45,303
NET INCREASE	172	12,527	272	19,615	32,586	15,220	47,806	63,551
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - BEGINNING OF YEAR</b>								
	9,251	189,793	2,464	355,566	557,074	156,613	713,687	650,136
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - END OF YEAR</b>								
	\$ 9,423	\$ 202,320	\$ 2,736	\$ 375,181	\$ 589,660	\$ 171,833	\$ 761,493	\$ 713,687

See notes to financial statements.

(This Page Intentionally Left Blank)

**NOTES TO  
GENERAL PURPOSE  
FINANCIAL STATEMENTS**

(This Page Intentionally Left Blank)

# CITY OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 1999

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of New Orleans, Louisiana (the "City") have been prepared in conformity with 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 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, streets, sanitation, water and sewerage, planning and zoning, recreation, and general administrative services. Education and welfare are administered by other governmental entities.

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. 14, "The Financial Reporting Entity." Component units are legally separate organizations for which the elected officials of the City are financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

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

**Blended Component Units** - For financial reporting purposes, the following entities are included (blended) in the operations and activities of the City because these entities provide services substantially for the benefit of the City: Board of Liquidation, City Debt which handles all matters relating to the bonded debt of the City and the Rivergate Development Corporation whose sole responsibility is to account for and oversee the development of the land-based casino. Complete financial statements for these blended component units may be obtained at the entity's administrative offices.

**Discretely Presented Component Units** - The general purpose financial statements of the City include all government activities, organizations and functions for which the City appoints a voting majority of the organizations governing body, 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. The City believes that the exclusion of the financial statements of the following associated organizations would cause the City's financial statements to be misleading or incomplete.

Audubon Commission  
 Canal Street Development Corporation  
 Downtown Development District  
 French Market Corporation  
 Municipal Yacht Harbor Management Corporation  
 New Orleans International Airport  
 New Orleans Tourism Marketing Corporation  
 Orleans Parish Communication District  
 Upper Pontalba Building Restoration Corporation  
 Sewerage and Water Board of New Orleans  
 New Orleans Economic Development Corporation

**Condensed Financial Statements** - The following are condensed financial statements of discretely presented component units disclosed above. Complete financial statements of the individual component units can be obtained directly from their administrative offices.

Condensed Balance Sheet (amounts in thousands):

	Downtown Development District	New Orleans Tourism Marketing Corporation	New Orleans Economic Development Corporation	Total
<b>Assets:</b>				
Current assets	\$ 6,014	\$ 423	\$ 11	\$ 6,448
Due from other governments		1,343		1,343
Other assets	<u>844</u>	<u>102</u>	<u>2,100</u>	<u>3,046</u>
Total assets	<u>\$ 6,858</u>	<u>\$ 1,868</u>	<u>\$ 2,111</u>	<u>\$ 10,837</u>
<b>Liabilities:</b>				
Current liabilities/deferred revenues	\$ 1,538	\$ 490	\$	\$ 2,028
Due to primary government	<u>1,273</u>	<u>          </u>	<u>          </u>	<u>1,273</u>
Total liabilities	<u>2,811</u>	<u>490</u>	<u>          </u>	<u>3,301</u>
<b>Equity and other credits:</b>				
Investment in general fixed assets	759	86		845
Fund balance	<u>3,288</u>	<u>1,292</u>	<u>2,111</u>	<u>6,691</u>
Total equity and other credits	<u>4,047</u>	<u>1,378</u>	<u>2,111</u>	<u>7,536</u>
Total liabilities, equity and other credits	<u>\$ 6,858</u>	<u>\$ 1,868</u>	<u>\$ 2,111</u>	<u>\$ 10,837</u>



Condensed Balance Sheet (amounts in thousands):

	Audubon Commission	New Orleans International Airport	Sewerage and Water Board	Other	Total
<b>Assets:</b>					
Current assets	\$ 1,866	\$ 33,116	\$ 197,858	\$ 8,800	\$ 241,640
Due from primary government		1,261	200	1,518	2,979
Property, net	116,515	377,593	883,221	28,636	1,405,965
Other assets	17,854	74,801	146,394	12,065	251,114
Due from other component units	<u>307</u>	<u>          </u>	<u>135</u>	<u>33</u>	<u>475</u>
<b>Total assets</b>	<b><u>\$ 136,542</u></b>	<b><u>\$ 486,771</u></b>	<b><u>\$ 1,227,808</u></b>	<b><u>\$ 51,052</u></b>	<b><u>\$ 1,902,173</u></b>
<b>Liabilities:</b>					
Current liabilities/ deferred revenues	\$ 8,304	\$ 21,238	\$ 57,539	\$ 1,530	\$ 88,611
Long-term bonds payable	55,063	196,301	80,485	8,583	340,432
Due to other component units	307		135	33	475
Due to primary government		1,034	256	712	2,002
Other liabilities	<u>971</u>	<u>          </u>	<u>4,698</u>	<u>4,867</u>	<u>10,536</u>
<b>Total liabilities</b>	<b><u>64,645</u></b>	<b><u>218,573</u></b>	<b><u>143,113</u></b>	<b><u>15,725</u></b>	<b><u>442,056</u></b>
<b>Equity and other credits:</b>					
Contributed capital		196,247	148,117	11,476	355,840
Retained earnings, reserved		12,400	764,744	10,920	788,064
Retained earnings, unreserved	71,897	59,551		12,931	144,379
Net assets - Pension Trust Fund	<u>          </u>	<u>          </u>	<u>171,834</u>	<u>          </u>	<u>171,834</u>
<b>Total equity and other credits</b>	<b><u>71,897</u></b>	<b><u>268,198</u></b>	<b><u>1,084,695</u></b>	<b><u>35,327</u></b>	<b><u>1,460,117</u></b>
<b>Total liabilities, equity and other credits</b>	<b><u>\$ 136,542</u></b>	<b><u>\$ 486,771</u></b>	<b><u>\$ 1,227,808</u></b>	<b><u>\$ 51,052</u></b>	<b><u>\$ 1,902,173</u></b>

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances (amounts in thousands):

	Downtown Development District	New Orleans Tourism Marketing Corporation	New Orleans Economic Development Corporation	Total
Revenues	\$4,231	\$6,483	\$ 26	\$10,740
Expenditures	<u>5,028</u>	<u>6,022</u>	<u>27</u>	<u>11,077</u>
Excess (deficiency) of revenues over expe	(797)	461	(1)	(337)
Fund balance, beginning of year	<u>4,085</u>	<u>831</u>	<u>2,112</u>	<u>7,028</u>
<b>Fund balance, end of year</b>	<b><u>\$3,288</u></b>	<b><u>\$1,292</u></b>	<b><u>\$2,111</u></b>	<b><u>\$ 6,691</u></b>

Condensed Statement of Revenues, Expenses, and Changes in Retained Earnings (amounts in thousands):

	Audubon Commission	New Orleans International Airport	Sewerage and Water Board	Other	Total
Operating revenues	\$ 23,314	\$ 56,132	\$ 94,838	\$ 10,281	\$ 184,565
Tax revenues			32,857		32,857
Operating and other expenses	(26,583)	(35,426)	(98,220)	(7,954)	(168,183)
Depreciation	<u>(5,585)</u>	<u>(22,211)</u>	<u>(27,629)</u>	<u>(1,591)</u>	<u>(57,016)</u>
Operating income (loss)	(8,854)	(1,505)	1,846	736	(7,777)
Nonoperating revenues, net	8,966	1,864	5,457	2,017	18,304
Specific grants	3,785				3,785
Transfer out to primary government				<u>(1,000)</u>	<u>(1,000)</u>
Net income (loss)	3,897	359	7,303	1,753	13,312
Depreciation on fixed assets acquired by contribution		8,771			8,771
Retained earnings, beginning of year	<u>68,000</u>	<u>62,821</u>	<u>757,441</u>	<u>22,098</u>	<u>910,360</u>
Retained earnings, end of year	<u>\$ 71,897</u>	<u>\$ 71,951</u>	<u>\$ 764,744</u>	<u>\$ 23,851</u>	<u>\$ 932,443</u>

***Related and Jointly Governed Organizations***

Related organizations and jointly governed organizations provide services within the City that are administered by separate boards or commissions, but the City is not financially accountable, and such organizations are therefore not component units of the City, even though the Mayor and/or City Council may appoint a voting majority of an organization's board. Consequently, financial information for the following entities is not included within the scope of these financial statements.

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

- Community Improvement Agency
- Housing Authority of New Orleans
- New Orleans Home Mortgage Authority
- Public Belt Railroad Commission
- New Orleans Affordable Home Ownership, Inc.

***Jointly Governed Organizations*** - The City is a participant in other jointly governed organizations. The Mayor and/or City Council appoints members of the boards for the following organizations. Such appointments represent less than a voting majority of the respective boards.

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

***Basis of Presentation*** - The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity and is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

The City's charter establishes eight categories of funds to record the City's financial transactions. For financial reporting purposes, the following fund categories (further divided by fund type) and account groups are used by the City:

### **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 measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

***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.

***Special Revenue Funds*** - 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.

***Debt Service Funds*** - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

***Capital Projects Funds*** - Capital projects funds are 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 Funds**

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

***Trust and Agency Funds*** - Trust and agency funds include expendable, nonexpendable, pension trust and agency funds. Nonexpendable and pension trust funds are accounted for in essentially the same manner as proprietary funds (see discussion of proprietary funds under "Component Units" below) since capital maintenance is critical. Expendable trust funds and agency funds are accounted for in essentially the same manner as governmental funds except that agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

## Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. They are self-balancing groups of accounts that are concerned only with the measurement of financial position, not with the measurement of results of operations. The following are the City's account groups:

**General Fixed Assets Account Group** - This account group is established to account for fixed assets of the City (primary government only).

**General Long-Term Debt Account Group** - This account group is established to account for all long-term debt of the City (primary government only).

## Component Units

Component units of the City are accounted for in either governmental funds or proprietary funds based upon their activities and measurement focus.

**Governmental Funds** - Governmental funds are those through which most governmental functions are financed. The measurement focus is upon determination of changes in financial position, rather than determination of net income.

**Proprietary Funds** - Proprietary funds are used to account for ongoing activities which are similar to those found in the private sector. Such funds are used (a) where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public be financed and recovered through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Prior Period Restatement** – During 1999, the New Orleans Economic Development Corporation became a component unit of the City. The beginning fund balances of the component units – governmental and the 1998 total reporting entity (memorandum only) have been increased by \$2,112,000 to reflect the corporation's equity balance at the beginning of 1999.

The beginning balance of the General Long-Term Debt Account Group has been restated to reflect an issuance of \$109,960,000 of certificates of indebtedness during 1998. This debt issuance refunded the City's Series 1992 certificates of indebtedness and the debt incurred under the merger agreement between Municipal Police Employee's Retirement System and the City's Board of Trustees of the Police Pension Fund. The impact of this refunding had the effect of increasing general long-term debt by \$11,047,000 at December 31, 1998.

In 1998, \$25,000,000 relating to the Jazzland Theme Park grantee loan receivable (see Note 4) was recorded as revenue in the special revenue fund. During 1999, it was determined that this revenue should have been deferred and recognized as revenue as the receivable is liquidated and accordingly, this amount has been reclassified as deferred revenue. The combined balance sheet reflects an increase in deferred revenues and a decrease in fund balance in this amount in the 1998 reporting entity totals (memorandum only). Intergovernmental revenues reflected in the Totals Reporting Entity (Memorandum Only) for 1998 as reported in the combined statement of revenues, expenditures and changes in fund balance – all governmental fund types, expendable trust funds and similar discretely presented component units have been reduced by \$25,000,000 to reflect the correction referred to above.

***Basis of Accounting*** - All governmental funds (including governmental component units), expendable trust and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., both measurable and available). Available means currently due and expected to be collected within the next two months for property taxes and generally the next twelve months for other revenues. Revenues not considered available are recorded as deferred revenues. Significant revenues which are considered susceptible to accrual include sales and franchise tax revenues which are based upon actual collections of December taxes made during January and February of the following year, property taxes, interest, certain charges for services and intergovernmental revenues. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity is reasonably assured. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, vacation and sick leave and claims and judgments which are recognized when paid. Prepaid insurance and similar items are not normally recorded as assets.

Licenses and permits, certain charges for services, fines and forfeits and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable or available until actually received. Investment earnings are recorded as earned since they are measurable and available.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of such revenues. In one, monies must be expended for the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. Such revenues are recognized at the time of receipt or earlier if the "susceptible to accrual" criteria are met.

All proprietary funds and nonexpendable trust funds and 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. Unbilled utility service receivables of the Sewerage and Water Board of New Orleans are not recorded in the general purpose financial statements as management considers the effect of not recording such unbilled receivables to be insignificant in relation to the proprietary component unit financial statements. Under the provisions of GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," the City has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

***Budgetary Data*** - The procedures used by the City in establishing the budgetary data recorded in the general purpose financial statements are as follows:

- (1) 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.
- (2) Public hearings are conducted, after proper official public notification, to obtain taxpayer comments.
- (3) Not later than December 1, the budget is legally enacted through passage of an ordinance.

- (4) 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.

Budgetary comparisons are presented in the individual fund financial statements at this level of detail. 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 total effect of these amendments was immaterial. Budgeted amounts reflected in Exhibit A-3 are as finally amended by the City Council. There were no supplemental appropriations necessary during the current year.

- (5) The City utilizes formal budgetary integration as a management control device during the year for the general and capital projects funds. The capital budget ordinances which encompass the capital projects fund present cumulative budgets by project as opposed to annual budget amounts; thus, budget and actual comparisons are not reported in the general purpose financial statements for those 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.
- (6) The budget, non-GAAP budgetary basis, and actual comparisons presented in Exhibit A-3 in the general purpose financial statements include the general fund. The budget for the general fund is included in the operating budget which is legally adopted by the City Council.
- (7) The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget (Exhibit A-3) presents comparisons of the legally adopted 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):

Deficiency of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (7,820)
Adjustments:	
To adjust revenues for accruals and deferrals	(997)
To reverse December 31, 1999 encumbrances recorded as expenditures on the budgetary basis in 1999	14,465
Reduction in prior year's outstanding encumbrances	(210)
To add back prior year's encumbrances paid in 1999, but not recorded as expenditures on the budgetary basis in 1999	(11,422)
To adjust expenditures for accruals	<u>1,453</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	<u>\$ (4,531)</u>

- (8) 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.

***Encumbrances*** - In accordance with the City's Charter, an encumbrance is established when a valid requisition is properly approved. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the general, special revenue and capital projects funds. Appropriations are valid only for the year in which made. Encumbrances outstanding at year end are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities on a GAAP basis.

***Investments*** - Investments are stated at fair value.

***Component Unit Inventory*** - Inventory of supplies of the proprietary component units is stated at the lower of cost or market as determined by the first-in, first-out method. Such inventory of supplies is charged to expense when consumed.

***Advances to Other Funds***- Long-term advances to other funds are recorded as a receivable and as a reservation of fund balance in the governmental fund types to indicate that these assets do not constitute "expendable available financial resources."

***Component Unit Restricted Assets*** - Restricted assets are established in the component unit proprietary funds in accordance with bond indentures.

***General Fixed Assets*** - General fixed assets have been acquired for general governmental purposes of the City as a whole. Assets purchased are recorded as expenditures in the general, special revenue and capital projects funds and are capitalized in the general fixed assets account group. All purchased fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are recorded at estimated fair market value at the time received.

Public domain general fixed assets, consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks and lighting systems, are not capitalized, and are not included in the general fixed assets account group. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for these capital expenditures is satisfied without recording such assets.

No depreciation has been provided on general fixed assets, and interest has not been capitalized due to insignificance.

***Component Unit Property, Plant and Equipment*** - Property, plant and equipment associated with the activities of the proprietary component unit funds are recorded as assets of those funds and are stated at historical cost, if purchased, or at fair market value at date of gift, if donated.

Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. The interest cost of borrowed funds used to finance construction projects is capitalized.

For the New Orleans International Airport, depreciation recognized on property, plant and equipment acquired through intergovernmental grants, entitlements, or shared revenues externally restricted to capital acquisitions, is included as an operating expense and a reduction of contributed capital.

Depreciation is provided over the estimated useful lives using the straight-line method. The estimated useful lives (in years) used for computing depreciation for the City's proprietary component units are as follows:

	Orleans Parish Communication District	Audubon Commission	New Orleans International Airport	Sewerage and Water Board	Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Pontalba Building Restoration Corporation	Canal Street Development Corporation
Piers and boat launch					100			
Canals				100				
Runways, aprons, etc.			5-15					
Buildings and improvements		10-35	3-25	25-57	25-100	10-50	25-40	50
Machinery and equipment	3-25	3-15	3-10	12-40	3	3-10	3-5	
Utility systems			10-25	50-75				

Fully depreciated fixed assets are included in the property, plant and equipment 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 general purpose financial statements.

**Long-Term Liabilities** - Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group.

**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 can 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 sick leave to additional years of service.

For governmental funds, annual and sick leave expenditures are recorded when paid, and any unpaid current liability is considered to be immaterial to the related governmental funds. Accordingly, the liability related to governmental funds, which amounted to \$50,788,000 at December 31, 1999, is reported in the general long-term debt account group.

**Litigation** - Governmental funds recognize claims and judgments as expenditures according to Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies," and National Council on Governmental Accounting Statement No. 4, "Accounting and Financial Reporting for Claims and Judgments and Compensated Absences." Therefore, the amount of expenditures for claims and judgments recorded is the amount accrued during the year that would normally be liquidated with expendable available financial resources. Other liabilities not expected to be liquidated with expendable available financial resources are reported as liabilities in the general long-term debt account group. 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.



**Reserves** - Reserves are reported in the various funds to indicate that a portion of the fund balance/retained earnings is not appropriable for expenditure/expense or is legally segregated for a specific future use.

**Component Unit Tax Revenues** - The Sewerage and Water Board of New Orleans includes the operations of the City's drainage system. Because of the peculiar geography of the City, the provision for drainage service is essential for the operation of the water and sewerage systems. The drainage system is financed by property tax levies (recorded as operating revenues), not by user charges, the usual revenue source for a proprietary fund activity. However, because of the unique character of services provided by the drainage system, proprietary fund accounting is necessary to provide meaningful measurement of cost of services and capital maintenance of the system.

**Statement of Cash Flows** - For purposes of the Statement of Cash Flows, the nonexpendable trust fund and all discretely presented proprietary component units consider all highly liquid investments with an original maturity of ninety days or less when purchased to be cash equivalents. The nonexpendable trust fund cash and cash equivalents consists of \$37,000 in cash. The discretely presented proprietary component unit accounts are as follows at December 31, 1999 (amounts in thousands):

	Orleans Parish Communi- cation District	Audubon Commission	New Orleans International Airport	Sewerage and Water Board	Municipal Yacht Harbor Management Corporation	French Market Corpo- ration	Upper Pontalba Building Restoration Corporation	Canal Street Development Corporation	Total
Cash and cash equivalents	\$ 1,035	\$ 128	\$ 2,401	\$ 2,966	\$ 57	\$ 478	\$ 1,113	\$ 896	\$ 9,074
Certificates of deposit			6,887						6,887
Restricted cash			3,195	240					3,435
Cash and cash equivalents per Statement of Cash Flows	<u>\$ 1,035</u>	<u>\$ 128</u>	<u>\$ 12,483</u>	<u>\$ 3,206</u>	<u>\$ 57</u>	<u>\$ 478</u>	<u>\$ 1,113</u>	<u>\$ 896</u>	<u>\$ 19,396</u>

**Memorandum Totals** - Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**New Accounting Pronouncement** - The Governmental Accounting Standards Board ("GASB") has adopted new requirements for annual financial statements of state and local government. GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" will significantly change the way governments report their finances to the public. The financial reports prepared under the new system will provide financial information from a total government prospective and will include the following: (1) a financial's manager's discussing the City of New Orleans' (the "City") financial position and results of previous year's operations, (2) a statement of net assets and a statement of activities disclosing all of its assets, liabilities, revenues, and expenses, (3) disaggregated information about the most important or major funds, including the general fund, and (4) a supplementary schedule comparing original, final, and actual information on the budgetary basis for general fund and major special revenue funds. GASB Statement No. 34 will become effective for the City's fiscal year ending December 31, 2002. The City is currently in the process of evaluating the impact of GASB Statement No. 34 on its financial statements.

## 2. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS

*Deposits* - The City is authorized by state statute to open depositories in only those banks with branch offices within the City's limits.

*Cash Equivalents* – Cash equivalents consist of government backed pooled funds and commercial paper. The funds are held by the fund's custodian's trust department in the fund's name.

At December 31, 1999, the carrying amount of the City's (primary government only) deposits and cash equivalents were \$185,341,000, and the bank balance was \$181,539,000. The City's bank balance is categorized below (amounts in thousands) to give an indication of the level of risk assumed by the City at year end. Category 1 includes insured or collateralized cash with securities held by the City or by its agent in the City's name. Category 2 includes collateralized cash with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes uncollateralized cash, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

	Category			Total
	1	2	3	
Bank balance:				
Cash	\$ 31,390	\$ 25,664	\$ -	\$ 57,054
Cash equivalents		63,216		63,216
Certificates of deposit		61,269		61,269
	<u>\$ 31,390</u>	<u>\$ 150,149</u>	<u>\$ -</u>	<u>\$ 181,539</u>

*Investments* - Investments in certificates of deposit can be placed with Louisiana state banks or with national banks having their principal offices in the state. State statutes authorize the City, except for the pension trust funds, to invest in U.S. bonds, treasury notes and other federally-insured investments. The City also may invest in repurchase agreements secured by U.S. Government obligations. In addition to the above securities, the pension trust funds are authorized under State statutes to invest in annuity contracts, equity securities and certain other insured investments.

The City's investments (primary government only) are categorized below (amounts in thousands) to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered, or held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution or by its trust department, or agent, but not in the City's name.

	Category			Carrying Amount
	1	2	3	
U.S. Government securities and instrumentalities	\$ 245,944	\$ -	\$ -	\$ 245,944
Corporate bonds	107,454			107,454
Equity securities	277,021			277,021
Notes receivable	4,760			4,760
	<u>\$ 635,179</u>	<u>\$ -</u>	<u>\$ -</u>	635,179
Mutual funds				36,466
Mortgages				21,156
Total investments				<u>\$ 692,801</u>

### 3. TAX REVENUES

Tax revenues by fund type for the year ended December 31, 1999 are as follows (amounts in thousands):

	General	Special Revenue	Debt Service
Sales	\$ 133,490		
Real and personal property	22,373	\$ 5,402	\$ 41,031
Dedicated tax millage	43,331		
Penalties and interest on delinquent taxes	2,355		
Utilities	8,914		
Beverage excise	723		
Amusement	1,712		
Parking	2,048		
Documentary transaction	5,880		
Other	1,089		
	<u>\$ 221,915</u>	<u>\$ 5,402</u>	<u>\$ 41,031</u>

At December 31, 1999, the total sales tax levied in the City is nine percent. Four percent is state sales tax. One and one-half percent is levied by the Orleans Parish School Board (the School Board). One percent is dedicated for transportation and is levied by the Regional Transit Authority (RTA). The remaining two and one-half percent is used to fund the general operations of the City. The City administers and collects the entire five percent 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. A portion 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 of New Orleans 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 \$31.78 per \$1,000 of assessed valuation for general governmental services (including fire and police) other than the payment of principal and interest on long-term debt and other purposes specifically approved by the voters. It 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, 1999 are as follows:

General:	
General governmental services	\$ 14.91
Dedicated for fire and police	6.40
Public library	4.32
Fire and police	10.47
Parkways and parks and recreation department	3.00
Street and traffic control device maintenance	1.90
Special revenue:	
Neighborhood housing improvement fund	1.25
New Orleans economic development fund	1.25
Debt service	<u>26.90</u>
	<u>\$ 70.40</u>

Property taxes levied during 1999, collected during 1999, or expected to be collected within the first 60 days of 2000, are recognized as revenues in 1999. Taxes receivable, estimated to be collected subsequent to the first 60 days of 2000, in the amount of \$21,739,000 are recorded as deferred revenues. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. Property taxes paid under protest are held in escrow until resolution of the dispute.

#### 4. GRANTEE LOANS

The City has received certain grant awards from the United States Department of Housing and Urban Development (HUD) for the purposes of providing loans to the private sector for completion of projects that will stimulate economic development activity in the City. Twelve individual loans are outstanding at December 31, 1999 totaling \$35,049,000 which bear interest at rates ranging from 0% to 7%. These loans are receivable over a fifteen to thirty year period and are recorded as deferred revenue at December 31, 1999. Once loan payments 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 future maturities of grantee loans receivable as of December 31, 1999, including interest receipts of \$16,168,000, are as follows (amounts in thousands):

<b>Year Ending December 31,</b>	
2000	\$ 2,824
2001	3,498
2002	3,498
2003	3,498
2004	3,498
2005 and thereafter	<u>34,401</u>
	<u>\$ 51,217</u>

One of the grantee loans receivable, amounting to \$7,263,000, relates to the development of the Riverfront Marketplace. In addition to the stated interest of 6.55% on this loan, the City participates in 30% of the net annual cash flows of the project. The City's participation interest is receivable 120 days after the project's year end. This brings the cumulative annual effective yield on the loan up to a maximum of 10%. The cumulative annual effective yield on the loan cannot be less than 8.5%. The City will also participate in 30% of the net proceeds of any sale, refinancing or other disposition of the project, in whole or in part. The Riverfront Marketplace began operations in September 1986. No amounts were due at December 31, 1999.

During 1998, the U.S. Department of Housing and Urban Development agreed to loan to the City \$25,300,000 for the development of the Jazzland Theme Park. The City received \$25,000,000 of the proceeds in the prior year and the remaining funds during the current year. These funds were subsequently loaned to Jazzland, Inc. ("Jazzland") and are due from Jazzland in bi-annual installments plus 7.87% interest. The final payment is due August 1, 2017 with principal payments commencing on October 15, 2000.

## 5. FIXED ASSETS

A summary of changes in general fixed assets (amounts in thousands) is as follows:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Land	\$ 30,716			\$ 30,716
Buildings and improvements	188,511	\$ 4,645	\$ 275	192,881
Equipment	61,708	6,553	1,400	66,861
Construction in progress	196,743	19,702	9,098	207,347
	<u>\$477,678</u>	<u>\$30,900</u>	<u>\$10,773</u>	<u>\$497,805</u>

General fixed assets construction in progress is composed of the following, by department (amounts in thousands):

	Project Authorization	Expended to December 31, 1999	Committed
Mayor (CAO)	\$ 86,423	\$ 71,814	\$ 14,609
Police	16,415	10,747	5,668
Fire	13,171	10,146	3,025
Property Management	56,454	45,929	10,525
Recreation	26,639	19,251	7,388
Human Services	6,592	1,011	5,581
Parks and Parkways	17,528	15,368	2,160
Utilities	473	63	410
Public Library	9,102	7,330	1,772
Isaac Delgado Museum	6,021	6,016	5
Sanitation Department	18,915	12,166	6,749
Safety and Permits	1,134	1,050	84
Mosquito Control Board	1,447	1,133	314
Health	3,970	1,052	2,918
City Planning Commission	4,871	4,271	600
	<u>\$269,155</u>	<u>\$207,347</u>	<u>\$61,808</u>

## 6. LONG-TERM DEBT

**Bond Transactions** - The following is a summary of bond transactions for the City for the year ended December 31, 1999 (amounts in thousands):

	General Obligation
Bonds payable at January 1, 1999	\$ 487,676
Bonds issued in 1999	32,400
Bonds retired	<u>(23,040)</u>
Bonds payable at December 31, 1999	<u>\$ 497,036</u>

The City's legal debt limit for general obligation bonds is \$774,304,000. At December 31, 1999, the City's legal debt margin (after the reduction for outstanding general obligation bonds of \$497,036,000, less \$32,605,000 available in Debt Service Funds) was \$309,873,000.

On November 1, 1999, the City of New Orleans issued \$32,400,000 in Public Improvement Bonds. The bonds were issued for improvements to streets, parks, public libraries, House of Detention and central lock-up; and the acquisition, construction, improvements and renovations to public buildings.

Bonds payable at December 31, 1999, are comprised of the following (all bonds are serial bonds):

Description	Original Issue (in thousands of dollars)	Range of Average Interest Rates	Amount Outstanding (in thousands of dollars)
General obligation bonds:			
1992-99 Public Improvement Bonds, due in annual installments ranging from \$325,000 to \$2,610,000 through December 2026	\$ 217,400	5.196 to 6.84	\$ 77,610
1991 General Obligation Refunding Bonds, due in annual installments ranging from \$2,080,000 to \$28,585,000 commencing September 2004 through September 2021	179,881	7.07	155,016
1995 General Obligation Refunding Bonds, due in annual installments ranging from \$2,080,000 to \$25,490,000 through October 1, 2021	167,340	6.03	148,165
1998 General Obligation Refunding Bonds, due in annual installments ranging from \$3,347,000 to \$11,766,000 commencing December 1998 through December 2012	106,520	4.95	104,365
1996 Limited Tax Bonds, due in annual installments from \$1,240,000 to \$1,970,000 commencing March 1997 through March 1, 2006	15,800	4.82	<u>11,880</u>
Total general obligation bonds			<u>\$ 497,036</u>

The requirement to amortize all bonds outstanding as of December 31, 1999, including interest payments of \$594,834,000 are as follows (amounts in thousands):

Year Ending December 31,	General Obligation
2000	\$ 45,105
2001	47,025
2002	48,184
2003	48,200
2004	48,232
2005 - 2009	235,572
2010 - 2014	232,150
2015 - 2019	232,817
2020 - 2024	125,347
2025 - 2026	<u>29,238</u>
	<u>\$ 1,091,870</u>

The City's debt service fund is held by the Board of Liquidation, City Debt (the Board of Liquidation), an autonomous, self-perpetuating board created under the 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 over to the Board of Liquidation as collected.

The Board of Liquidation annually determines the amount of property tax millage necessary to be levied and collected by the City in the next fiscal year for the payment during such year of principal and interest on all outstanding general obligation bonds of the City, and all such bonds proposed to be issued by the City during such year. The annual determination of the necessary tax millage to service bonds of the City is adopted by resolution of the Board of Liquidation, which is submitted to the City Council. The millage recommended by the Board of Liquidation is then levied by the City Council. The millages for the various limited bonds of the City were established at the time the bonds were issued, based upon approval of the voters.

Administrative expenditures paid in connection with the operations of the Board of Liquidation are recorded in the City's debt service fund.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. At December 31, 1999, the City is in compliance with all such significant limitations and restrictions.

**Advance Refundings** - In prior years, the City entered into advance refunding transactions whereby it issued General Obligation Refunding Bonds to effect early retirement of certain General Obligation Bonds. The net proceeds of these refunding bonds were placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest on the refunded bonds. Accordingly, the escrow accounts and the refundable bonds are no longer included on the City's combined balance sheet. Refunded bonds at December 31, 1999 are as follows (amounts in thousands):

1986 General Obligation Bonds	\$ 43,860
1991 General Obligation Refunding Bonds	24,865
1992 Public Improvement General Obligation Bonds	58,905
1995 Public Improvement General Obligation Bonds	21,340
1997A Public Improvement General Obligation Bonds	41,910
1998A Public Improvement General Obligation Bonds	<u>6,505</u>
	<u>\$ 197,385</u>

**Other General Long-term Debt** - The following is a summary of other liabilities recorded in the general long-term debt account group for the year ended December 31, 1999 (amounts in thousands):

	Balance January 1, 1999 (As restated see Note 1)	Additions	Deletions	Balance December 31, 1999
Claims and judgments (Note 11)	\$ 126,947	\$ 51,675	\$ (50,354)	\$ 128,268
Landfill closing costs (Note 11)	13,022		(245)	12,777
Accrued annual and sick leave (Note 1)	53,840		(3,052)	50,788
Payment due to the Audubon Commission (Note 8)	1,643		(72)	1,571
1998 certificates of indebtedness (see below)	109,475		(7,145)	102,330
HUD Section 108 loan (see below)	30,125	300	(195)	30,230
HUD and DOL for disallowed costs (see below)	<u>7,223</u>	<u>      </u>	<u>(4,011)</u>	<u>3,212</u>
Total	<u>\$ 342,275</u>	<u>\$ 51,975</u>	<u>\$ (65,074)</u>	<u>\$ 329,176</u>

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 Housing and Urban Development (HUD) as guarantor. The loans consist of notes bearing interest at either fixed interest rates ranging from 8.70% to 8.75% or variable interest rates based upon the London Interbank Offered Rate (LIBOR). As of December 31, 1999, \$30,230,000 is recorded as a liability in the general long-term debt account group. The \$300,000 addition during 1999 is reflected in deferred revenue at December 31, 1999.



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

Year Ending December 31,	Interest	Principal
2000	\$ 2,072	\$ 210
2001	2,074	1,085
2002	6,285	5,405
2003	1,451	970
2004	1,398	1,035
2005 and thereafter	<u>10,800</u>	<u>21,525</u>
Total	<u>\$ 24,080</u>	<u>\$ 30,230</u>

The City has issued \$103,440,000 and \$6,520,000 in certificates of indebtedness, respectively. The primary purpose of this debt issuance was to refund the City's Series 1992 certificates of indebtedness and to refund the City's debt obligation incurred in 1983 and additional debt incurred in 1993 under the merger agreement between the Municipal Police Employee's Retirement System and the City's Board of Trustees of the Police Pension Fund. The certificates bear interest ranging from 6% to 3.625%, payable semiannually. As of December 31, 1999, \$102,330,000 was recorded as a liability in the general long-term debt account group.

The requirements to amortize the certificates of indebtedness, are as follows (amounts in thousands):

Year Ending December 31,	Interest	Principal
2000	\$ 4,733	\$ 11,555
2001	4,202	12,190
2002	3,702	12,735
2003	3,167	6,615
2004	2,890	5,430
2005 and thereafter	<u>12,771</u>	<u>53,805</u>
Total	<u>\$ 31,465</u>	<u>\$ 102,330</u>

During 1996, the HUD and the Department of Labor (DOL) assessed the City for approximately \$12,000,000 of disallowed costs related to federal financial assistance that the City had received from these entities from 1978 to 1994. As of December 31, 1999, \$3,212,000 is recorded as a liability in the general long-term debt account group.

The requirements to amortize the remaining disallowed costs under the existing repayment agreement recorded in the general long-term debt account group that is due to HUD and DOL are as follows (amounts in thousands):

Year Ending December 31,	
2000	\$ 1,071
2001	1,071
2002	<u>1,070</u>
Total	<u>\$ 3,212</u>

## 7. PENSION PLANS AND POSTRETIREMENT HEALTHCARE BENEFITS

At December 31, 1999, the City sponsors and administers four separate single-employer, contributory defined benefit pension plans, namely: (1) Firefighters' Pension and Relief Fund - Old System; (2) Firefighters' Pension and Relief Fund - 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 fire fighters who were employed prior to December 31, 1967. The New System covers fire fighters 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 fire fighters and police.

All four plans use the accrual basis of accounting for operating income and operating expenses. 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.

**MPERS Plan Description:** On March 6, 1983, an agreement was signed between the City, the Police Pension Funds of the City of New Orleans, and the Municipal Police Employees' Retirement System (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 fifty or fifty-five, depending on the length of active service.

Employees become eligible for retirement under the MPERS plan at age fifty, after being a member of the plan for one year and after twenty years of active continuous service. An employee who is age fifty-five becomes eligible for retirement benefits after sixteen years of active continuous service. The plan also provides death and disability benefits. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the MPERS. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809, or by calling (800) 443-4248.

**Funding Policy:** The contribution rate for MPERS per dollar of payroll is 7.5% and 9%, respectively, for the employee and employer as established by State statute. The City's contributions to the MPERS for the years ended December 31, 1999, 1998 and 1997 were \$4,920,000, \$4,277,000 and \$3,950,000, respectively, equal to the required contributions for each year.

***Employees' Plan, Police Plan, Firefighters' Pension and Relief Fund - Old and New System***

***Descriptions*** - The City contributes to four single-employer defined benefit pensions plans: Employees' Retirement System of the City of New Orleans, Police Pension Fund of the City of New Orleans, Firefighters' Pension and Relief Fund of the City of New Orleans (New System), and Firefighters' Pension and Relief Fund of the City of New Orleans (Old System). Each plan 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. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan.

Employee's Retirement System  
of the City of New Orleans  
2400 Canal Street, Room 342  
New Orleans, Louisiana 70119  
(504) 826-1985

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

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

***Funding Policies and Annual Pension Costs*** - The Employer Contributions for the Employees' Retirement System 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. Employees covered under the Employees' Retirement System contribute 4% of their earnable compensation in excess of \$1,200 per year to the Employees' Retirement System. Employees covered under the Firefighters' Pension and Relief Fund of the City of New Orleans (Old and New Systems) contribute 6% of salary for the first twenty years of employment of these funds.

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. The City's annual pension cost for the current year and related information for each plan is as follows:

Actuarial Methods and Assumptions

	<b>Employees' Retirement System</b>	<b>Police Pension Fund</b>	<b>Firefighters' Pension and Relief Fund (Old System)</b>	<b>Firefighters' Pension and Relief Fund (New System)</b>
Annual pension cost (thousands)	\$6,162	\$626	\$19,036	\$2,888
Contributions made (thousands)	\$6,162	\$626	\$17,625	\$3,519
Actuarial valuation date	12/31/99	12/31/99	12/31/99	12/31/99
Actuarial cost method	Frozen Entry Age Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Aggregate Actuarial Cost Method
Amortization method	(a)	(b)	Specific number of years - level amount	Specific number of years - level amount
Remaining amortization period	(a)	(b)	13 years	13 years
Asset valuation method	Market Value	Cost which approximates market	Market value	Three year averaging
Actuarial assumptions:				
Investment rate of return*	7%	7%	7.5%	7.5%
Projected salary increases*	3%	N/A	5%	5%
Projected inflation rate*	N/A	N/A	N/A	N/A

(a) The amortization period, which ends December 31, 2003, is being maintained. Beginning with the January 1, 1992 actuarial valuation, the amortization amount was "frozen" and is equal to the 12 year remaining amortization amount over the period January 1, 1992 through December 31, 2003.

(b) The "Entry Age Normal" cost method was used to calculate the funding requirements of the Fund. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as a percentage of payroll for each participant between entry age and assumed retirement age.

**Three-Year Trend Information\* (amounts in thousands)**

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Employee's Retirement System	12/31/99	\$ 6,162	100 %	\$ -
	12/31/98	\$ 8,739	100 %	\$ -
	12/31/97	\$ 9,063	100 %	\$ -
Police Pension Fund	12/31/99	\$ 626	100 %	\$ -
	12/31/98	\$ 724	100 %	\$ -
	12/31/97	\$ 864	100 %	\$ -
Firefighters' Pension and Relief Fund (Old System)	12/31/99	\$ 19,036	93 %	\$ 2,758
	12/31/98	\$ 18,978	91 %	\$ 1,050
	12/31/97	\$ 17,878	103 %	\$ (658)
Firefighters' Pension and Relief Fund (New System)	12/31/99	\$ 2,888	122 %	\$ (332)
	12/31/98	\$ 2,898	86 %	\$ 259
	12/31/97	\$ 2,856	105 %	\$ (147)

**Schedule of Funding Progress (amounts in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess as a Percentage of Covered Payroll ((a-b)/c)
<b>Employees' Retirement System</b>						
12/31/97	319,142	274,539	44,603	116.2 %	76,091	58.6 %
12/31/98	355,566	309,660	45,906	114.8 %	76,200	60.2 %
12/31/99	375,181	310,856	64,325	120.7 %	75,663	85.0 %
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess as a Percentage of Covered Payroll ((a-b)/c)
<b>Police Pension Fund</b>						
12/31/97	2,111	1,549	562	136.3 %	-	N/A
12/31/98	2,434	959	1,475	253.8 %	-	N/A
12/31/99	2,704	565	2,139	478.6 %	-	N/A

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess as a Percentage of Covered Payroll ((a-b)/c)
<b>Firefighters' Pension and Relief Fund (Old System)</b>						
12/31/97	8,548	172,848	(164,300)	4.9 %	337	(48,753.7)%
12/31/98	9,251	173,513	(164,262)	5.3 %	207	(79,353.6)%
12/31/99	9,423	166,890	(157,467)	5.6 %	131	(120,203.8)%

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess as a Percentage of Covered Payroll ((a-b)/c)
--------------------------	-------------------------------	---------------------------------------	---------------------------------	--------------------	---------------------	---

**Firefighters' Pension and Relief Fund (New System)**

A schedule of funding progress is not required when the aggregate actuarial cost method is used in determining funding requirements because this method does not separately identify an actuarial accrued liability.

**Postretirement Healthcare Benefits** - In addition to providing pension benefits, the City provides postretirement healthcare benefits, as per City ordinance, for certain retired employees. City employees who have completed 10 years of service and who are eligible to receive pension benefits at the time they terminate employment with the City are eligible to participate in the City's health care plan as retirees. The cost of retirement hospitalization benefits is recognized as an expenditure on a pay-as-you-go basis. For 1999, the cost of providing those benefits for approximately 2,753 retirees was approximately \$11,052,203, of which \$8,420,403 and \$2,631,800 was provided by the City and retirees, respectively.

## 8. INDIVIDUAL FUND DISCLOSURES

*Interfund Receivables and Payables* - Individual fund interfund receivables and payables at December 31, 1999 were as follows (amounts in thousands):

	Interfund Receivables	Interfund Payables
General	<u>\$ 35,048</u>	<u>\$ 5,684</u>
Special revenue:		
New Orleans Economic Development		1,154
Environmental Improvement	118	
Rivergate Development Corporation	290	4,530
Termite Control Fund	200	
Traffic Court Judicial Expense		470
Municipal Court Judicial Expense		416
Department of Safety and Permits - Demolition	9	
Asset Seizure		5
Grant Recipient Funds	55	20,301
Piazza D'Italia Development	2	
Plant-A-Tree	2	
Total special revenue	<u>676</u>	<u>26,876</u>
Capital projects		
Trust and agency:		
Pension Trusts:		
Employees' Retirement System		116
Non-expendable trusts	1	35
Expendable trusts:		
Delgado-Albania Plantation Commission	64	
Issac Delgado	3	
Edward Wisner	27	
Sickles Legacy	34	
Helen Levy		4
Agency:		
Clearing	15,021	17,962
Deposit		49
Escrow		148
Total trust and agency	<u>15,150</u>	<u>18,314</u>
Component units:		
Audubon Commission	307	307
Sewerage and Water Board	135	135
French Market Corporation	33	
Upper Pontalba Building Restoration Corporation		33
Total component units	<u>475</u>	<u>475</u>
Total	<u>\$ 51,349</u>	<u>\$ 51,349</u>

**Component Unit Receivables and Payables** - Receivables and payables with component units at December 31, 1999 were as follows (amounts in thousands):

	<b>Receivables</b>	<b>Payables</b>
General	<u>\$ 3,051</u>	<u>\$ 2,584</u>
Special revenue	<u>106</u>	<u>135</u>
Capital projects	<u>106</u>	<u>      </u>
Trust and agency:		
Expendable trust	12	3
Clearing		221
Escrow		<u>36</u>
Total trust and agency	<u>12</u>	<u>260</u>
Component units:		
Downtown Development District		1,273
Sewerage and Water Board of New Orleans	200	256
Canal Street Development Corporation	1,329	
Upper Pontalba Building Restoration Corporation		382
French Market Corporation		100
New Orleans International Airport	1,261	1,034
Orleans Parish Communication District		88
Municipal Yacht Harbor	<u>189</u>	<u>142</u>
Total component units	<u>2,979</u>	<u>3,275</u>
 Total	 <u>\$ 6,254</u>	 <u>\$ 6,254</u>

**Interfund Advances** - Individual fund interfund advances at December 31, 1999 were as follows (amounts in thousands):

	<b>Advances to Other Funds</b>	<b>Advances from Other Funds</b>
General	<u>\$ 252</u>	
Special revenue:		
Sidewalk Paving and Repairing		\$ 2
Department of Safety and Permits - Demolition	<u>      </u>	<u>250</u>
Total special revenue	<u>      </u>	<u>252</u>
 Total	 <u>\$ 252</u>	 <u>\$ 252</u>



**Component Unit Advances** - Advances between the primary government and its component units at December 31, 1999 were as follows (amounts in thousands):

	Advances to Primary Government	Advances from Component Units
Capital projects		\$ 5,371
Component units:		
New Orleans International Airport	\$ 4,946	
Upper Pontalba Building Restoration Corporation	21	
Municipal Yacht Harbor Management Corporation	<u>404</u>	
Total	<u>\$ 5,371</u>	<u>\$ 5,371</u>

**Fund Transfers** - Individual fund transfers for the year ended December 31, 1999 were as follows (amounts in thousands):

	Transfers In	Transfers Out
General	<u>\$ 8,596</u>	<u>\$ 1,830</u>
Special revenue:		
Grant Recipient Funds		96
Municipal Court Judicial Expense	1,039	
Municipal Endowment - Cox Cable		
Traffic Court Judicial Expense	791	
Rivergate Development Corporation	<u>          </u>	<u>8,500</u>
Total special revenue	<u>1,830</u>	<u>8,596</u>
Total	<u>\$ 10,426</u>	<u>\$ 10,426</u>

**Component Unit Transfers** - Component unit transfers for the year ended December 31, 1999 were as follows (amounts in thousands):

	Transfers In	Transfers Out
General	<u>\$ 1,000</u>	
Component unit:		
French Market Corporation		\$ 900
Upper Pontalba Building Restoration Corporation	<u>          </u>	<u>100</u>
Total	<u>\$ 1,000</u>	<u>\$ 1,000</u>

**Interfund Charges for Support Services** - Interfund charges for support services paid to the general fund during fiscal year 1999 by the New Orleans International Airport amounted to \$976,425 primarily for overhead reimbursement and fire protection and by the Orleans Parish Communication District amounted to \$352,000 for overhead reimbursement.

The City does not charge the French Market Corporation, the Municipal Yacht Harbor Management Corporation, the Upper Pontalba Building Restoration Corporation, and 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.

**Riverfront Economic Development Agreement-** On April 30, 1992, the City, the Board of Commissioners of the Port of New Orleans, and Audubon Commission entered into an agreement titled "Riverfront Economic Development Agreement" (the Agreement). In accordance with the terms of the Agreement, Audubon Commission paid \$13,000,000 to the Board of Commissioners of the Port of New Orleans. Of this amount \$11,000,000 was from the sale of Audubon Commission's Aquarium Revenue Bonds, Series 1992A, and \$2,000,000 was from self-generated funds of Audubon Commission.

In consideration for the \$11,000,000 payment, Audubon Commission is relieved of all rents or fees due to occupancy pursuant to a Consent and Right of Use Agreement with the Board of Commissioners of the Port of New Orleans. This Consent and Right of Use Agreement, dated October 23, 1987, provided for the development and occupancy of an aquarium and related facilities by the Commission in consideration for stipulated payments of rents and fees over the 99 year term of the Agreement. The \$11,000,000 payment was recorded as prepaid rent and is being amortized over the remaining terms of the consent agreement. Such amount is included in other assets of the Audubon Commission at December 31, 1999.

In consideration for the Audubon Commission's \$2,000,000 payment to the Board of Commissioners of the Port of New Orleans, the City, which became the sole owner of the Rivergate Facility (the site of the City's land-based casino) under the Agreement, agreed to transfer and assign the second \$200,000 of annual net income from the parking facilities at the Rivergate Facility to Audubon Commission for twenty years beginning with the 1992 calendar year. The balance due to the Audubon Commission of \$1,571,000 at December 31, 1999, is recorded in the general long-term debt account group. In the event parking operations are discontinued at the Rivergate Facility, the Agreement provides for a lump sum payment to Audubon Commission for the remaining payment discounted at seven percent, or to continue to pay the \$200,000 in monthly installments of \$16,667. \$1,571,000 of the Audubon Commission's \$2,000,000 payment is included in other assets of the Audubon Commission at December 31, 1999. As payments are received from the City of New Orleans, this account is being reduced for that portion of the payment representing return of principal, with the balance credited to interest income.

## 9. FUND BALANCE RESERVES

Certain fund balance amounts in the following funds have been reserved to indicate a restriction for a particular purpose. Details of the components of reserved fund balance at December 31, 1999 are as follows (amounts in thousands):

	Governmental Fund Types				Fiduciary	Total
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Trust and Agency	
Encumbrances	\$ 25,194	\$ 104		\$ 20,419		\$ 45,717
Endowments					\$ 205	205
Long-term advances	252					252
Employees' pension benefits					589,660	589,660
Debt service	500		\$ 32,605			33,105
Total	<u>\$ 25,946</u>	<u>\$ 104</u>	<u>\$ 32,605</u>	<u>\$ 20,419</u>	<u>\$ 589,865</u>	<u>\$ 668,939</u>

## 10. 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, 1999 was approximately \$8,229.

In addition, interest income on the nonexpendable trust fund is recorded in separate endowment income trust funds (expendable trust funds).

## 11. 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. They are cancellable by the City at any time. However, City management believes that such leases will generally be renewed or replaced each year. Annual rent in 1999 for such operating lease agreements was \$8,773,000.

*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, based upon actuarial evaluation, advice of legal counsel and the Administration's estimates of probable liability of such actions, estimated the liability necessary to cover all losses and claims, both incurred and reported and incurred but not reported as of December 31, 1999 to be \$79,786,000.

*Self-insurance* - The City is self-insured for its motor vehicle fleet, general liability, 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 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 program. Paid claims in excess of such premiums, if any, are funded by the general fund.

As of December 31, 1999, 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 liabilities of \$597,000 for motor vehicle fleet, \$79,786,000 for general liability and police department excessive force, \$36,552,000 for workers' compensation and \$11,333,000 for hospitalization have been accrued in the general long-term debt account group, in the total amount of \$128,268,000.

Changes to the City's claims liability amounts in fiscal 1999 and 1998 were (amounts in thousands):

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
<b>General Liability and Police Liability:</b>				
1998	82,850	3,165	5,113	80,902
1999	80,902	4,319	5,435	79,786
<b>Workers' Compensation:</b>				
1998	35,288	11,305	8,441	38,152
1999	38,152	6,569	8,169	36,552
<b>Motor Vehicle Fleet:</b>				
1998	304	733	489	548
1999	548	563	514	597
<b>Hospitalization and Unemployment:</b>				
1998	7,639	30,767	31,061	7,345
1999	7,345	40,224	36,236	11,333
<b>Total:</b>				
1998	126,081	45,970	45,104	126,947
1999	126,947	51,675	50,354	128,268

**Federal Financial Assistance Questioned Costs** - The City receives federal financial assistance directly from federal agencies or passed through from other government agencies. An audit of the City's Schedule of Federal Financial Assistance 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.

**Landfill Closing Costs** - The City owns a closed landfill site located in the eastern portion of the City. State and federal laws require the City to cap the landfill and to monitor and maintain the site for thirty subsequent years. Additionally, the City owns another landfill site located in the eastern portion of the City. Under State and federal laws, the operator of this landfill site will be responsible for closing the landfill once its capacity is reached, and the City will be responsible for monitoring and maintaining the site for thirty subsequent years. The City recognizes a portion of the closure and postclosure care costs within the general long-term debt account group in each operating period even though actual payouts will not occur until these landfills are capped and closed, respectively. The amount recognized each year to date is based on the landfills' capacities used as of the balance sheet date. As of December 31, 1999, the City had incurred a liability of \$12,777,000, which represents the amount of costs reported to date based on the 100 percent capacity of both landfills.

These amounts are based on what it would cost to perform all closure and postclosure care in 1999. 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.

**Arbitrage** - The City has issued tax-exempt bonds which 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.

**Litigation** - On December 1, 1999, the Internal Revenue Service ("IRS") notified the City that it was ceasing its investigation regarding "yield-burning" allegations in connection with the City's General Obligation Refunding Bonds, Series 1991. On March 17, 2000, in response to this notification, the City voluntarily dismissed its lawsuits against the investment bankers who participated in refunding the Series 1991 Bonds. The City does not expect any further litigation regarding the yield-burning allegations in relation to the General Obligation Refunding Bonds, Series 1991.

## 12. COMPONENT UNIT DISCLOSURES:

### A. Cash and Time Certificates of Deposit

The carrying amount of component unit deposits at December 31, 1999 was \$124,019,000, and the bank balance was \$126,031,000. The component unit bank balances are categorized below (amounts in thousands) to give an indication of the level of risk assumed by the component unit at year-end. Category 1 includes insured or collateralized cash with securities held by the component unit or its agent in the component unit's name. Category 2 includes collateralized cash with securities held by the pledging financial institution's trust department or its agent in the component unit's name. Category 3 includes uncollateralized cash, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the component unit's name.

	Category			Total
	1	2	3	
Bank balances:				
Cash and certificates of deposit	<u>\$ 1,396</u>	<u>\$ 121,501</u>	<u>\$ 3,134</u>	<u>\$ 126,031</u>

### B. Investments

These investments are categorized below (amounts in thousands) to give an indication of the level of risk assumed by the component unit at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the component unit or its agent in the component unit's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the component unit's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution or by its trust department or agent, but not in the component unit's name.

	Category			Carrying Value
	1	2	3	
U.S. Government securities and instrumentalities	\$ 88,784	\$ 79,961	\$ 7,481	\$ 176,226
Corporate bonds		30,429		30,429
Equity securities		<u>99,456</u>		<u>99,456</u>
	<u>\$ 88,784</u>	<u>\$ 209,846</u>	<u>\$ 7,481</u>	<u>\$ 306,111</u>

### C. Fixed Assets

A summary of proprietary component unit property, plant and equipment at December 31, 1999 follows (amounts in thousands):

	Orleans Parish Communi- cation District	Audubon Commission	New Orleans International Airport	Sewerage and Water Board	Municipal Yacht Harbor	French Market Corpo- ration	Upper Pontalba Building Restoration Corporation	Canal Street Development Corporation	Total
Piers and boat launch					\$ 1,944				\$ 1,944
Canals				\$ 190,811					190,811
Runways, aprons, etc.			\$ 203,356						203,356
Buildings and improvements		\$ 132,582	267,558	170,054	3,781	\$ 11,898	\$ 9,289	\$ 8,444	603,606
Machinery and equipm	\$ 3,061	13,375	6,209	339,741	93	801	107		363,387
Utility systems			8,315	390,551					398,866
Land		950				100	52	896	1,998
	3,061	146,907	485,438	1,091,157	5,818	12,799	9,448	9,340	1,763,968
Less: accumulated depreciation	(1,995)	(34,695)	(208,655)	(387,708)	(2,058)	(5,506)	(1,544)	(1,015)	(643,176)
	1,066	112,212	276,783	703,449	3,760	7,293	7,904	8,325	1,120,792
Land and air rights			79,845	7,355					87,200
Construction in prog:		4,303	20,965	172,417	223	65			197,973
Total	\$ 1,066	\$ 116,515	\$ 377,593	\$ 883,221	\$ 3,983	\$ 7,358	\$ 7,904	\$ 8,325	\$ 1,405,965

Construction in progress in the proprietary component units consists primarily of renovations to the New Orleans International Airport and the Sewerage and Water Board of New Orleans' construction of water, sewerage and drainage systems within the City. Outstanding commitments to complete these construction projects as of December 31, 1999 amounted to approximately \$167,684,000 for the New Orleans International Airport.

### D. Long-Term Debt

The City is not liable for bonds issued by the Sewerage and Water Board of New Orleans and the New Orleans International Airport. Series 1993 Limited Tax bonds issued by the Audubon Commission represent special and limited obligations of the City payable from and secured solely by the proceeds of a special ad valorem tax. The outstanding balance of the Series 1993 bonds at December 31, 1999 was \$42,015,000.

The following represents debt service requirements for all significant component unit bonds outstanding at December 31, 1999. Interest payments for the Sewerage and Water Board of New Orleans, New Orleans International Airport and Audubon Commission of \$43,742,000, \$142,436,000 and \$35,160,000 respectively, are included. Amounts (in thousands) shown on individual component units balance sheets are net of unamortized losses on refunding of \$-0-, \$24,024 and \$3,138 for the Sewerage and Water Board of New Orleans, New Orleans International Airport and Audubon Commission, respectively.

Year Ending December 31,	Audubon Commission	New Orleans International Airport	Sewerage and Water Board	Total
2000	\$ 5,863	\$ 20,356	\$ 10,036	\$ 36,255
2001	5,908	20,948	8,271	35,127
2002	5,850	20,995	8,253	35,098
2003	5,890	21,091	8,235	35,216
2004	5,825	21,086	6,477	33,388
2005 and thereafter	<u>67,539</u>	<u>265,865</u>	<u>88,590</u>	<u>421,994</u>
	<u>\$ 96,875</u>	<u>\$ 370,341</u>	<u>\$ 129,862</u>	<u>\$ 597,078</u>

*Arbitrage* - The New Orleans International Airport has issued tax-exempt bonds which are subject to arbitrage regulations of the Internal Revenue Service (IRS), which regulations 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 New Orleans International Airport being subject to arbitrage rebates. The estimated arbitrage rebate liability for the New Orleans International Airport's Series 1994 Revenue bonds is \$2,214,000 as of December 31, 1999.

#### E. Contributed Capital

The following proprietary component units recorded contributed capital in the following amounts as of December 31, 1999: New Orleans International Airport, \$196.2 million; Sewerage and Water Board of New Orleans, \$148.1 million; French Market Corporation, \$2.9 million; and Canal Street Development Corporation, \$8.6 million. Total contributed capital across these funds increased in 1999 by \$12.5 million from \$343.3 million to \$355.8 million. This increase resulted from grants to the New Orleans International Airport and the Sewerage and Water Board of New Orleans from federal and state agencies and the City of New Orleans to finance the cost of construction of airport facilities and for the acquisition of property, plant and equipment, respectively.

\* \* \* \* \*

(This Page Intentionally Left Blank)



**FINANCIAL STATEMENTS  
OF INDIVIDUAL FUNDS**

(This Page Intentionally Left Blank)

**GENERAL FUND**

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Taxes:			
Real estate	\$ 15,692	\$ 13,795	\$ (1,897)
Personal property	7,046	8,578	1,532
Dedicated millage:			
Police	14,556	14,923	367
Fire	14,219	14,823	604
Library	6,838	6,358	(480)
Recreation	1,969	2,212	243
Parkway	1,969	2,212	243
Streets	2,488	2,803	315
Sales - undedicated	131,000	133,490	2,490
Penalty and interest on delinquent taxes	2,442	2,355	(87)
Utilities	9,350	8,914	(436)
Chain store	275	297	22
Special real property service charge		1	1
Beverage excise	700	723	23
Amusement	2,000	1,712	(288)
Off-track betting	400	309	(91)
Parking	1,800	2,048	248
Inheritance tax		1	1
Documentary transaction	5,800	5,880	80
Racing tax	100	481	381
Total taxes	<u>218,644</u>	<u>221,915</u>	<u>3,271</u>
Licenses and permits:			
Bingo or keno licenses		9	9
Electrical licenses	513	594	81
Air conditioning and gas fitter licenses	116	90	(26)
Hoisting and portable licenses	29	12	(17)
Occupational licenses	9,015	8,483	(532)
Special operating engineer licenses	2		(2)
Stationary engineer licenses	103	64	(39)
Miscellaneous licenses	233	301	68
Service cuts	15		(15)

(Continued)

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Licenses and permits (continued):			
Franchises:			
Cable TV	3,000	3,078	78
Louisiana Power and Light Company	650	680	30
New Orleans Public Service Inc.	25,000	25,394	394
South Central Bell, Inc.	3,750	4,206	456
Miscellaneous franchises		462	462
Beverage permits	1,350	1,393	43
Brake tag permits	2,900	3,260	360
Building permits	3,220	3,275	55
Mayoral permits	150	154	4
Mechanical permits	578	653	75
Taxi and chauffeurs permits	626	670	44
Massage parlor permits	1		(1)
Mardi Gras parade permits	1	54	53
Medical transportation vehicle permits	21	28	7
Freight loading zone	36	25	(11)
Public right-of-way use	70	536	466
Miscellaneous	201	251	50
Total licenses and permits	<u>51,580</u>	<u>53,672</u>	<u>2,092</u>
Intergovernmental:			
Federal aid - HUD			
Federal aid - other	509	81	(428)
Civil defense machine fund		681	681
Federal Natural Resources Environment	130	1,383	1,253
State Revenue Sharing	2,598	2,681	83
State aid - DHR	1,001	776	(225)
State aid - public safety		104	104
State aid - other	3,625	3,841	216
Parish transportation fund	6,295	4,662	(1,633)
Automobile rental tax		48	48
Office of the Governor			

(Continued)

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Intergovernmental (continued):			
Racing		7	7
Severance tax		7	7
Tobacco tax	3,824	4,017	193
Orleans Parish Comm. District Telephone Tax	350	264	(86)
Total intergovernmental	<u>18,332</u>	<u>18,545</u>	<u>213</u>
Charges for services:			
Admission charge	19	2	(17)
Commercial disposal charges	40	178	138
Food/drink concessions	1	21	20
Driving range fees		9	9
Emergency medical service charge	4,500	4,807	307
Sales - maps and documents	62	36	(26)
Fire protection - New Orleans Airport	2,570	2,214	(356)
Grass cutting	100	70	(30)
Green fees		482	482
Indirect cost	2,017	1,658	(359)
Inspection fees, vacant buildings		1	1
Litter abatement charge		70	70
Park entrance fees	50	12	(38)
Parking meters	4,215	2,999	(1,216)
Police and fire services - other	855	968	113
Public cemetery burial	74	32	(42)
Sanitation service charges	20,000	20,339	339
Service fees - uninhabitable buildings		34	34
Tax collection service:			
Levee Board	105	(29)	(134)
Orleans Parish School Board	1,560	1,088	(472)
Regional Transit Authority	409	689	280
Lien research service	150	117	(33)
Zoning books and petitions	50	37	(13)
Data processing services - parish agencies		11	11
Maintenance of state highways	350	351	1
Towing and immobilization charges	650	503	(147)

(Continued)

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Charges for services (continued):			
Utility regulatory fees	4,000	3,950	(50)
Cubside recycling	2,360	2,034	(326)
Other	1,071	1,300	229
Notorial	100	49	(51)
Lakeview and Lake Carmel fees		7	7
Total charges for services	<u>45,308</u>	<u>44,039</u>	<u>(1,269)</u>
Fines and forfeits:			
Health care violations		7,436	(4,564)
Fines and fees	12,000	68	35
Impounded cars	33	2,980	2,980
Traffic violations		135	60
Municipal court fines	75		(30)
Municipal court costs	30		2
Library fines	170	172	12
Administration adjudication fees		12	12
Total fines and forfeits	<u>12,308</u>	<u>10,803</u>	<u>(1,505)</u>
Interest income:			
Interest income	8,400	8,229	(171)
Total interest income	<u>8,400</u>	<u>8,229</u>	<u>(171)</u>
Contributions, gifts and donations	<u>11,962</u>	<u>1,128</u>	<u>(10,834)</u>
Miscellaneous:			
Cash overage		75	75
Workers' compensation subrogation		116	116
Building and ground rental	984	1,309	325
Vending machine royalties		1	1

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT B-1

Page 5 of 5

GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Miscellaneous (continued):			
Pay phone royalties	150		(150)
Riverboat gaming fees	11,000	9,785	(1,215)
Insurance proceeds	62	299	237
Other	4,934	3,921	(1,013)
Appropriations from prior year's fund balance	<u>6,075</u>	<u>        </u>	<u>(6,075)</u>
Total miscellaneous	<u>23,205</u>	<u>15,506</u>	<u>(7,699)</u>
Total revenues	<u>389,739</u>	<u>373,837</u>	<u>(15,902)</u>
Other financing sources:			
Operating transfers in	1,404	8,596	7,192
Transfer in from component unit	2,315	1,000	(1,315)
Reduction in prior year's outstanding encumbrances	<u>        </u>	<u>210</u>	<u>210</u>
Total other financing sources	<u>3,719</u>	<u>9,806</u>	<u>6,087</u>
Total revenues and other financing sources	<u>\$ 393,458</u>	<u>\$ 383,643</u>	<u>\$ (9,815)</u>

(Concluded)



GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
General government:			
The Council:			
Personal services	\$ 2,974	\$ 2,974	\$
Other operating expenditures	6,116	6,116	
	<u>9,090</u>	<u>9,090</u>	
The Mayor:			
Personal services	9,608	9,608	
Other operating expenditures	31,662	31,659	3
	<u>41,270</u>	<u>41,267</u>	<u>3</u>
Department of Law:			
Personal services	3,214	3,214	
Other operating expenditures	8,860	8,860	
	<u>12,074</u>	<u>12,074</u>	
Judicial and parochial:			
Personal services	4,986	4,986	
Other operating expenditures	37,188	32,645	4,543
	<u>42,174</u>	<u>37,631</u>	<u>4,543</u>
Department of Finance:			
Personal services	7,007	7,007	
Other operating expenditures	8,644	8,644	
	<u>15,651</u>	<u>15,651</u>	
Unattached boards and commissions:			
Personal services	2,274	2,274	
Other operating expenditures	485	485	
	<u>2,759</u>	<u>2,759</u>	

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT B-2  
Page 2 of 5

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
General government (continued):			
Department of Civil Service:			
Personal services	1,640	1,640	
Other operating expenditures	305	297	8
	<u>1,945</u>	<u>1,937</u>	<u>8</u>
General services:			
Personal services	6,692	6,692	
Other operating expenditures	2,279	2,279	
	<u>8,971</u>	<u>8,971</u>	
Total general government	<u>133,934</u>	<u>129,380</u>	<u>4,554</u>
Public safety:			
Department of Police:			
Personal services	83,700	83,700	
Other operating expenditures	11,249	11,245	4
	<u>94,949</u>	<u>94,945</u>	<u>4</u>
Department of Fire:			
Personal services	55,622	55,622	
Other operating expenditures	1,345	1,345	
	<u>56,967</u>	<u>56,967</u>	
Department of Safety and Permits:			
Personal services	2,455	2,455	
Other operating expenditures	206	206	
	<u>2,661</u>	<u>2,661</u>	
Total public safety	<u>154,577</u>	<u>154,573</u>	<u>4</u>
Public works:			
Department of Public Works:			
Personal services	10,032	10,032	
Other operating expenditures	8,428	8,394	34
	<u>18,460</u>	<u>18,426</u>	<u>34</u>

(Continued)

**GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Public works (continued):			
Department of Sanitation:			
Personal services	1,699	1,699	
Other operating expenditures	25,579	25,579	
	<u>27,278</u>	<u>27,278</u>	
Department of Property Management:			
Personal services	6,614	6,614	
Other operating expenditures	3,679	3,679	
	<u>10,293</u>	<u>10,293</u>	
Department of Utilities:			
Personal services	896	896	
Other operating expenditures	419	419	
	<u>1,315</u>	<u>1,315</u>	
Total public works	<u>57,346</u>	<u>57,312</u>	34
Health and human services:			
Department of Health:			
Personal services	8,951	8,951	
Other operating expenditures	1,697	1,696	1
	<u>10,648</u>	<u>10,647</u>	1
Department of Human Services:			
Personal services	1,996	1,996	
Other operating expenditures	222	222	
	<u>2,218</u>	<u>2,218</u>	
Total health and human services	<u>12,866</u>	<u>12,865</u>	1

(Continued)

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Culture and recreation:			
Public Library:			
Personal services	4,685	4,685	
Other operating expenditures	2,398	2,358	40
	<u>7,083</u>	<u>7,043</u>	<u>40</u>
Historical District Landmarks Commission:			
Personal services	305	305	
Other operating expenditures	35	35	
	<u>340</u>	<u>340</u>	
Vieux Carre Commission:			
Personal services	376	376	
Other operating expenditures	40	40	
	<u>416</u>	<u>416</u>	
Museum of Art:			
Other operating expenditures	210	210	
	<u>210</u>	<u>210</u>	
Parkway and Parks Commission:			
Personal services	5,523	5,523	
Other operating expenditures	1,406	1,406	
	<u>6,929</u>	<u>6,929</u>	
Department of Recreation:			
Personal services	5,574	5,574	
Other operating expenditures	1,757	1,755	2
	<u>7,331</u>	<u>7,329</u>	<u>2</u>
Total culture and recreation	<u>22,309</u>	<u>22,267</u>	<u>42</u>

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Urban development and housing general services - community development:			
Personal services	157	157	
Other operating expenditures	<u>65</u>	<u>65</u>	
Total urban development and housing	<u>222</u>	<u>222</u>	
Debt service:			
Principal	7,145	7,145	
Interest and fiscal charges	<u>5,059</u>	<u>5,059</u>	
Total debt service	<u>12,204</u>	<u>12,204</u>	
Total expenditures	<u>393,458</u>	<u>388,823</u>	<u>4,635</u>
Other financing uses:			
Operating transfers out		1,830	(1,830)
Appropriations from prior year's fund balance		810	(810)
Other, net		<u>810</u>	<u>(810)</u>
Total other financing uses		<u>2,640</u>	<u>(2,640)</u>
Total expenditures and other financing uses	<u>\$ 393,458</u>	<u>\$ 391,463</u>	<u>\$ 1,995</u>

(Concluded)

(This Page Intentionally Left Blank)

## SPECIAL REVENUE FUNDS

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.

*Rivergate Special Fund* - Used to account for funds received from the Rivergate parking facilities which have been earmarked for payment to the Audubon Commission as per the "Riverfront Economic Development Agreement."

*Rivergate Development Corporation* - Used to account for and oversee the development of the land-based casino site.

*Traffic Court Judicial Expense* - Used to account for monies collected from contempt fines and penalties paid by persons charged with traffic violations and allocated to the proper administration of the court or offices of the individual judges.

*Municipal Court Judicial Expense* - Used to account for monies collected from bond forfeitures in connection with the administration of the Municipal Court or in other manners provided by law.

*Department of Safety and Permits - Demolition* - Used to account for funds allocated to the demolition of buildings or structures.

*Music and Entertainment Commission* - Used to account for funds allocated for programs designed to attract music and entertainment to the City.

*Asset Seizure* - Used to account for property confiscated from drug dealers by the police department to be used for crime fighting measures.

*Plant a Tree Campaign* - Used to account for funds allocated to programs designed for planting and beautifying trees, plants and flowers throughout the City.

*Municipal Endowment - Cox Cable* - Used to account for funds allocated for programs related to video or audio community service programming in New Orleans or the arts, humanities and culture of New Orleans.

*Capital Improvement and Infrastructure* - Used to account for funds allocated for the improvement of infrastructures within the City.

*Grant Recipient Funds* - Used to account for grants and other state and federal financial assistance.

# CITY OF NEW ORLEANS, LOUISIANA

## SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	National League of Cities	New Orleans Economic Development	Neighborhood Housing Improvement	Environmental Improvement	Rivergate Special Fund	Rivergate Development Corporation
<b>ASSETS</b>						
Cash	\$ 6	\$ 1,901	\$ 918	\$ 40	\$ 80	\$ 1,958
Investments, at cost or amortized cost		\$ 3,660	2,717	1,102	600	4,419
Accounts receivable (net, where applicable, of allowances for uncollectibles)				16		62
Grantee loans receivable				118		289
Due from other funds				23		43
Due from other governments						
Due from component units						
<b>TOTAL ASSETS</b>	<u>\$ 6</u>	<u>\$ 5,561</u>	<u>\$ 3,635</u>	<u>\$ 1,299</u>	<u>\$ 680</u>	<u>\$ 6,771</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 2	\$ 3	\$ 25		\$ 1	\$ 3
Due to other funds		1,154				4,530
Due to other governments						
Deferred revenues						
Advances from other funds						
Due to component units						
<b>Total liabilities</b>	<u>2</u>	<u>1,157</u>	<u>25</u>		<u>1</u>	<u>4,533</u>
Fund balances:						
Reserved for encumbrances		104				
Unreserved:						
Designated for subsequent years' expenditures		817	314	\$ 97	\$ 12	79
Undesignated	<u>4</u>	<u>3,483</u>	<u>3,296</u>	<u>1,202</u>	<u>667</u>	<u>2,159</u>
<b>Total fund balances</b>	<u>4</u>	<u>4,404</u>	<u>3,610</u>	<u>1,299</u>	<u>679</u>	<u>2,238</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6</u>	<u>\$ 5,561</u>	<u>\$ 3,635</u>	<u>\$ 1,299</u>	<u>\$ 680</u>	<u>\$ 6,771</u>



Termite Control Fund	Piazza D'italia Development	Traffic Court Judicial Expense	Municipal Court Judicial Expense	Sidewalk Paving and Repairing	Special Event	Adopt a Pothole Program	Department of Safety and Permits - Demolition
\$ 67	\$ 1	\$ 969				\$	\$ 3
772	19			\$ 2	\$ 3		134
		40	\$ 652				
200	2						9
38							280
<u>38</u>							<u>2</u>
<u>\$ 1,077</u>	<u>\$ 22</u>	<u>\$ 1,009</u>	<u>\$ 652</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$</u>	<u>\$ 428</u>
\$ 7		\$ 70	\$ 40				\$ 100
		470	416				
				\$ 2			250
			<u>135</u>				
<u>7</u>		<u>540</u>	<u>591</u>	<u>2</u>			<u>350</u>
						\$	
17	3						
<u>1,053</u>	<u>19</u>	<u>469</u>	<u>61</u>		<u>\$ 3</u>		<u>78</u>
<u>1,070</u>	<u>22</u>	<u>469</u>	<u>61</u>		<u>3</u>		<u>78</u>
<u>\$ 1,077</u>	<u>\$ 22</u>	<u>\$ 1,009</u>	<u>\$ 652</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$</u>	<u>\$ 428</u>

(Continued)

**CITY OF NEW ORLEANS, LOUISIANA**

**SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	<b>Music and Entertainment Commission</b>	<b>New Orleans Police Department - Crime Prevention</b>	<b>Asset Seizure</b>	<b>New Orleans War on Drugs</b>	<b>New Orleans Recreation Department</b>
<b>ASSETS</b>					
Cash	\$	\$ 1	\$ 225	\$ 8	\$ 49
Investments, at cost or amortized cost	140		999		
Accounts receivable (net, where applicable, of allowances for uncollectibles)					
Grantee loans receivable					
Due from other funds					
Due from other governments					
Due from component units					
<b>TOTAL ASSETS</b>	<b><u>\$ 140</u></b>	<b><u>\$ 1</u></b>	<b><u>\$ 1,224</u></b>	<b><u>\$ 8</u></b>	<b><u>\$ 49</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable					
Due to other funds			\$ 5		
Due to other governments					
Deferred revenues					
Advances from other funds					
Due to component units					
<b>Total liabilities</b>			<b><u>5</u></b>		
Fund balances:					
Reserved for encumbrances					
Unreserved:					
Designated for subsequent years' expenditures					
Undesignated	<u>\$ 140</u>	<u>\$ 1</u>	<u>1,219</u>	<u>\$ 8</u>	<u>\$ 49</u>
<b>Total fund balances</b>	<b><u>140</u></b>	<b><u>1</u></b>	<b><u>1,219</u></b>	<b><u>8</u></b>	<b><u>49</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 140</u></b>	<b><u>\$ 1</u></b>	<b><u>\$ 1,224</u></b>	<b><u>\$ 8</u></b>	<b><u>\$ 49</u></b>

New Orleans Film Commission	New Orleans Special Events	Vieux Carre Commission	Vieux Carre Restoration	Public Library Donations	Sanitation Recycling
\$ 195	\$ 3 60	\$ 56	\$ 1	\$ 73	\$ 4 42
<u>\$ 195</u>	<u>\$ 63</u>	<u>\$ 56</u>	<u>\$ 1</u>	<u>\$ 73</u>	<u>\$ 46</u>
				\$ 1	
				<u>1</u>	
	\$				
<u>\$ 195</u>	<u>7</u> <u>56</u>	<u>\$ 56</u>	<u>\$ 1</u>	<u>72</u>	<u>\$ 46</u>
<u>195</u>	<u>63</u>	<u>56</u>	<u>1</u>	<u>72</u>	<u>46</u>
<u>\$ 195</u>	<u>\$ 63</u>	<u>\$ 56</u>	<u>\$ 1</u>	<u>\$ 73</u>	<u>\$ 46</u>

(Continued)

SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Plant a-Tree Campaign	Municipal Endowment- Cox Cable	Capital Improvement and Infrastructure	Grant Recipient Funds	Total	
					1999	1998
<b>ASSETS</b>						
Cash	\$ 87	\$ 330	\$ 811	\$ 3,438	\$ 11,029	\$ 5,534
Investments, at cost or amortized cost	100	1,632	4,880	8,990	30,466	26,153
Accounts receivable (net, where applicable, of allowances for uncollectibles)		24			794	433
Grantee loans receivable				35,049	35,049	34,968
Due from other funds	2			56	676	2,567
Due from other governments				24,594	24,874	18,070
Due from component units					106	81
<b>TOTAL ASSETS</b>	<b>\$ 189</b>	<b>\$ 1,986</b>	<b>\$ 5,691</b>	<b>\$ 72,127</b>	<b>\$ 102,994</b>	<b>\$ 87,806</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 2			\$ 2,304	\$ 2,558	\$ 1,173
Due to other funds				20,301	26,876	21,832
Due to other governments				59	59	21
Deferred revenues				35,049	35,049	9,968
Advances from other funds					252	252
Due to component units					135	35
<b>Total liabilities</b>	<b>2</b>			<b>57,713</b>	<b>64,929</b>	<b>33,281</b>
Fund balances:						
Reserved for encumbrances					104	2,037
Unreserved:						
Designated for subsequent years' expenditures	117	\$ 91		14,414	15,968	37,263
Undesignated	70	1,895	\$ 5,691		21,993	15,225
<b>Total fund balances</b>	<b>187</b>	<b>1,986</b>	<b>5,691</b>	<b>14,414</b>	<b>38,065</b>	<b>54,525</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 189</b>	<b>\$ 1,986</b>	<b>\$ 5,691</b>	<b>\$ 72,127</b>	<b>\$ 102,994</b>	<b>\$ 87,806</b>

(Concluded)

(This Page Intentionally Left Blank)

# CITY OF NEW ORLEANS, LOUISIANA

## SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	National League of Cities	New Orleans Economic Development	Neighborhood Housing Improvement	Environment Improvement	Rivergate Special Fund	Rivergate Development Corporation
<b>REVENUES:</b>						
Taxes		\$ 1,820	\$ 1,900			
Intergovernmental						
Program income				\$ 319		
Fines and forfeits						
Interest income		135	100			
Contributions, gifts and donations						\$ 10,789
Miscellaneous						10,789
Total revenues		<u>1,955</u>	<u>2,000</u>	<u>319</u>		
<b>EXPENDITURES:</b>						
General government						
Public safety						
Public works				122		
Health and human services						
Culture and recreation						
Urban development and housing			1,385			
Economic development and assistance		<u>1,145</u>				<u>558</u>
Total expenditures		<u>1,145</u>	<u>1,385</u>	<u>122</u>		<u>558</u>
Excess (deficiency) of revenues over expenditures		<u>810</u>	<u>615</u>	<u>197</u>		<u>10,231</u>
<b>Other financing sources (uses):</b>						
Operating transfers in						
Operating transfers out						<u>(8,500)</u>
Total other financing sources (uses)						<u>(8,500)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses		810	615	197		1,731
FUND BALANCES, BEGINNING OF YEAR	\$ 4	<u>3,594</u>	<u>2,995</u>	<u>1,102</u>	<u>\$ 679</u>	<u>507</u>
FUND BALANCES, END OF YEAR	\$ 4	<u>\$ 4,404</u>	<u>\$ 3,610</u>	<u>\$ 1,299</u>	<u>\$ 679</u>	<u>\$ 2,238</u>

EXHIBIT C-2  
Page 1 of 3

Termite Control Fund	Piazza D'italia Development	Traffic Court Judicial Expense	Municipal Court Judicial Expense	Sidewalk Paving and Repairing	Special Event	Adopt a Pothole Program	Department of Safety and Permits - Demolition
		\$ 1,873	\$ 581				
<u>\$ 855</u>	<u>\$ 28</u>					<u>100</u>	
<u>855</u>	<u>28</u>	<u>1,873</u>	<u>581</u>			<u>100</u>	
	23	2,195	1,559				
252						\$	
						129	
<u>252</u>	<u>23</u>	<u>2,195</u>	<u>1,559</u>			<u>129</u>	
<u>603</u>	<u>5</u>	<u>(322)</u>	<u>(978)</u>			<u>(29)</u>	
		791	1,039				
		<u>791</u>	<u>1,039</u>				
603	5	469	61			(29)	
<u>467</u>	<u>17</u>				<u>\$ 3</u>	<u>29</u>	<u>\$ 78</u>
<u>\$ 1,070</u>	<u>\$ 22</u>	<u>\$ 469</u>	<u>\$ 61</u>	<u>\$</u>	<u>\$ 3</u>	<u>\$</u>	<u>\$ 78</u>

(Continued)

# CITY OF NEW ORLEANS, LOUISIANA

## SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Music and Entertain- ment Commission	New Orleans Police Department - Crime Prevention	Asset Seizure	New Orleans War on Drugs	New Orleans Recreation Department
<b>REVENUES:</b>					
Taxes					
Intergovernmental					
Program income					
Fines and forfeits			\$ 247		
Interest income	\$ 13		42		
Contributions, gifts and donations			146		
Miscellaneous	164				
Total revenues	<u>177</u>		<u>435</u>		
<b>EXPENDITURES:</b>					
General government					
Public safety					
Public works					
Health and human services			440		
Culture and recreation	241				
Urban development and housing					
Economic development and assistance					
Total expenditures	<u>241</u>		<u>440</u>		
Excess (deficiency) of revenues over expenditures	<u>(64)</u>		<u>(5)</u>		
<b>Other financing sources (uses):</b>					
Operating transfers in					
Operating transfers out					
Total other financing sources (uses)					
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(64)		(5)		
FUND BALANCES, BEGINNING OF YEAR	<u>204</u>	<u>\$ 1</u>	<u>1,224</u>	<u>\$ 8</u>	<u>\$ 49</u>
FUND BALANCES, END OF YEAR	<u>\$ 140</u>	<u>\$ 1</u>	<u>\$ 1,219</u>	<u>\$ 8</u>	<u>\$ 49</u>



New Orleans Film Commission	New Orleans Special Events	Vieux Carre Commission	Vieux Carre Restoration	Public Library Donations	Sanitation Recycling
\$ 5	\$ 2				\$ 2
63				\$ 68	
<u>68</u>	<u>2</u>	<u>    </u>	<u>    </u>	<u>68</u>	<u>2</u>
92				200	
<u>92</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>200</u>	<u>    </u>
<u>(24)</u>	<u>2</u>	<u>    </u>	<u>    </u>	<u>(132)</u>	<u>2</u>
(24)	2			(132)	2
<u>219</u>	<u>61</u>	<u>\$ 56</u>	<u>\$ 1</u>	<u>204</u>	<u>44</u>
<u>\$ 195</u>	<u>\$ 63</u>	<u>\$ 56</u>	<u>\$ 1</u>	<u>\$ 72</u>	<u>\$ 46</u>

(Continued)

**SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	Plant A-Tree Campaign	Municipal Endowment- Cox Cable	Capital Improvement and Infrastructure	Grant Recipient Funds	Total	
					1999	1998
<b>REVENUES:</b>						
Taxes			\$ 1,682		\$ 5,402	\$ 5,121
Intergovernmental				\$ 37,733	37,733	84,606
Program income				3,258	3,258	520
Fines and forfeits				615	3,635	2,239
Interest income	\$ 2	\$ 42	127		470	1,466
Contributions, gifts and donations	47	150			474	1,536
Miscellaneous					11,936	9,935
Total revenues	<u>49</u>	<u>192</u>	<u>1,809</u>	<u>41,606</u>	<u>62,908</u>	<u>105,423</u>
<b>EXPENDITURES:</b>						
General government				12,119	15,896	9,961
Public safety				7,240	7,240	5,605
Public works				617	617	3
Health and human services				6,404	7,218	9,344
Culture and recreation	6			854	1,522	461
Urban development and housing				1,352	2,737	32,322
Economic development and assistance				10,669	12,372	9,727
Total expenditures	<u>6</u>	<u>---</u>	<u>---</u>	<u>39,255</u>	<u>47,602</u>	<u>67,423</u>
Excess (deficiency) of revenues over expenditures	<u>43</u>	<u>192</u>	<u>1,809</u>	<u>2,351</u>	<u>15,306</u>	<u>38,000</u>
<b>Other financing sources (uses):</b>						
Operating transfers in					1,830	2,215
Operating transfers out				(96)	(8,596)	(9,882)
Proceeds from bond issuance						
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>(96)</u>	<u>(6,766)</u>	<u>(7,667)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	43	192	1,809	2,255	8,540	30,333
FUND BALANCES, BEGINNING OF YEAR	<u>144</u>	<u>1,794</u>	<u>3,882</u>	<u>12,159</u>	<u>29,525</u>	<u>24,192</u>
FUND BALANCES, END OF YEAR	<u>\$ 187</u>	<u>\$ 1,986</u>	<u>\$ 5,691</u>	<u>\$ 14,414</u>	<u>\$ 38,065</u>	<u>\$ 54,525</u>

(Concluded)

(This Page Intentionally Left Blank)

# CITY OF NEW ORLEANS, LOUISIANA

## GRANT RECIPIENT FUNDS COMBINING BALANCE SHEET DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Department of Housing and Urban Development	Federal Justice Administration	FDJ Office of Justice Program	Federal Health Administration
<b>ASSETS</b>				
Cash	\$ 2,446			
Investments	350		1,983	\$ 199
Grantee loans receivable	25,300			
Due from other funds		\$ 8		
Due from other governments	<u>13,173</u>	<u>2,057</u>		<u>1,979</u>
<b>TOTAL ASSETS</b>	<b><u>\$41,269</u></b>	<b><u>\$2,065</u></b>	<b><u>\$1,983</u></b>	<b><u>\$2,178</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,333	\$ 38	\$ 103	\$ 20
Due to other funds	13,848	2,027	563	2,038
Due to other governments				
Deferred revenues	<u>25,300</u>			
<b>Total liabilities</b>	<b><u>40,481</u></b>	<b><u>2,065</u></b>	<b><u>666</u></b>	<b><u>2,058</u></b>
Fund balances:				
Unreserved:				
Designated for subsequent years' expenditures	<u>788</u>		<u>\$ 1,317</u>	<u>120</u>
<b>Total fund balances</b>	<b><u>788</u></b>		<b><u>1,317</u></b>	<b><u>120</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$41,269</u></b>	<b><u>\$2,065</u></b>	<b><u>\$1,983</u></b>	<b><u>\$2,178</u></b>

Federal UDAG	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
\$ 437			\$ 140	\$ 94	\$ 98	
5,884				574		
9,749						
2		\$ 38		2		
<u>5,768</u>	<u>\$ 13</u>	<u>24</u>	<u>      </u>	<u>212</u>	<u>481</u>	<u>\$ 77</u>
<u>\$ 21,840</u>	<u>\$ 13</u>	<u>\$ 62</u>	<u>\$ 140</u>	<u>\$ 882</u>	<u>\$ 579</u>	<u>\$ 77</u>
\$ 2				\$ 398	\$ 61	
502	\$ 13			90	518	\$ 77
		\$ 5				
<u>9,749</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>10,253</u>	<u>13</u>	<u>5</u>	<u>      </u>	<u>488</u>	<u>579</u>	<u>77</u>
<u>11,587</u>	<u>      </u>	<u>57</u>	<u>\$ 140</u>	<u>394</u>	<u>      </u>	<u>      </u>
<u>11,587</u>	<u>      </u>	<u>57</u>	<u>140</u>	<u>394</u>	<u>      </u>	<u>      </u>
<u>\$ 21,840</u>	<u>\$ 13</u>	<u>\$ 62</u>	<u>\$ 140</u>	<u>\$ 882</u>	<u>\$ 579</u>	<u>\$ 77</u>

(Continued)

# CITY OF NEW ORLEANS, LOUISIANA

## GRANT RECIPIENT FUNDS COMBINING BALANCE SHEET DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Louisiana Department of Public Safety	Federal Department of Labor	Louisiana Department of Education	Louisiana Department of Agriculture and Forest	Department of Culture, Recreation and Tourism
<b>ASSETS</b>					
Cash	\$ 15	\$ 146	\$ 2	\$ 3	
Investments					
Grantee loans receivable					
Due from other funds			3		\$ 2
Due from other governments	<u>5</u>	<u>7</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 20</u></b>	<b><u>\$ 153</u></b>	<b><u>\$ 5</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 2</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable		\$ 2			
Due to other funds	\$ 20	\$ 151			
Due to other governments					
Deferred revenues	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>20</u>	<u>153</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances:					
Unreserved:					
Designated for subsequent years' expenditures	<u>—</u>	<u>—</u>	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 2</u>
Total fund balances	<u>—</u>	<u>—</u>	<u>5</u>	<u>3</u>	<u>2</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 20</u></b>	<b><u>\$ 153</u></b>	<b><u>\$ 5</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 2</u></b>

Federal Department of Highway Administration	Department of Labor	Department of Resources	Traffic Court	Private Grants	Federal Department of Social Service	Total	
						1999	1998
		\$ 2	\$ 55		\$	\$ 3,438	\$ 868
						8,990	5,209
						35,049	34,968
				\$ 1		56	2,042
<u>\$ 56</u>	<u>\$ 553</u>	<u>4</u>	<u>---</u>	<u>---</u>	<u>\$ 185</u>	<u>24,594</u>	<u>17,783</u>
<u>\$ 56</u>	<u>\$ 553</u>	<u>\$ 6</u>	<u>\$ 55</u>	<u>\$ 1</u>	<u>\$ 185</u>	<u>\$ 72,127</u>	<u>\$ 60,870</u>
\$	\$ 335		\$ 1		\$ 11	\$ 2,304	\$ 998
56	218	\$ 6			174	20,301	12,724
			54			59	21
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>35,049</u>	<u>9,968</u>
<u>56</u>	<u>553</u>	<u>6</u>	<u>55</u>	<u>---</u>	<u>185</u>	<u>57,713</u>	<u>23,711</u>
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>\$ 1</u>	<u>---</u>	<u>14,414</u>	<u>37,159</u>
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1</u>	<u>---</u>	<u>14,414</u>	<u>37,159</u>
<u>\$ 56</u>	<u>\$ 553</u>	<u>\$ 6</u>	<u>\$ 55</u>	<u>\$ 1</u>	<u>\$ 185</u>	<u>\$ 72,127</u>	<u>\$ 60,870</u>

(Concluded)

# CITY OF NEW ORLEANS, LOUISIANA

## GRANT RECIPIENT FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Department of Housing and Urban Development	Federal Justice Administration	FDJ Office of Justice Program	Federal Health Administration
<b>REVENUES:</b>				
Intergovernmental	\$ 7,880	\$ 3,029	\$ 2,057	\$ 9,604
Program income	2,788			
Fines and forfeits				
Interest income				
<b>Total revenues</b>	<u>10,668</u>	<u>3,029</u>	<u>2,057</u>	<u>9,604</u>
<b>EXPENDITURES:</b>				
General government	4,047	627	684	6,032
Public safety	3,018	2,402	806	
Public works	617			
Health and human services	167			3,528
Culture and recreation	746			
Urban development and housing	1,352			
Economic development and assistance				
<b>Total expenditures</b>	<u>9,947</u>	<u>3,029</u>	<u>1,490</u>	<u>9,560</u>
Excess (deficiency) of revenues over expenditures	<u>721</u>		<u>567</u>	<u>44</u>
<b>Other financing sources (uses):</b>				
Operating transfers out				
<b>Total other financing sources (uses)</b>				
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	721		567	44
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>67</u>		<u>750</u>	<u>76</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 788</u>	<u>\$ -</u>	<u>\$ 1,317</u>	<u>\$ 120</u>



Federal UDAG	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
\$ 270 615		\$ 24	\$ 146	\$ 1,089	\$ 2,854 200	\$ 45
<u>885</u>		<u>24</u>	<u>146</u>	<u>1,089</u>	<u>3,054</u>	<u>45</u>
		24	109	338 729	36 126	45
				21	2,688 108	
		<u>24</u>	<u>109</u>	<u>1,088</u>	<u>2,958</u>	<u>45</u>
<u>885</u>			<u>37</u>	<u>1</u>	<u>96</u>	
					<u>(96)</u>	
					<u>(96)</u>	
885			37	1		
<u>10,702</u>		<u>\$ 57</u>	<u>103</u>	<u>393</u>		
<u>\$ 11,587</u>	<u>\$</u>	<u>\$ 57</u>	<u>\$ 140</u>	<u>\$ 394</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF NEW ORLEANS, LOUISIANA

## GRANT RECIPIENT FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Louisiana Department of Public Safety	Federal Department of Labor	Louisiana Department of Education	Louisiana Department of Agriculture and Forest	Department of Culture, Recreation and Tourism
REVENUES:					
Intergovernmental	\$ 103	\$ 174		\$	
Program income					
Fines and forfeits					
Interest income					
Total revenues	<u>103</u>	<u>174</u>			
EXPENDITURES:					
General government					
Public safety	103				
Public works					
Health and human services					
Culture and recreation					
Urban development and housing					
Economic development and assistance		<u>174</u>			
Total expenditures	<u>103</u>	<u>174</u>			
Excess (deficiency) of revenues over expenditures					
Other financing sources (uses):					
Operating transfers out					
Total other financing sources (uses)					
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses					
FUND BALANCES, BEGINNING OF YEAR			<u>\$ 5</u>	<u>3</u>	<u>\$ 2</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 2</u>

Federal Department of Highway Administration	Department of Labor	Department of Resources	Traffic Court	Private Grants	Federal Department of Social Service	Total	
						1999	1998
\$ 56	\$ 9,691	\$ 23	\$ 46		\$ 912	\$ 37,733	\$ 84,606
						3,258	382
						615	
							954
<u>56</u>	<u>9,691</u>	<u>23</u>	<u>46</u>		<u>912</u>	<u>41,606</u>	<u>85,942</u>
56		23	46		108	12,119	6,067
						7,240	5,214
						617	
						6,404	9,058
						854	73
						1,352	31,208
	<u>9,691</u>				<u>804</u>	<u>10,669</u>	<u>7,887</u>
<u>56</u>	<u>9,691</u>	<u>23</u>	<u>46</u>		<u>912</u>	<u>39,255</u>	<u>59,507</u>
						<u>2,351</u>	<u>26,435</u>
						(96)	(882)
						(96)	(882)
						2,255	25,553
				\$ 1		<u>12,159</u>	<u>11,606</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 14,414</u>	<u>\$ 37,159</u>

(This Page Intentionally Left Blank)

## TRUST AND AGENCY FUNDS

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

The nonexpendable trust fund is used to account for all monies and all property acquired by donation and to be held intact. Monies are to be invested with the principal remaining intact and income accounted for in separate expendable trust funds.

Expendable trust funds are used to account for all monies and all property acquired by donation for a designated purpose, not required to be held intact. Significant expendable trust funds are as follows:

*Delgado-Albania Plantation Commission* - Used to account for funds generated from the operation of a sugar cane plantation.

*Edward Wisner* - Used to account for approximately 53,500 acres of land and waterbottoms 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.

*Isaac Delgado Memorial* - Used to account for funds which will benefit Delgado Community College.

*Sickles Legacy* - Used to account for funds designated to establish a city dispensary for gratuitous dispensing of medicine and medical advice to the poor.

*Institute of Mental Hygiene* - Used to account for funds for the purpose of study, research and treatment in the field of mental hygiene and psychiatry.

*Simon Hersheim* - Used to account for funds for the purpose of purchasing books for the Public Library.

*Helen Alder Levy Library* - Used to account for funds for the purpose of establishment and maintenance of the Helen Alder Levy Memorial Room at the New Orleans Public Library.

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**

**TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

<b>ASSETS</b>	<b>Pension Trust Funds</b>	<b>Nonexpendable Trust Fund</b>	<b>Expendable Trust Funds</b>
Cash	\$ 2,504	\$ 37	\$ 1,570
Investments	583,432	202	6,924
Receivables:			
Accounts			108
Accrued interest	3,559		
Other	1,194		
Due from other funds		1	128
Due from component units			12
Due from other governments			
Other assets	<u>738</u>	<u>---</u>	<u>12</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 591,427</u></b>	<b><u>\$ 240</u></b>	<b><u>\$ 8,754</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 331		\$ 18
Other payables and accruals	1,320		
Due to other funds	116	\$ 35	4
Due to other governments			
Due to component units			<u>3</u>
Total liabilities	<u>1,767</u>	<u>35</u>	<u>25</u>
 <b>FUND BALANCES:</b>			
Reserved for:			
Endowments		205	
Employees' pension benefits	589,660		
Unreserved - undesignated			<u>8,729</u>
Total fund balances	<u>589,660</u>	<u>205</u>	<u>8,729</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 591,427</u></b>	<b><u>\$ 240</u></b>	<b><u>\$ 8,754</u></b>

EXHIBIT D-1

Agency Funds			Total	
Clearing	Deposit	Escrow	1999	1998
\$27,711	\$1,703	\$ 2,433	\$ 35,958	\$ 26,451
	5,812	30,454	626,824	584,511
	123		231	196
			3,559	3,372
			1,194	1,494
15,021			15,150	9,190
			12	2
640	162		802	434
			750	481
<u>\$43,372</u>	<u>\$7,800</u>	<u>\$32,887</u>	<u>\$684,480</u>	<u>\$626,131</u>
\$ 5,070	\$ 202	\$ 3,426	\$ 9,047	\$ 1,093
4,494	7,549	29,277	42,640	39,434
17,962	49	148	18,314	12,112
15,625			15,625	7,804
221		36	260	44
<u>43,372</u>	<u>7,800</u>	<u>32,887</u>	<u>85,886</u>	<u>60,487</u>
			205	205
			589,660	557,074
			8,729	8,365
			<u>598,594</u>	<u>565,644</u>
<u>\$43,372</u>	<u>\$7,800</u>	<u>\$32,887</u>	<u>\$684,480</u>	<u>\$626,131</u>

**CITY OF NEW ORLEANS, LOUISIANA**

**PENSION TRUST FUNDS  
COMBINING STATEMENT OF PLAN NET ASSETS  
DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

ASSETS	Firefighters'		Police Old System
	Old System	New System	
Cash	\$ 1,460	\$ 347	\$ 120
Investments	7,993	200,274	2,548
Receivables:			
Accrued interest	32	1,634	10
Other	192	408	58
Due from other funds			
Other assets	<u>4</u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 9,681</u></b>	<b><u>\$ 202,663</u></b>	<b><u>\$ 2,736</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 35	\$ 210	
Other payables and accruals	223	133	
Due to other governments			
Due to other funds			
Total liabilities	<u>258</u>	<u>343</u>	<u>          </u>
<b>FUND BALANCES:</b>			
Reserved for:			
Employees' pension benefits	<u>9,423</u>	<u>202,320</u>	<u>\$ 2,736</u>
Total fund balances	<u>9,423</u>	<u>202,320</u>	<u>2,736</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 9,681</u></b>	<b><u>\$ 202,663</u></b>	<b><u>\$ 2,736</u></b>



EXHIBIT D-2

Employees' Retirement System	Total	
	1999	1998
\$ 577	\$ 2,504	\$ 5,653
372,617	583,432	548,812
1,883	3,559	3,372
536	1,194	1,493
734	738	469
<u>\$ 376,347</u>	<u>\$ 591,427</u>	<u>\$ 559,799</u>
\$ 86	\$ 331	\$ 328
964	1,320	2,317
116	116	5
		75
<u>1,166</u>	<u>1,767</u>	<u>2,725</u>
<u>375,181</u>	<u>589,660</u>	<u>557,074</u>
<u>375,181</u>	<u>589,660</u>	<u>557,074</u>
<u>\$ 376,347</u>	<u>\$ 591,427</u>	<u>\$ 559,799</u>

# CITY OF NEW ORLEANS, LOUISIANA

## EXPENDABLE TRUST FUNDS COMBINING BALANCE SHEET DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

ASSETS	Delgado- Albania Plantation Commission	Edward Wisner	Institute of Mental Hygiene	LaHache Music	Place DeFrance- Joan of Arc
Cash	\$ 22	\$ 1,483	\$ 13	\$ 6	\$ 4
Investments	3,057	3,241			
Accounts receivable		102			
Due from other funds	64	27			
Due from component units	12				
Other assets	12				
<b>TOTAL ASSETS</b>	<b><u>\$3,167</u></b>	<b><u>\$4,853</u></b>	<b><u>\$ 13</u></b>	<b><u>\$ 6</u></b>	<b><u>\$ 4</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable		\$ 18			
Due to other funds					
Due to component units					
Total liabilities		<u>18</u>			
FUND BALANCES:					
Unreserved - undesignated	<u>\$3,167</u>	<u>4,835</u>	<u>\$ 13</u>	<u>\$ 6</u>	<u>\$ 4</u>
Total fund balances	<u>3,167</u>	<u>4,835</u>	<u>13</u>	<u>6</u>	<u>4</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$3,167</u></b>	<b><u>\$4,853</u></b>	<b><u>\$ 13</u></b>	<b><u>\$ 6</u></b>	<b><u>\$ 4</u></b>

EXHIBIT D-3

Simon Hersheim	Kiwanis Club Lee Circle Sprinkler System	Ella West Freeman Foundation	Endowment Income	Total	
				1999	1998
\$ 3	\$ 5	\$ 2	\$ 32	\$1,570	\$ 256
54		4	568	6,924	7,994
			6	108	103
			37	128	8
				12	2
				12	12
<u>\$ 57</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 643</u>	<u>\$ 8,754</u>	<u>\$ 8,375</u>
				\$ 18	\$ -
			\$ 4	4	7
			3	3	3
			7	25	10
<u>\$ 57</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>636</u>	<u>8,729</u>	<u>8,365</u>
<u>57</u>	<u>5</u>	<u>6</u>	<u>636</u>	<u>8,729</u>	<u>8,365</u>
<u>\$ 57</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 643</u>	<u>\$ 8,754</u>	<u>\$ 8,375</u>

# CITY OF NEW ORLEANS, LOUISIANA

## EXPENDABLE TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Delgado- Albania Plantation Commission	Edward Wisner	Institute of Mental Hygiene	LaHache Music	Place DeFrance- Joan of Arc
REVENUES:					
Contributions, gifts and donations	\$ 175	\$ 455	\$	\$	
Interest income	<u>99</u>	<u>246</u>	<u>124</u>	<u>      </u>	<u>      </u>
Total revenues	<u>274</u>	<u>701</u>	<u>124</u>	<u>      </u>	<u>      </u>
EXPENDITURES:					
Health and human services			146		
Culture and recreation	<u>      </u>	<u>638</u>	<u>      </u>	<u>      </u>	<u>      </u>
Total expenditures	<u>      </u>	<u>638</u>	<u>146</u>	<u>      </u>	<u>      </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	274	63	(22)		
FUND BALANCES, BEGINNING OF YEAR	<u>2,893</u>	<u>4,772</u>	<u>35</u>	<u>6</u>	<u>\$ 4</u>
FUND BALANCES, END OF YEAR	<u>\$3,167</u>	<u>\$4,835</u>	<u>\$ 13</u>	<u>\$ 6</u>	<u>\$ 4</u>

EXHIBIT D-4

Simon Hersheim	Kiwanis Club Lee Circle Sprinkler System	Ella West Freeman Foundation	Endowment Income	Total	
				1999	1998
\$ 2			\$ 45	\$ 632	\$ 1,068
<u>2</u>				<u>516</u>	<u>472</u>
4			45	1,148	1,540
				146	98
				<u>638</u>	<u>1,332</u>
				784	1,430
4			45	364	110
<u>53</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>591</u>	<u>8,365</u>	<u>8,255</u>
<u>\$ 57</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 636</u>	<u>\$ 8,729</u>	<u>\$ 8,365</u>

**CITY OF NEW ORLEANS, LOUISIANA**

**EXPENDABLE TRUST FUNDS - ENDOWMENT INCOME TRUST FUNDS  
 COMBINING BALANCE SHEET  
 DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

<b>ASSETS</b>	<b>Isaac Delgado Memorial</b>	<b>John McDonogh School</b>	<b>Lafayette Cemetery No. 1 Under Will of Lilly Violet</b>	<b>Mahalia Zimmerman Tomb</b>
Cash	\$ 18	\$ 6	\$ 3	\$ 3
Investments	345	2	2	
Due from other funds	3			
Accounts receivable	—	—	—	—
<b>TOTAL ASSETS</b>	<b><u>\$ 366</u></b>	<b><u>\$ 8</u></b>	<b><u>\$ 5</u></b>	<b><u>\$ 3</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable				
Due to other funds				
Due to component units	—	—	—	—
Total liabilities	—	—	—	—
 <b>FUND BALANCES:</b>				
Unreserved - undesignated	<u>\$ 366</u>	<u>\$ 8</u>	<u>\$ 5</u>	<u>\$ 3</u>
Total fund balances	<u>366</u>	<u>8</u>	<u>5</u>	<u>3</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 366</u></b>	<b><u>\$ 8</u></b>	<b><u>\$ 5</u></b>	<b><u>\$ 3</u></b>

EXHIBIT D-5

Mrs. Otto Joachim	Sickles Legacy	Helen Adler Levy Library	Total	
			1999	1998
\$ 1	\$ 1 183 34	\$ 36	\$ 32 568 37 6	\$ 39 558 1
<u>\$ 1</u>	<u>\$ 218</u>	<u>\$ 42</u>	<u>\$ 643</u>	<u>\$ 598</u>
		\$ 4 3	\$ 4 3	\$ - 4 3
		<u>7</u>	<u>7</u>	<u>7</u>
<u>\$ 1</u>	<u>\$ 218</u>	<u>35</u>	<u>636</u>	<u>591</u>
<u>1</u>	<u>218</u>	<u>35</u>	<u>636</u>	<u>591</u>
<u>\$ 1</u>	<u>\$ 218</u>	<u>\$ 42</u>	<u>\$ 643</u>	<u>\$ 598</u>

# CITY OF NEW ORLEANS, LOUISIANA

## EXPENDABLE TRUST FUNDS - ENDOWMENT INCOME TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Isaac Delgado Memorial	John McDonogh School	Lafayette Cemetery No. 1 Under Will of Lilly Violet	Mahalia Zimmerman Tomb
REVENUES:				
Contributions, gifts and donations				
Interest income	\$ 19	---	---	---
Total revenues	<u>19</u>	---	---	---
EXCESS OF REVENUES OVER EXPENDITURES	19			
FUND BALANCES, BEGINNING OF YEAR	<u>347</u>	<u>\$ 8</u>	<u>\$ 5</u>	<u>\$ 3</u>
FUND BALANCES, END OF YEAR	<u>\$ 366</u>	<u>\$ 8</u>	<u>\$ 5</u>	<u>\$ 3</u>



EXHIBIT D-6

---

Mrs. Otto Joachim	Sickles Legacy	Helen Adler Levy Library	Total	
			1999	1998
	\$ 23	\$ 3	\$ 45	\$ - 39
	23	3	45	39
	23	3	45	39
\$ 1	195	\$ 32	591	552
\$ 1	\$ 218	\$ 35	\$ 636	\$ 591

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT D-7  
Page 1 of 2

AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
<b>CLEARING FUND</b>				
<b>ASSETS</b>				
Cash	\$ 14,795	\$ 2,359,479	\$ 2,346,563	\$ 27,711
Accounts receivable				
Due from other funds	8,991	15,018	8,988	15,021
Due from other governments	264	1,794	1,418	640
	<u>\$ 24,050</u>	<u>\$ 2,376,291</u>	<u>\$ 2,356,969</u>	<u>\$ 43,372</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 303	\$ 39,288	\$ 34,521	\$ 5,070
Other payables and accruals	4,125	269,943	269,574	4,494
Due to other funds	11,782	18,062	11,882	17,962
Due to other governments	7,799	924,404	916,578	15,625
Due to component units	41	525	345	221
	<u>\$ 24,050</u>	<u>\$ 1,252,222</u>	<u>\$ 1,232,900</u>	<u>\$ 43,372</u>
<b>DEPOSIT FUND</b>				
<b>ASSETS</b>				
Cash	\$ 1,262	\$ 13,391	\$ 12,950	\$ 1,703
Investments	5,531	294	13	5,812
Accounts receivable	93	123	93	123
Due from other funds	191		191	
Due from other governments	170	1,652	1,660	162
	<u>\$ 7,247</u>	<u>\$ 15,460</u>	<u>\$ 14,907</u>	<u>\$ 7,800</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 17	\$ 2,423	\$ 2,238	\$ 202
Other payables and accruals	6,982	3,588	3,021	7,549
Due to other funds	248	48	247	49
Due to other governments	-			
	<u>\$ 7,247</u>	<u>\$ 6,059</u>	<u>\$ 5,506</u>	<u>\$ 7,800</u>

(Continued)

**CITY OF NEW ORLEANS, LOUISIANA**

**EXHIBIT D-7**  
**Page 2 of 2**

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
<b>ESCROW FUND ASSETS</b>				
Cash	\$ 4,482	\$ 89,170	\$ 91,219	\$ 2,433
Investments	21,972	18,396	9,914	30,454
Accounts receivable	-			
	<u>\$ 26,454</u>	<u>\$ 107,566</u>	<u>\$ 101,133</u>	<u>\$ 32,887</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 445	\$ 13,126	\$ 10,145	\$ 3,426
Other payables and accruals	26,009	34,247	30,979	29,277
Due to other funds		156	8	148
Due to component units	-	36		36
	<u>\$ 26,454</u>	<u>\$ 47,565</u>	<u>\$ 41,132</u>	<u>\$ 32,887</u>
<b>TOTAL ALL AGENCY FUNDS ASSETS</b>				
Cash	\$ 20,539	\$ 2,462,040	\$ 2,450,732	\$ 31,847
Investments	27,503	18,690	9,927	36,266
Accounts receivable	93	123	93	123
Due from other funds	9,182	15,018	9,179	15,021
Due from other governments	434	3,446	3,078	802
	<u>\$ 57,751</u>	<u>\$ 2,499,317</u>	<u>\$ 2,473,009</u>	<u>\$ 84,059</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 765	\$ 54,837	\$ 46,904	\$ 8,698
Other payables and accruals	37,116	307,778	303,574	41,320
Due to other funds	12,030	18,266	12,137	18,159
Due to other governments	7,799	924,404	916,578	15,625
Due to component units	41	561	345	257
	<u>\$ 57,751</u>	<u>\$ 1,305,846</u>	<u>\$ 1,279,538</u>	<u>\$ 84,059</u>

(Concluded)

(This Page Intentionally Left Blank)

**GENERAL FIXED ASSETS ACCOUNT GROUP**

This account group is used to account for fixed assets which are not used in proprietary fund operations or accounted for in trust funds.

# CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT E-1

## SCHEDULE OF GENERAL FIXED ASSETS BY ASSET CLASS AND SOURCE DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

---

General fixed assets:	
Land	\$ 30,716
Buildings and improvements	192,881
Equipment	66,861
Construction in progress	<u>207,347</u>
Total general fixed assets	<u>\$ 497,805</u>
Investment in general fixed assets from:	
Special revenue funds	\$ 9,445
Capital projects funds:	
General obligation bonds	216,419
Federal grants	41,708
State grants	19,957
Miscellaneous capital funds	12,858
Gifts	2,566
Miscellaneous revenues	17,808
General fund revenues	56,828
Unidentified sources*	<u>120,216</u>
Total investment in general fixed assets	<u>\$ 497,805</u>

\* Purchases prior to January 1, 1982, for which a funding source could not be identified.

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT E-2

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY  
DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

Function and Activity	Land	Buildings and Improvements	Equipment	Total
General government:				
The Council			\$ 752	\$ 752
The Mayor	\$ 448	\$ 12,039	3,135	15,622
Department of Law			167	167
Judicial and Parochial			1,053	1,053
Department of Finance			1,540	1,540
Unattached boards and commissions		445	1,828	2,273
Department of Civil Service			87	87
General services			74	74
General government	<u>14,179</u>	<u>65,253</u>		<u>79,432</u>
Total general government	<u>14,627</u>	<u>77,737</u>	<u>8,636</u>	<u>101,000</u>
Public safety:				
Department of Police	1,868	9,585	25,448	36,901
Department of Fire	993	7,893	9,840	18,726
Department of Safety and Permits		4,159	116	4,275
Total public safety	<u>2,861</u>	<u>21,637</u>	<u>35,404</u>	<u>59,902</u>
Public works:				
Department of Streets		339	10,113	10,452
Department of Sanitation	17	6,464	1,736	8,217
Department of Property Management		3,690	1,641	5,331
Department Utilities			93	93
Total public works	<u>17</u>	<u>10,493</u>	<u>13,583</u>	<u>24,093</u>
Health and Human Services:				
Department of Health	49	7,681	1,943	9,673
Department of Human Services	160	6,341	407	6,908
Total health and human services	<u>209</u>	<u>14,022</u>	<u>2,350</u>	<u>16,581</u>
Culture and recreation:				
Public Library	478	7,229	1,198	8,905
Cultural Commission		5,582	319	5,901
Department of Recreation	12,524	56,181	3,786	72,491
Total culture and recreation	<u>13,002</u>	<u>68,992</u>	<u>5,303</u>	<u>87,297</u>
Urban development and housing			1,506	1,506
Economic development and assistance			79	79
Total general fixed assets allocated to functions	<u>\$ 30,716</u>	<u>\$ 192,881</u>	<u>\$ 66,861</u>	<u>290,458</u>
Construction in progress				<u>207,347</u>
Total general fixed assets				<u>\$ 497,805</u>

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT E-3

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY  
 YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

Function and Activity	General Fixed Assets January 1, 1999	Additions	Deductions	General Fixed Assets December 31, 1999
General government:				
The Council	\$ 722	\$ 30		\$ 752
The Mayor	16,755	267	\$ 1,400	15,622
Department of Law	143	24		167
Judicial and Parochial	1,036	17		1,053
Department of Finance	1,444	96		1,540
Unattached boards and commissions	2,209	64		2,273
Department of Civil Service	84	3		87
General services	74			74
General government	<u>79,432</u>			<u>79,432</u>
Total general government	<u>101,899</u>	<u>501</u>	<u>1,400</u>	<u>101,000</u>
Public safety:				
Department of Police	32,811	4,090		36,901
Department of Fire	18,671	55		18,726
Department of Safety and Permits	4,227	48		4,275
Total public safety	<u>55,709</u>	<u>4,193</u>		<u>59,902</u>
Public works:				
Department of Streets	9,965	487		10,452
Department of Sanitation	8,143	74		8,217
Department of Property Management	4,286	1,046		5,332
Department Utilities	79	13		92
Total public works	<u>22,473</u>	<u>1,620</u>		<u>24,093</u>
Health and human services:				
Department of Health	9,894	53	275	9,672
Department of Human Services	3,730	3,179		6,909
Total health and human services	<u>13,624</u>	<u>3,232</u>	<u>275</u>	<u>16,581</u>
Culture and recreation:				
Public Library	8,599	306		8,905
Cultural Commission	5,901			5,901
Department of Recreation	71,294	1,197		72,491
Total culture and recreation	<u>85,794</u>	<u>1,503</u>		<u>87,297</u>
Urban development and housing	<u>1,359</u>	<u>147</u>		<u>1,506</u>
Economic development and assistance	<u>77</u>	<u>2</u>		<u>79</u>
Construction in progress	<u>196,743</u>	<u>19,702</u>	<u>9,098</u>	<u>207,347</u>
Total general fixed assets	<u>\$ 477,678</u>	<u>\$ 30,900</u>	<u>\$ 10,773</u>	<u>\$ 497,805</u>



**DEBT SERVICE REQUIREMENTS**

**CITY OF NEW ORLEANS, LOUISIANA**

**EXHIBIT F-1**

**SCHEDULE OF GENERAL BONDED SERVICE REQUIREMENTS UNTIL MATURITY  
DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)**

Year	General Obligations Bonds	
	Principal	Interest
2000	\$ 22,425	\$ 22,680
2001	25,430	21,595
2002	28,150	20,034
2003	29,900	18,300
2004	19,964	28,268
2005	16,994	31,284
2006	16,688	31,620
2007	14,395	31,927
2008	14,069	32,253
2009	13,807	32,534
2010	13,715	32,658
2011	13,670	32,730
2012	13,687	32,748
2013	13,698	32,761
2014	13,822	32,660
2015	13,990	32,512
2016	14,189	32,362
2017	14,463	32,097
2018	14,809	31,780
2019	37,070	9,545
2020	39,265	7,385
2021	41,560	5,097
2022	7,985	2,674
2023	8,410	2,269
2024	8,860	1,842
2025	9,330	1,392
2026	7,805	918
2027	4,580	513
2028	2,090	260
2029	2,216	136
	<u>\$ 497,036</u>	<u>\$ 594,834</u>

**COMPONENT UNITS - GOVERNMENTAL FUNDS**

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT G-1

COMPONENT UNITS - GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

ASSETS	Downtown Development District	New Orleans Tourism Marketing Corporation	New Orleans Economic Development Corporation	Total	
				1999	1998
Cash	\$ 1,711	\$ 419	\$ 10	\$ 2,140	\$ 1,295
Investments, at cost or amortized cost	3,331			3,331	4,014
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts	933	4	1	938	839
Accrued interest	39			39	46
Due from other governments		1,343		1,343	412
Other assets	844	102	2,100	3,046	978
<b>TOTAL ASSETS</b>	<b>\$ 6,858</b>	<b>\$ 1,868</b>	<b>\$ 2,111</b>	<b>\$ 10,837</b>	<b>\$ 7,584</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>					
Liabilities:					
Accounts payable	\$ 422	\$ 481		\$ 903	\$ 525
Other payables and accruals	52	9		61	55
Due to primary government	1,273			1,273	634
Deferred revenues	1,064			1,064	651
Total liabilities	<u>2,811</u>	<u>490</u>		<u>3,301</u>	<u>1,865</u>
Equity and other credits:					
Investment in general fixed assets	759	86		845	803
Fund balance:					
Reserved for capital project	1,625			1,625	2,425
Permanently restricted			\$ 2,100	2,100	-
Unreserved:					
Designated for subsequent year's expenditures	1,634	25		1,659	1,719
Undesignated	29	1,267	11	1,307	772
Total fund balances	<u>3,288</u>	<u>1,292</u>	<u>2,111</u>	<u>6,691</u>	<u>4,916</u>
Total equity and other credits	<u>4,047</u>	<u>1,378</u>	<u>2,111</u>	<u>7,536</u>	<u>5,719</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 6,858</b>	<b>\$ 1,868</b>	<b>\$ 2,111</b>	<b>\$ 10,837</b>	<b>\$ 7,584</b>

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT G-2

COMPONENT UNITS - GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Downtown Development District	New Orleans Tourism Marketing Corporation	New Orleans Economic Development Corporation	Total	
				1999	1998
REVENUES:					
Taxes	\$ 3,896	\$ 4,181		\$ 8,077	\$ 7,675
Interest income	312	21		333	432
Miscellaneous	23	2,281	\$ 26	2,330	1,439
Total revenues	<u>4,231</u>	<u>6,483</u>	<u>26</u>	<u>10,740</u>	<u>9,546</u>
EXPENDITURES:					
General government	4,223	2,633	27	6,883	4,503
Public works	805			805	2,254
Culture and recreation		3,389		3,389	3,461
Total expenditures	<u>5,028</u>	<u>6,022</u>	<u>27</u>	<u>11,077</u>	<u>10,218</u>
Excess of revenues over expenditures	(797)	461	(1)	(337)	(672)
Other, net					785
	<u>(797)</u>	<u>461</u>	<u>(1)</u>	<u>(337)</u>	<u>113</u>
FUND BALANCES, BEGINNING OF YEAR,	<u>4,085</u>	<u>831</u>	<u>2,112</u>	<u>7,028</u>	<u>4,803</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,288</u>	<u>\$ 1,292</u>	<u>\$ 2,111</u>	<u>\$ 6,691</u>	<u>\$ 4,916</u>

**(This Page Intentionally Left Blank)**

**COMPONENT UNITS - PROPRIETARY FUNDS**

# CITY OF NEW ORLEANS, LOUISIANA

## COMPONENT UNITS - PROPRIETARY FUNDS COMBINING BALANCE SHEET DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

ASSETS	Orleans Parish Communication District	Audubon Commission	New Orleans International Airport	Sewerage and Water Board
Current assets:				
Cash	\$ 1,035	\$ 128	\$ 2,401	\$ 2,966
Certificates of deposit				
Investments	2,243		20,054	172,040
Receivables (net of allowances for uncollectibles):				
Property taxes				153
Accounts	391	323	9,360	9,666
Accrued interest		55	265	1,715
Grants				3,394
Other		640		1,586
Due from other component units		307		135
Due from primary government			1,261	200
Inventory of supplies		387	154	5,607
Prepaid expenses and deposits		333	882	731
	<u>3,669</u>	<u>2,173</u>	<u>34,377</u>	<u>198,193</u>
Total current assets				
Advances to primary government			<u>4,946</u>	
Restricted assets - cash and investments:				
Customer deposits				5,257
Construction account				55,599
Current debt service account		3,135	4,570	
Future debt service account			10,032	8,065
Contingency (renewal and replacement) account			2,051	
Operation and maintenance account			5,952	
Capital improvements		2,355	39,480	57,101
Escrow funds			369	
Health insurance reserve				13,244
Other			3,179	2,433
		<u>5,490</u>	<u>65,633</u>	<u>141,699</u>
Total restricted assets				
Property, plant and equipment - at cost, less accumulated depreciation	<u>1,066</u>	<u>116,515</u>	<u>377,593</u>	<u>883,221</u>
Other assets		<u>12,364</u>	<u>4,222</u>	<u>4,695</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,735</u></u>	<u><u>\$ 136,542</u></u>	<u><u>\$ 486,771</u></u>	<u><u>\$ 1,227,808</u></u>



Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Pontalba Building Restoration Corporation	Canal Street Development Corporation	Total	
				1999	1998
\$ 57	\$ 478	\$ 1,113	\$ 896	\$ 9,074	\$ 9,994
1,428	214			195,979	15,226
					176,744
				153	515
	118	35	357	20,250	17,176
68				2,103	1,863
			216	3,610	1,145
	139			2,365	1,399
	33			475	1,008
189			1,329	2,979	1,298
				6,148	6,319
		12		1,958	1,487
<u>1,742</u>	<u>982</u>	<u>1,160</u>	<u>2,798</u>	<u>245,094</u>	<u>234,174</u>
<u>404</u>		<u>21</u>		<u>5,371</u>	<u>5,037</u>
				5,257	5,159
		1,365		56,964	68,704
	1,393			9,098	7,278
	62			18,159	20,119
	176			2,227	2,014
				5,952	7,182
	1,404			100,340	113,774
	1,618			1,987	130
				13,244	10,015
<u>705</u>	<u>61</u>			<u>6,378</u>	<u>4,578</u>
<u>705</u>	<u>4,714</u>	<u>1,365</u>		<u>219,606</u>	<u>238,953</u>
<u>3,983</u>	<u>7,358</u>	<u>7,904</u>	<u>8,325</u>	<u>1,405,965</u>	<u>1,370,721</u>
	<u>96</u>	<u>134</u>	<u>4,626</u>	<u>26,137</u>	<u>25,001</u>
<u>\$6,834</u>	<u>\$13,150</u>	<u>\$10,584</u>	<u>\$15,749</u>	<u>\$1,902,173</u>	<u>\$1,873,886</u>

(Continued)

# CITY OF NEW ORLEANS, LOUISIANA

## COMPONENT UNITS - PROPRIETARY FUNDS COMBINING BALANCE SHEET DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

LIABILITIES AND EQUITY	Orleans Parish Communications District	Audubon Commission	New Orleans International Airport	Sewerage and Water Board
Current liabilities (payable from current assets):				
Accounts payable	\$ 53	\$ 4,323	\$ 5,311	\$ 9,221
Retainages payable				506
Other payables and accruals	8		1,487	34,611
Due to other component units		307		135
Due to primary government	88		1,034	256
Deferred revenues				
Total current liabilities (payable from current assets)	<u>149</u>	<u>4,630</u>	<u>7,832</u>	<u>44,729</u>
Current liabilities (payable from restricted assets):				
Retainages payable				1,914
Capital projects payable			3,237	
Accrued interest		185	1,409	395
Limited tax bonds		1,417		
Bonds payable, current portion			7,580	5,635
Revenue bonds		751		
Deposits and other		1,628	2,214	5,257
Total current liabilities (payable from restricted assets)		<u>3,981</u>	<u>14,440</u>	<u>13,201</u>
Total current liabilities	<u>149</u>	<u>8,611</u>	<u>22,272</u>	<u>57,930</u>
Long-term liabilities:				
Claims payable				4,698
Loans payable				
Limited tax bonds (net of current portion)		43,504		12,635
Revenue bonds (net of current portion)		12,905		67,850
Less unamortized discounts		(1,346)		
Refunding bonds (net of current portion and unamortized loss on advance refunding)			196,301	
Other		971		
Total long-term liabilities		<u>56,034</u>	<u>196,301</u>	<u>85,183</u>
Total liabilities	<u>149</u>	<u>64,645</u>	<u>218,573</u>	<u>143,113</u>
Equity:				
Contributed capital			196,247	148,117
Reserved for employees pension benefits				171,834
Retained earnings:				
Reserved for property, plant and equipment				697,357
Reserved for bond debt service			10,400	10,286
Reserved for capital improvements			2,000	57,101
Unreserved	4,586	71,897	59,551	
Total retained earnings	<u>4,586</u>	<u>71,897</u>	<u>71,951</u>	<u>764,744</u>
Total fund equity	<u>4,586</u>	<u>71,897</u>	<u>268,198</u>	<u>1,084,695</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$4,735</u>	<u>\$136,542</u>	<u>\$486,771</u>	<u>\$1,227,808</u>

Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Pontalba Building Restoration Corporation	Canal Street Development Corporation	Total	
				1999	1998
\$ 7	\$ 157	\$ 117	\$ 6	\$ 19,195	\$ 20,574
129	513		13	506	1,495
142	100	33		36,761	32,201
	12	382	9	475	1,008
				2,002	610
				21	11
<u>278</u>	<u>782</u>	<u>532</u>	<u>28</u>	<u>58,960</u>	<u>55,899</u>
				1,914	1,783
				3,237	1,741
	11	19		2,019	1,825
131		165		1,417	4,852
	88			13,511	7,948
		92		839	2,061
				9,191	7,734
<u>131</u>	<u>99</u>	<u>276</u>		<u>32,128</u>	<u>27,944</u>
<u>409</u>	<u>881</u>	<u>808</u>	<u>28</u>	<u>91,088</u>	<u>83,843</u>
				4,698	5,743
			4,867	4,867	6,191
2,040	1,663			56,139	60,829
				84,458	86,036
				(1,346)	(1,429)
		4,880		201,181	221,387
				971	946
<u>2,040</u>	<u>1,663</u>	<u>4,880</u>	<u>4,867</u>	<u>350,968</u>	<u>379,703</u>
<u>2,449</u>	<u>2,544</u>	<u>5,688</u>	<u>4,895</u>	<u>442,056</u>	<u>463,546</u>
	2,894		8,582	355,840	343,367
				171,834	156,613
470				697,827	688,616
	4,714			25,400	25,607
3,915	1,821			64,837	62,977
	1,177	4,896	2,272	144,379	133,160
<u>4,385</u>	<u>7,712</u>	<u>4,896</u>	<u>2,272</u>	<u>932,443</u>	<u>910,360</u>
<u>4,385</u>	<u>10,606</u>	<u>4,896</u>	<u>10,854</u>	<u>1,460,117</u>	<u>1,410,340</u>
<u>\$ 6,834</u>	<u>\$ 13,150</u>	<u>\$ 10,584</u>	<u>\$ 15,749</u>	<u>\$ 1,902,173</u>	<u>\$ 1,873,886</u>

# CITY OF NEW ORLEANS, LOUISIANA

## COMPONENT UNITS - PROPRIETARY FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Orleans Parish Communication District	Audubon Commission	New Orleans International Airport	Sewerage and Water Board
Operating revenues:				
Charges for services		\$ 22,640	\$ 56,132	\$ 94,838
Tax revenues				32,857
Other		674		
Total operating revenues		23,314	56,132	127,695
Operating expenses:				
Personal services	\$ 280	13,807	14,748	31,858
Contractual services	1,241	12,776	19,225	58,194
Materials and supplies	48		1,453	
Depreciation and amortization	422	5,585	22,211	27,629
Other	163			8,168
Total operating expenses	2,154	32,168	57,637	125,849
Operating income (loss)	(2,154)	(8,854)	(1,505)	1,846
Nonoperating revenues (expenses):				
Interest revenue	71	1,569	4,753	8,124
Interest expense		(3,811)	(14,530)	(4,655)
Dedicated taxes	2,415	6,624		12
Specific grants - The Audubon Institute, Inc.		3,785		
Other - net	(15)	4,584	11,641	1,976
Unrealized gain				
Total nonoperating revenues (expenses)	2,471	12,751	1,864	5,457
Income (loss) before transfers	317	3,897	359	7,303
Transfer out to primary government				
Net income (loss)	317	3,897	359	7,303
Depreciation on fixed assets acquired by contributions			8,771	
Increase (decrease) in retained earnings	317	3,897	9,130	7,303
Retained earnings, beginning of year, as restated	4,269	68,000	62,821	757,441
Retained earnings, end of year	\$ 4,586	\$ 71,897	\$ 71,951	\$ 764,744

Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Pontalba Building Restoration Corporation	Canal Street Development Corporation	Total	
				1999	1998
\$ 1,156	\$ 5,547	\$ 1,086	\$ 1,531	\$ 182,930	\$ 173,404
	689	4	268	32,857	32,120
<u>1,156</u>	<u>6,236</u>	<u>1,090</u>	<u>1,799</u>	<u>1,635</u>	<u>1,775</u>
				<u>217,422</u>	<u>207,299</u>
457	1,503	83	126	62,862	59,786
279	2,680	496		94,891	88,128
38	209	8	1	1,757	1,753
106	580	262	221	57,016	54,896
35	8	13	286	8,673	8,345
<u>915</u>	<u>4,980</u>	<u>862</u>	<u>634</u>	<u>225,199</u>	<u>212,908</u>
<u>241</u>	<u>1,256</u>	<u>228</u>	<u>1,165</u>	<u>(7,777)</u>	<u>(5,609)</u>
	218	62		14,797	13,323
(128)	(98)	(174)	(334)	(23,730)	(22,282)
				9,051	8,881
				3,785	1,677
				18,186	14,698
<u>(128)</u>	<u>120</u>	<u>(112)</u>	<u>(334)</u>	<u>22,089</u>	<u>16,297</u>
113	1,376	116	831	14,312	10,688
	(900)	(100)		(1,000)	(900)
<u>113</u>	<u>476</u>	<u>16</u>	<u>831</u>	<u>13,312</u>	<u>9,788</u>
				8,771	8,948
113	476	16	831	22,083	18,736
<u>4,272</u>	<u>7,236</u>	<u>4,880</u>	<u>1,441</u>	<u>910,360</u>	<u>891,624</u>
<u>\$ 4,385</u>	<u>\$ 7,712</u>	<u>\$ 4,896</u>	<u>\$ 2,272</u>	<u>\$ 932,443</u>	<u>\$ 910,360</u>

# CITY OF NEW ORLEANS, LOUISIANA

## COMPONENT UNITS - PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Orleans Parish Communication District	Audubon Commission	New Orleans International Airport	Sewerage and Water Board
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (2,154)	\$ (8,854)	\$ (1,505)	\$ 1,846
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	422	5,585	22,211	27,629
Loss on disposal of property		302		7,165
Provision for claims			17	1,002
Provision for doubtful accounts				(19)
Decrease (increase) in current assets:				
Taxes receivable				(2,201)
Accounts receivable	13	(291)	(2,095)	
Other receivables				
Due from other funds			(73)	
Due from primary government				215
Inventory			(174)	(396)
Prepaid expenses and deposits				
Other assets				
Increase (decrease) in current liabilities				
(Decrease) increase in capital projects payable		96	1,497	355
Accounts payable	48		(2,188)	
Other payables and accruals	8			
Due to other funds				
Due to primary government	88			
Advances from other funds, net				
Deferred revenues				
Increase in inventory of materials and supplies			41	
Other	(128)		(590)	(5,338)
(Decrease) increase in accrued salary/compensation			43	(245)
Net cash provided by (used for) operating activities	<u>(1,703)</u>	<u>(3,162)</u>	<u>17,184</u>	<u>30,013</u>
Cash flows from noncapital financing activities:				
Advances from primary government				
Payment of loans payable			(200)	
Residual equity transfers				1,988
Other revenues				
Dedicated taxes				
Net cash provided by (used for) noncapital financing activities	<u>          </u>	<u>          </u>	<u>(200)</u>	<u>1,988</u>

Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Pontalba Building Restoration Corporation	Canal Street Development Corporation	Total	
				1999	1998
\$ 241	\$ 1,256	\$ 228	\$ 1,165	\$ (7,777)	\$ (5,609)
106	580	262	221	57,016	54,896
				302	-
	8			7,165	7,200
				1,027	17
				(19)	112
(12)	8	(11)	140	(4,449)	1,141
8				8	(923)
(143)				(143)	-
			(200)	(273)	(472)
		6		221	(426)
	(13)			(583)	767
	(86)			(86)	101
		30		1,623	(587)
	87		3	(1,695)	4,629
59	167		5	239	203
111	42	(1)		152	50
		100	(1,201)	(1,013)	200
					(119)
	1		9	10	(4)
				41	(5,528)
32		138	(602)	(6,488)	(131)
				(202)	(107)
<u>402</u>	<u>2,050</u>	<u>752</u>	<u>(460)</u>	<u>45,076</u>	<u>55,410</u>
		(100)		(100)	(394)
				(200)	
				1,988	2,814
					2,371
		(100)		1,688	4,791

(Continued)

# CITY OF NEW ORLEANS, LOUISIANA

## COMPONENT UNIT - PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 1999 (AMOUNTS IN THOUSANDS)

	Orleans Parish Communications District	Audubon Commission	New Orleans International Airport	Sewerage and Water Board
Cash flows from capital and related financing activities:				
Acquisition and construction of property and equipment	\$ (163)	\$ (9,981)	\$ (33,434)	\$ (47,285)
Decrease (increase) in restricted assets		2,028		
(Increase) decrease in restricted liabilities		(425)		
Proceeds from property taxes dedicated to construction		6,624		
Principal payments on bonds payable		(2,260)	(6,330)	(4,605)
Capital contributed by federal and state grants		5,393	10,879	8,335
Interest paid on bonds payable		(3,512)	(12,940)	(4,690)
Grants from Audubon Institute		3,785		
Proceeds from issuance of bonds			35,001	
Bond issuance costs			(1,032)	
Passenger facilities charges collected			12,611	
Other	<u>2,400</u>	<u>(552)</u>	<u>(49,660)</u>	<u>          </u>
Net cash used for capital and related financing activities	<u>2,237</u>	<u>1,100</u>	<u>(44,905)</u>	<u>(48,245)</u>
Cash flows from investing activities:				
Payments for purchase of investments	(1,093)			(292,704)
Proceeds from sale and maturities of investments			(48,628)	302,721
Interest and dividends on investments	<u>71</u>	<u>1,536</u>	<u>4,699</u>	<u>8,028</u>
Net cash provided by (used for) investing activities	<u>(1,022)</u>	<u>1,536</u>	<u>(43,929)</u>	<u>18,045</u>
Net increase (decrease) in cash	(488)	(526)	(71,850)	1,801
Cash and cash equivalents, beginning of year	<u>1,523</u>	<u>654</u>	<u>84,333</u>	<u>1,405</u>
Cash and cash equivalents, end of year	<u>\$ 1,035</u>	<u>\$ 128</u>	<u>\$ 12,483</u>	<u>\$ 3,206</u>



Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Pontalba Building Restoration Corporation	Canal Street Development Corporation	Total	
				1999	1998
\$ 96	\$	\$ (99) (183)	\$	\$ (90,962) 1,941	\$ (76,086) 2,425
				(425)	(146)
(5)	(190)	(155)	(122)	6,624 (13,667)	6,510 (14,778)
(128)	(98)	(172)		24,607 (21,540)	11,644 (20,447)
				3,785	1,677
				35,001	51,148
				(1,032)	(474)
				12,611	12,233
				(47,812)	(120)
<u>(37)</u>	<u>(288)</u>	<u>(609)</u>	<u>(122)</u>	<u>(90,869)</u>	<u>(26,414)</u>
(1,428)	(1,542)			(296,767)	(364,127)
			46	254,139	374,179
		62		14,396	15,068
<u>(1,428)</u>	<u>(1,542)</u>	<u>62</u>	<u>46</u>	<u>(28,232)</u>	<u>25,120</u>
(1,063)	220	105	(536)	(72,337)	58,907
<u>1,120</u>	<u>258</u>	<u>1,008</u>	<u>1,432</u>	<u>91,733</u>	<u>32,826</u>
<u>\$ 57</u>	<u>\$ 478</u>	<u>\$ 1,113</u>	<u>\$ 896</u>	<u>\$ 19,396</u>	<u>\$ 91,733</u>

(Concluded)

(This Page Intentionally Left Blank)

**STATISTICAL SECTION**  
**(Unaudited)**

(This Page Intentionally Left Blank)

## CITY OF NEW ORLEANS, LOUISIANA

### GENERAL AND DEBT SERVICE FUNDS EXPENDITURES BY FUNCTION (NON-GAAP BUDGETARY BASIS) LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

---

Year	General Government (1)	Public Safety	Public Works	Health and Human Services
1990	\$ 79,698	\$ 123,643	\$ 55,245	\$ 15,686
1991	120,965	136,514	58,018	14,521
1992	92,515	152,717	57,205	16,739
1993	86,034	135,640	55,549	17,053
1994	95,321	135,634	57,694	14,610
1995	121,827	135,702	62,396	12,946
1996	118,622	138,800	49,740	14,301
1997	142,853	155,604	56,139	15,124
1998	129,525	155,123	53,033	12,699
1999	132,020	154,573	57,312	12,865

(1) General government expenditures include other financing uses.

**TABLE 1**

---

<b>Culture and Recreation</b>	<b>Urban Development and Housing</b>	<b>Economic Development and Assistance</b>	<b>Debt Service</b>	<b>Total</b>
15,384	\$ 15,156	\$ 11,427	\$ 51,534	\$ 367,773
16,384	1,050	-	25,064	372,516
18,707	222	-	36,128	374,233
17,145	2	-	45,539	356,962
17,505	2	-	44,796	365,562
18,838	245	-	40,759	392,713
17,869	336	-	45,509	385,177
21,648	166	-	47,040	438,574
20,571	205	-	49,699	420,855
22,267	222	-	45,585	424,844

## CITY OF NEW ORLEANS, LOUISIANA

### GENERAL AND DEBT SERVICE FUNDS REVENUES BY SOURCE (NON-GAAP BUDGETARY BASIS) LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services	Fines and Forfeits
1990	\$ 171,324	\$ 31,752	\$ 50,370	\$ 33,520	\$ 9,684
1991	\$ 173,750	\$ 31,284	\$ 17,731	\$ 35,908	\$ 8,869
1992	183,234	32,591	20,630	37,434	11,682
1993	186,842	34,464	21,546	37,723	10,326
1994	187,327	33,150	18,245	39,637	10,856
1995	194,735	35,296	18,825	43,555	10,430
1996	199,355	34,639	17,038	41,778	10,498
1997	202,828	44,462	17,547	44,690	12,957
1998	214,612	55,166	18,407	43,170	11,514
1999	221,915	53,672	18,545	44,039	10,803

(1) Other financing sources are included as miscellaneous revenues.

TABLE 2

---

Interest Income	Contributions, Gifts and Donations	Miscellaneous (1)	Debt Service	Total
\$ 13,455	\$ 299	\$ 19,077	\$ 53,377	\$ 382,858
9,487	322	56,181	49,612	383,144
6,568	292	60,619	40,357	393,407
6,765	16,047	7,907	35,075	356,695
4,257	30,724	22,545	35,675	382,416
7,284	6,612	34,082	36,782	387,601
8,089	484	21,603	39,578	373,062
10,406	589	44,780	40,787	419,046
8,811	6,613	33,493	43,048	434,834
8,229	1,128	25,312	44,828	428,471



## CITY OF NEW ORLEANS, LOUISIANA

### GENERAL AND DEBT SERVICE FUNDS EXPENDITURES BY FUNCTION (GAAP BASIS)

LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

---

Year	General Government (1)	Public Safety	Public Works	Health and Human Services
1990	\$ 76,205	\$ 122,299	\$ 56,897	\$ 15,602
1991	120,815	135,425	55,633	14,354
1992	93,929	152,499	59,345	17,202
1993	81,627	134,272	57,053	17,019
1994	90,076	134,566	53,692	14,606
1995	101,508	135,374	55,686	12,570
1996	103,316	138,257	52,848	14,682
1997	122,846	157,019	59,333	15,074
1998	131,544	154,299	53,744	12,414
1999	129,653	155,136	54,645	12,877

(1) General government expenditures include other financing uses.

**TABLE 3**

---

<b>Culture and Recreation</b>	<b>Urban Development and Housing</b>	<b>Economic Development and Assistance</b>	<b>Debt Service</b>	<b>Total</b>
\$ 15,378	\$ 15,151	\$ 11,427	\$ 51,534	\$ 364,493
16,397	1,171	-	25,064	368,859
18,795	245	-	36,128	378,143
17,012	-	-	45,539	352,522
17,469	4	-	44,796	355,209
18,714	223	-	40,759	364,834
17,824	358	-	45,509	372,794
21,850	166	-	47,040	423,328
20,381	176	-	49,699	422,257
22,213	239	-	45,585	420,348

## CITY OF NEW ORLEANS, LOUISIANA

### GENERAL AND DEBT SERVICE FUNDS REVENUES BY SOURCE (GAAP BASIS)

LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

---

Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services	Fines and Forfeits
1990	\$ 171,855	\$ 31,752	\$ 50,472	\$ 33,837	\$ 9,684
1991	173,616	31,284	17,678	35,908	8,869
1992	184,101	32,591	20,487	37,666	11,682
1993	187,341	34,464	21,546	37,760	10,326
1994	186,702	33,150	18,227	39,637	10,856
1995	195,076	35,296	18,572	43,555	10,430
1996	199,417	34,639	17,590	41,778	10,498
1997	203,088	44,462	16,927	44,717	12,957
1998	212,721	55,166	18,514	43,174	11,515
1999	221,915	53,672	18,548	44,039	10,803

(1) Other financing sources are included as miscellaneous revenues.

**TABLE 4**

---

<b>Interest Income</b>	<b>Contributions, Gifts and Donations</b>	<b>Miscellaneous (1)</b>	<b>Debt Service</b>	<b>Total</b>
\$ 13,455	\$ 299	\$ 3,134	\$ 53,377	\$ 367,865
9,487	322	41,985	49,612	368,761
6,568	292	37,421	40,357	371,165
6,765	16,047	7,472	35,075	356,796
4,257	30,742	21,896	35,675	381,142
7,284	6,612	20,208	36,782	373,815
8,067	484	22,916	39,578	374,967
10,406	588	23,710	40,787	397,642
8,811	6,614	27,451	43,048	427,014
8,229	1,128	24,102	44,828	427,264

CITY OF NEW ORLEANS, LOUISIANA

TABLE 5

PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Fiscal Year	Total Levied	Collected through December 31, 1999		Balance Outstanding at December 31, 1999		Collected During 1999
		Amount	Percent	Amount	Percent	
Real estate taxes:						
1990	\$ 144,620	\$ 142,981	98.87	\$ 1,639	1.13	\$ 170
1991	158,047	155,969	98.69	2,078	1.31	94
1992	153,070	150,859	98.56	2,211	1.44	94
1993	149,627	147,297	98.44	2,330	1.56	110
1994	146,451	144,041	98.35	2,410	1.65	150
1995	145,005	142,095	97.99	2,910	2.01	301
1996	155,297	150,835	97.13	4,462	2.87	526
1997	157,517	153,777	97.63	3,740	2.37	4,814
1998	163,715	155,434	94.94	8,281	5.06	4,133
1999	172,016	159,563	92.76	12,453	7.24	159,563
Personal property taxes:						
1990	\$ 70,248	\$ 64,692	92.09	\$ 5,556	7.91	\$ -
1991	74,939	70,131	93.58	4,808	6.42	49
1992	75,053	70,340	93.72	4,713	6.28	49
1993	72,866	68,265	93.69	4,601	6.31	20
1994	74,955	71,074	94.82	3,881	5.18	67
1995	79,258	75,098	94.75	4,160	5.25	123
1996	85,470	77,507	90.68	7,963	9.32	281
1997	88,126	82,589	93.72	5,537	6.28	657
1998	94,777	87,645	92.47	7,132	7.53	4,288
1999	91,514	81,111	88.63	10,403	11.37	81,111

CITY OF NEW ORLEANS, LOUISIANA

TABLE 6

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Fiscal	Real Property		Personal Property		Total		Assessed to Estimated Actual Value
	Net Assessed Value(1)	Estimated Actual Value	Net Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value	
1990	\$ 992,145	\$ 8,504,076	\$ 492,316	\$ 3,282,107	\$ 1,484,461	\$ 11,786,183	12.6
1991	1,001,971	8,588,298	485,333	3,235,553	1,487,304	11,823,851	12.6
1992	938,752	8,020,709	468,707	3,124,713	1,407,459	11,145,422	12.6
1993	918,234	7,870,555	456,806	3,045,373	1,375,040	10,915,928	12.6
1994	894,733	7,669,118	467,805	3,118,700	1,362,538	10,787,818	12.6
1995	885,899	7,593,398	467,699	3,117,993	1,353,598	10,711,391	12.6
1996	948,777	8,132,351	533,425	3,556,167	1,482,202	11,688,518	12.7
1997	960,554	8,233,296	548,893	3,659,287	1,509,447	11,892,583	12.7
1998	977,783	8,380,973	578,512	3,856,747	1,556,295	12,237,720	12.7
1999	1,013,240	8,684,889	592,741	3,951,607	1,605,981	12,636,496	12.7

(1) Amounts are net of the homestead exemption.

**CITY OF NEW ORLEANS, LOUISIANA**

**TABLE 7  
Page 1 of 4**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS (UNAUDITED, NUMBER OF MILLS)**

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
<b>Direct Property Tax Rates</b>										
City alimony, Sec. 15 Act 4 of 1916; Art. XIV Sec. 24 Const. 1921 Act 151 of 1962	14.91	14.91	14.91	14.91	14.91	14.91	14.91	14.91	14.01	14.01
Interest and redemption city bond, Sec. 15, Act 4 of 1916 (Amended Act 575 of 1966)	26.90	26.90	26.90	26.90	26.90	26.90	26.90	26.90	35.30	35.30
Special tax for sewerage, water and drainage, Act 197 of 1938 and Act 626 of 1960, Art. XIV, Sec. 23.1, 23.4-23.12 Const. 1921	-	-	-	-	-	-	-	-	4.00	4.00
Special tax for maintenance, operations and extension of the drainage system, Act 565 of 1966, Art. XIV, Sec. 23.2 Const. 1921 and Art VI, Sec. 22.36 and 32 Const. 1974.1 and Art. VII, Sec. 23, 1974 Const. LSA R.S. 47:1705 (B)	22.59	22.59	22.59	22.59	22.59	22.59	22.59	22.59	21.23	21.23
Special tax for establishing and maintaining a zoological garden in Audubon Park, Art. X Sec. 10 and Sec. 801 of Title 39 Louisiana Const. 1972 approved by voters in a referendum November 1972	.44	.44	.44	.44	.44	.44	.44	.44	.41	.41
Special dedicated tax to operate the Public Library Act VII, Part II Sec. 23 of Louisiana Const. 1974, LSA R.5, 47:1705(B) approved by voters in November 1986	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.06	4.06

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

TABLE 7  
Page 2 of 4

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS (UNAUDITED, NUMBER OF MILLS)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Special tax dedicated to maintenance of double platoon Fire Department and triple platoon Police Department, Act 7 of 1920 Art. XIV, Sec. 25, Const. 1921	4.27	4.27	4.27	4.27	4.27	4.27	4.27	4.27	4.01	4.01
Special tax (additional) for increase in pay to officers and members of Police and Fire Department, Act 260 of 1928, Art. XIV, Sec. 25, Const. 1921	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.00	2.00
Special tax to establish and maintain an aquarium by the Audubon Commission Act. VII, Part II Sec. 23, of La. Const. 1974. LSA R-5, 47:1705(B) approved by the voters in November 1986	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	3.86	3.86
Special tax, Police without Homestead Exemption: additional millages for police protection, Act 1103 of 1990; Art. VII, Sec. 23	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.26	5.00	-
Special tax, Fire without Homestead Exemption: additional millages for fire protection, Act 1103 of 1990; Art. VII, Sec. 23	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	4.00	-
Special tax, Neighborhood Housing Improvement	1.25	1.25	1.25	1.25	2.50	2.50	2.50	2.50	-	-

(Continued)



**CITY OF NEW ORLEANS, LOUISIANA**

**TABLE 7  
Page 3 of 4**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS (UNAUDITED, NUMBER OF MILLS)**

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Capital improvements & Infrastructure Trust Fund	2.50	2.50	2.50	2.50	-	-	-	-	-	-
Special tax, New Orleans Economic Development Fund	1.25	1.25	1.25	1.25	2.50	2.50	2.50	2.50	-	-
Special tax, Parkways and Park and Recreation Department	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Special tax, Street and Traffic Control Device Maintenance	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	<u>1.90</u>	-	-
Total direct property tax rates	<u>100.04</u>	<u>100.04</u>	<u>100.04</u>	<u>100.04</u>	<u>100.04</u>	<u>100.04</u>	<u>100.04</u>	<u>100.04</u>	<u>97.88</u>	<u>88.88</u>
<b>Overlapping Property Tax Rates</b>										
Special tax to provide funds for Board of Assessors according to Sec. 1925.1, 1925.2A title 47 I.a. revised statute Act 450, 1986	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.12	1.12
Special tax, Orleans Parish Levee Board for support, maintenance and construction of levees and levee drainage as authorized by Act 6, Sec. 39, Const. 1974	5.46	5.85	5.85	5.85	5.85	5.85	5.13	5.85	5.13	5.13
Special tax, Orleans Parish Levee Board, for support, maintenance and construction of levees and levee drainage Art. XVI, Sec. 2 Const. 1921 amended, ratified Art. 6, Sec.31 of the 1974 Const.	6.55	6.16	6.16	6.16	6.16	6.16	6.16	6.16	6.16	6.16

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

TABLE 7  
Page 4 of 4

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS (UNAUDITED, NUMBER OF MILLS)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
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, Act 51 of 1920, Art. XII, Sec. 16 Const. 1921 Act 264 of 1926; Act 751 of 1964	51.10	48.80	45.40	45.10	45.10	45.10	45.10	45.10	42.39	42.39
Special tax, Law Enforcement District of Orleans Parish, LRS 33:90001-9010	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>2.90</u>	<u>2.80</u>	<u>-</u>
Total overlapping property tax rates	<u>67.30</u>	<u>65.00</u>	<u>61.60</u>	<u>61.30</u>	<u>61.30</u>	<u>61.30</u>	<u>60.58</u>	<u>61.20</u>	<u>57.60</u>	<u>54.80</u>
Total	<u>167.34</u>	<u>165.04</u>	<u>161.64</u>	<u>161.34</u>	<u>161.34</u>	<u>161.34</u>	<u>160.62</u>	<u>161.24</u>	<u>155.48</u>	<u>143.68</u>

Note: The above taxes are collected on the basis of 100% of valuation.

(Concluded)

**CITY OF NEW ORLEANS, LOUISIANA**

**TABLE 8**

**COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 1999 (UNAUDITED, AMOUNTS IN THOUSANDS)**

---

Assessed value	\$2,212,297
Debt limitation - 35% of total assessed value*	<u>774,304</u>
Amount of debt applicable to debt limitation:	
General obligation bonds	485,156
Limited tax bonds	<u>11,880</u>
	497,036
Less assets in debt service fund available for retirement of general obligation bonds	<u>32,605</u>
Total amount of debt applicable to debt limit	<u>464,431</u>
Legal debt margin	<u>\$ 309,873</u>

---

\*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.

**CITY OF NEW ORLEANS, LOUISIANA**

**TABLE 9**

**RATIO OF GENERAL OBLIGATION BONDED DEBT  
TO ASSESSED VALUE AND BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)**

<b>Fiscal Year</b>	<b>Population*</b>	<b>Assessed Value Real Estate and Personal Property</b>	<b>General Obligation Bonded Debt</b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Bonded Debt Per Capita (1)</b>
1990	497	\$ 1,918,540	\$ 368,610	19.21	742
1991	497	1,896,329	383,721	20.24	772
1992	497	1,802,997	442,142	24.52	890
1993	497	1,770,985	429,243	24.24	864
1994	497	1,786,595	415,625	23.26	836
1995	497	1,784,739	432,261	24.22	870
1996	497	1,914,889	414,711	21.66	834
1997	497	1,969,443	448,081	22.76	901
1998	497	1,969,443	474,421	24.09	955
1999	497	2,212,297	485,156	21.93	976

\*Per 1990 U.S. Census.

(1) Bonded debt per capita not in thousands.

**CITY OF NEW ORLEANS, LOUISIANA**

**TABLE 10**

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
TOTAL DEBT TO TOTAL GENERAL EXPENDITURES  
(NON-GAAP BUDGETARY BASIS)  
LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Expenditures(1)</b>	<b>Ratio of Debt Service to Total General Expenditures</b>
1990	\$ 21,913	\$ 27,509	\$ 49,422	\$ 367,773	13.44
1991	8,628	14,807	23,435	372,516	6.29
1992	11,580	21,153	32,733	374,233	8.75
1993	12,614	22,969	35,583	356,962	9.97
1994	13,618	21,966	35,584	365,562	9.73
1995	11,538	17,307	28,845	392,713	7.35
1996	17,550	20,718	38,268	372,441	10.27
1997	17,870	21,600	39,470	415,593	9.49
1998	17,245	23,077	40,322	418,640	9.63
1999	23,040	21,799	44,839	434,408	10.32

(1) Includes general and debt service funds only.

**CITY OF NEW ORLEANS, LOUISIANA**

**TABLE 11**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
DECEMBER 31, 1999 (UNAUDITED, AMOUNTS IN THOUSANDS)**

	<b>Bonded Debt</b>	<b>Percentage Overlapping</b>	<b>Overlapping Debt</b>
City of New Orleans:			
General obligation and limited tax bonds	\$ 497,036	100 %	\$ 497,036
Sewerage and Water Board	86,120	100	86,120
Audubon Commission	<u>58,577</u>	100	<u>58,577</u>
Total direct City debt	<u>641,733</u>		<u>641,733</u>
Overlapping debt:			
Orleans Parish School Board (1)	359,079	100	359,079
Orleans Levee District (1)	<u>117,939</u>	100	<u>117,939</u>
Total overlapping debt	<u>477,018</u>		<u>477,018</u>
Total direct and overlapping debt	<u>\$ 1,118,751</u>		<u>\$ 1,118,751</u>

(1) The fiscal year of the Orleans Parish School Board and Orleans Levee District ends on June 30th. Overlapping debt is based on June 30, 1999 financial information.

# CITY OF NEW ORLEANS, LOUISIANA

## PROPERTY VALUE AND CONSTRUCTION LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

	Property Value			Construction			
	Real Estate	Personal	Total	Residential Permits	Residential Valuation	Nonresidential Permits	Nonresidential Valuation
1990	\$8,504,076	\$3,282,107	\$11,786,183	3,118	\$97,043	870	\$80,671
1991	8,588,298	3,235,553	11,823,851	3,413	55,707	892	96,701
1992	8,020,709	3,124,713	11,145,422	10,203	54,735	1,241	90,768
1993	7,870,555	3,045,373	10,915,928	11,358	99,151	3,039	90,433
1994	7,669,118	3,118,700	10,787,818	2,993	98,675	824	131,997
1995	7,593,398	3,117,993	10,711,391	2,595	105,590	604	39,063
1996	8,132,351	3,556,167	11,688,518	2,163	79,469	365	175,218
1997	8,233,296	3,659,287	11,892,583	2,131	62,761	1,501	123,250
1998	8,380,973	3,856,747	12,237,720	1,962	104,227	339	146,053
1999	8,684,889	3,951,607	12,636,496	2,089	122,342	531	161,068

Source: Department of Safety and Permits.

TABLE 12

---

<u>Commercial</u>		<u>Industrial</u>	
<u>Permits</u>	<u>Valuation</u>	<u>Permits</u>	<u>Valuation</u>
591	\$ 46,236	64	\$ 12,278
730	43,716	53	20,922
1,033	77,116	2	8,340
233	70,176	1	6,887
904	77,500	20	5,700
627	219,679	47	22,548
160	28,921	8	846
900	97,325	18	1,163
184	49,028	2	11,796
294	78,293	3	184



**CITY OF NEW ORLEANS, LOUISIANA**

**TABLE 13**

**PRINCIPAL TAXPAYERS  
DECEMBER 31, 1999 (UNAUDITED, AMOUNTS IN THOUSANDS)**

<b>Name of Taxpayer</b>	<b>Type of Business</b>	<b>1999 Assessed Value</b>	<b>Percentage of Total Assessed Value</b>
Entergy Services	Electric and gas utilities	70,099	4.13 %
BellSouth Telecommunications	Telephone utilities	\$ 67,488	3.98
Banc One	Financial institution	32,107	1.89
Hibernia National Bank	Financial institution	23,391	1.38
Whitney National Bank	Financial institution	20,148	1.19
International River Center	Real Estate	17,439	1.03
Marriot Hotel Properties	Hotel	14,978	.88
AT&T Communications	Telecommunications	14,764	.87
CS&M Associates	Real Estate	12,625	.74
Crescent Real Estate Equities	Real Estate	12,347	.73
		<u>\$ 285,386</u>	<u>16.82 %</u>

DEMOGRAPHICAL AND MISCELLANEOUS STATISTICS  
(UNAUDITED)

---

*Location:*

Southeastern Louisiana between Lake Pontchartrain and the Mississippi River

*Size:*

363.5 square miles, with 199.4 square miles (54%) of land

*Population:*

496,938 (1990 U.S. Census)

*Climate:*

Average winter temperature (October - March) 59.8 degrees; average summer temperature (April - September) 77.4 degrees; annual average humidity - 63%; annual average rainfall - 53.9 inches

*Public Safety:*

Department of Police  
Police districts - 8  
Budgeted positions - 2,044

Department of Fire  
Fire districts - 6  
Budgeted positions - 750

*Public Works:*

Developed expressways	35	miles
Paved roadways with curbs, gutters and subsurface drainage	1,067	miles
Asphalt center strip roadways with some related subsurface drainage	355	miles
Temporary surfaces, roadways	273	miles
Unopened or undeveloped streets	<u>29</u>	miles
 Total	 <u>1,759</u>	 miles

Budgeted positions - 401

*Recreation:*

City of New Orleans Recreation Centers	9
Stadiums	7
Pools:	
Outdoor	14
Indoor	3
Tennis court locations	9
Playgrounds	124
Other unique sites (cultural activities)	5
Acreage	425
Associated agencies' acreage	4,691
Municipal golf courses	7
Budgeted positions	247

Source: City Records.

(This Page Intentionally Left Blank)



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of the City of New Orleans, Louisiana (the "City"), as of and for the year ended December 31, 1999, and have issued our report thereon dated June 27, 2000. 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.

**Compliance**

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

Matters involving compliance with laws and regulations related to federal financial assistance are reported on by other auditors in separate reports on compliance related to federal financial assistance programs.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operations of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in detail in the attached appendix.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described in the attached appendix, we consider comment No. 00-1 to be a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated June 27, 2000.

This report is intended solely for the information and use of the Audit Committee, management, the state of Louisiana Legislative Auditor and officials of the applicable federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte + Touche LLP*

June 27, 2000

# CITY OF NEW ORLEANS

## APPENDIX

### MATERIAL WEAKNESS

#### COMMENT 00-1

#### FIXED ASSET INVENTORY

##### Observation

The City of New Orleans (the "City") has not performed an inventory of its significant fixed assets for a number of years to confirm additions and deletions. In the year ended December 31, 1998, the City attempted to implement a new Fixed Asset Management System in AFIN Advantage 2.0. During the conversion from the previous fixed asset system to the new system, a complete listing of prior assets owned, current year additions, and current year deletions were not added to this new system. This failure in the conversion process precluded the City from producing a complete listing of all assets owned as of December 31, 1999. Without an accurate detail of all fixed assets owned, the City has experienced difficulties relating to fixed asset management, recording additions and disposals, and safeguarding its assets.

This situation will become more critical due to the issuance of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, which will require the addition of infrastructure capital assets including bridges and roads. The implementation of this statement will require the City to engage a specialist to determine these amounts. This statement will be effective for the City in the fiscal year ending December 31, 2002.

##### Recommendation

The City should attempt to rectify all problems with the conversion process immediately. A policy should be adopted to ensure that all significant fixed assets are counted on a periodic basis (i.e. all assets counted every three years). Since there has been a system conversion in the prior year, all assets should be counted during the initial year when implementing this procedure. Also, controls should be established to reconcile the system's fixed asset amounts to a sub ledger that should detail each item by identifiable asset numbers on at least a quarterly basis.

##### Management's Response

The City concurs with the recommendation. In July 2000, after the 1999 audit has been completed, the City staff with assistance from a consultant will begin manually updating the current fixed asset data by adding the old data.

The departmental user personnel will be trained on both the fixed asset procedures and the use of the fixed asset system. After the training, the departmental personnel will be required to validate the data that is on file for their departments.

The City will work with a consultant to develop policies and procedures to allow the City to become GASB 34 compliant.

Completion Date

December 31, 2000

Contact

Wayne DeLarge, Comptroller  
Ronnie Ravain, Purchasing Agent  
Earl J. Kilbride, MIS Director

## REPORTABLE CONDITIONS

### COMMENT 00-2

#### ACCOUNTS PAYABLE DETAIL

##### Observation

The City does not maintain a complete detail of accounts payable in its Special Revenue, General and Capital Projects fund. As a result of this condition and our enhanced testing of accounts payable, an adjustment to increase accounts payable by approximately \$1,400,000, \$2,000,000 and \$3,200,000 was proposed by us and recorded in the Grant Recipient Fund, General Fund, and the Capital Projects funds, respectively.

##### Recommendation

We recommend that the City develop and maintain a detail of its accounts payable for all funds. Such a detail would minimize the potential for material adjustments to the general purpose financial statements, and if used properly, may assist in the management of cash flow by aging the City's accounts payable to acceptable levels. Currently, such aging does not occur.

##### Management's Response

We disagree. The adjustment recorded by the auditor does not affect unreserved fund balance in our general accepted accounting principles statements. However, we will attempt to develop a detail listing of payments made subsequent to year end that relate to current year encumbrances in order to maintain a detail listing of such accounts payable.

##### Completion Date

December 31, 2000

##### Contact

Wayne DeLarge, Comptroller

### COMMENT 00-3

#### CASH-BANK RECONCILIATIONS

##### Observations

The City did not perform reconciliations of certain of its bank accounts on a timely basis, and in the case of "zero" balance accounts, these reconciliations were not performed at all. Also, the City does not follow all of its accounting policies and procedures relating to cash. Finally, the process employed in reconciling bank accounts was not standardized, creating unnecessary inconsistencies in the format of the bank reconciliations.

##### Recommendation

The City should begin following its existing policies and procedures relating to cash, or modify existing policies and procedures as necessary especially as they relate to the reconciliations of all bank accounts. The City should consider minimizing the number of cash deposit points among its various departments in order to reduce the number of reconciliations required. This would also eliminate the delay between actual deposits



and recorded deposits, which occurs when a deposit is not physically made until after (or before) the deposit is recorded in GFS. Additionally, the City should standardize the process and format of its bank reconciliations.

Management's Response

The City reconciles our bank accounts which are under the oversight of Treasury while Accounting balances what is processed in AFIN system. We required additional staffing to complete reconciliation in a timely basis. We will coordinate our efforts to improve this process and will review existing policies and procedures as they relate to the reconciliation of all bank accounts.

Completion Date

Ongoing

Contact

Cynthia Foster, Treasurer  
Wayne DeLarge, Comptroller  
Calvin Aguillard, Financial System Administrator

**COMMENT 00-4**

RECONCILIATION OF DUE TO/DUE FROM COMPONENT UNITS

Observation

During our testing of due to/due from component units, we noted that there were numerous out of balance conditions between the City's financial statements and various component units. The City is not following its own guidelines that were established in January 1998 that required quarterly reconciliation of the due to/due from balances with component units.

Recommendation

Accounting personnel should begin to follow the City's policy to reconcile these balances on a quarterly basis. There also should be a procedure where a due to/due from matrix is prepared by accounting personnel that would provide a detail of each component unit balance and the related City's balance. This matrix should be reviewed by the comptroller on a quarterly basis and any differences should be resolved immediately.

Management's Response

We concur that quarterly reconciliation must be provided for the due to/from balances with component units.

Completion Date

December 31, 2000

Contact

Wayne DeLarge, Comptroller

**Deloitte &  
Touche**



RECEIVED  
LEGISLATIVE AUDITOR

2000 JUL -5 11:37

**Deloitte & Touche LLP**  
Suite 3700  
One Shell Square  
701 Poydras Street  
New Orleans, Louisiana 70139-3700

Telephone: (504) 581-2727  
Facsimile: (504) 561-7293

June 27, 2000

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

Dear Mayor and Members of the City Council:

In planning and performing our audit of the general purpose financial statements of the City of New Orleans, Louisiana (the "City") for the year ended December 31, 1999 (on which we have issued our report dated June 27, 2000), we developed the following recommendations concerning certain matters related to its internal control and certain observations and recommendations on other accounting, administrative, and operating matters. A description of the responsibility of management for establishing and maintaining internal control, and of the objectives of and inherent limitations of internal control is set forth in the attached Appendix, together with a corrective action plan, and should be read in conjunction with this letter. Our comments are presented in Exhibit I and are listed in the table of contents thereto. See also "Status of the 1998 Recommendations" on pages 15 through 17.

We will be pleased to discuss these comments with you and, if desired, to assist you in implementing any of the suggestions.

This report is intended solely for the information and use of the Audit Committee, management, the state of Louisiana Legislative Auditor, and officials of applicable federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

*Deloitte & Touche LLP*

**Deloitte Touche  
Tohmatsu**

# CITY OF NEW ORLEANS

## TABLE OF CONTENTS

---

<b>INTERNAL CONTROL STRUCTURE</b>	<b>PAGE</b>
General and Police Litigation Reserves	1
Workers' Compensation Reserves	1
Encumbrances	2
Accounting for General Long-Term Debt	3
Staging Library	3
Dial-in Access	4
Information Security Policy	5
Software License Compliance	5
Internet Connection	6
 <b>ACCOUNTING, ADMINISTRATIVE AND OPERATING MATTERS</b>	
Finance Department Staffing	8
Fund Balance of the General Fund	8
Internal Audit Function	9
Financial Statement Preparation	10
New Reporting Model	11
Business Continuity Plan	11
Capitalization Policy	12
Trust Funds	13
 <b>STATUS OF THE 1998 RECOMMENDATIONS</b>	 15

## **EXHIBIT I**

### **INTERNAL CONTROL STRUCTURE**

#### **GENERAL AND POLICE LITIGATION RESERVES**

##### Observation

The City maintains a database of open claim information for its general and police litigation reserves. For many of the open claims, information is missing for one or more of the data items (e.g., date of occurrence). It does not appear that the City's personnel is familiar with operating the database. This situation results in errors when supplying information to third parties.

The data that the City compiles and provides to the actuaries for its police and general litigation claims is insufficient and incomplete to perform an actuarial analysis based on appropriate actuarial methods and reasonable assumptions; rather, the estimate of reserves is based on extremely limited data and information.

##### Recommendation

We recommend that the City maintain an updated database that is reviewed for accuracy on a periodic basis. Also, the City should provide additional training for its personnel in order to accurately update this database, and a review process should be established when providing third parties with requested information.

##### Management's Response

We concur with auditor's recommendations and we will proceed with developing method of getting information through a cooperative endeavor with outside auditors and consultants.

##### Completion Date

March 2001

##### Contact

Mavis Early, City Attorney

#### **WORKERS' COMPENSATION RESERVES**

##### Observation

The City's third party claims administrator informed us that individual claim files do not contain case reserve information. This is contrary to standard industry practice. Although case reserve information is included in the computer system in total, there is no documentation or audit trail supporting any changes in case reserves. We did not, therefore, use the incurred loss data.

##### Recommendation

We recommend that the City develop and maintain a database that captures historical cumulative incurred losses, paid losses, and open and closed claim count information by date of injury. Building a history of the City's cumulative losses at annual valuation dates grouped by accident year will enable users of the data to determine whether changes in reserve requirements are due to increases/decreases in estimated losses for

previously reported claims or increases/decreases in current period occurrences. This database will also allow the City to analyze the trends in loss frequency or severity.

Management's Response

We concur with auditor's recommendations and we are proceeding with meeting with the auditor and consultants to develop the databases as required.

Completion Date

December 31, 2000

Contact

Mavis Early, City Attorney

ENCUMBRANCES

Observation

It appears that many encumbrances in the capital projects fund are several years old. As projects are constructed, a decrease in the originally encumbered balance would be expected; however, many old encumbered balances had no activity in 1999 and remain outstanding at year end. It also appears that the "closeout" procedures that were established in the current year were not implemented by accounting personnel.

Recommendation

A detailed review of outstanding encumbrances should be performed at the end of each fiscal year. *Encumbrances should not be allowed to remain a part of the reserved fund balance if it does not appear likely that the expenditure will be made.*

Management's Response

We concur with auditor's recommendation. We will review guidelines and procedures for closeout of capital projects.

Completion Date

March 30, 2000

Contact

Knox Tumlin, Capital Projects Administrator  
Calvin Aguillard, Financial Systems Administrator

## ACCOUNTING FOR GENERAL LONG-TERM DEBT

### Observation

The City has several outstanding debt issues. The City has not implemented the module available in the GFS system relating to the general long-term debt account group fund in the general ledger system and does not maintain amortization schedules for long-term debt. Debt schedules prepared during the year were not detailed enough to aid in the preparation of the financial statements or the related long-term debt footnotes. Manual recordkeeping related to debt issues could result in accounting errors or delays in the reporting process. The City could not provide a summary schedule of all debt outstanding that should be included in the general long-term debt account group fund as of December 31, 1999.

### Recommendation

The City should maintain debt amortization schedules and should implement the GFS module or obtain other suitable software that would allow the City to properly record all debt outstanding in the general ledger system. This will assist the City in the budget preparation and financial reporting process as well as allow the City to evaluate its debt position.

### Management's Response

We agree with the observation and recommendation; however, the module offered by AMS does not fulfill our requirements. The Finance Department will work with MIS to obtain software which will provide this data.

### Completion Date

December 31, 2000

### Contact

Cynthia H. Foster, Treasurer

## STAGING LIBRARY

### Observation

Currently, there is no secure staging library to prevent programmers from modifying program code between the time it is approved and the time it is moved into production. Unapproved/unauthorized changes to City programs could be made without detection which could effect the processing integrity, and thus, reliability of City information.

All completed or modified programs must be tested and then approved prior to movement into production. However, the program is not secure from further modification by the programmer while it is waiting to be approved and moved to production. Any unauthorized changes, unintentional or intentional, may not be detected.

### Recommendation

A secure staging library should be developed, and all testing and approvals should be done from this library. The staging library should not allow programmers to have update capabilities. This procedure would prevent further modification to programs after they have been tested and approved.

### Management's Response

Work on the actual implementation of a staging library for transitioning programs from test to production which had begun was placed on hold to complete the activities and effort surrounding the Year 2000 updates. This project will be resumed in 2000 and should be complete by year's end.

### Completion Date

December 31, 2000

### Contact

Earl J. Kilbride, MIS Director

### DIAL-IN ACCESS

### Observation

The City does not monitor dial-in access activity. Additionally, there is extensive use of PC anywhere and similar utilities at the City. This could result in failure to detect unauthorized system activities from external sources which could affect the confidentiality and reliability of system information and the system itself.

The use of dial-in access has significantly increased during the past few years. Also, a number of Local Area Networks of other departments dial-in to the City's internal network to exchange information. Currently, there does not appear to be appropriate controls surrounding dial-in access. There is no monitoring of dial-in users nor other stronger authentication features like dial-back being utilized. Lack of appropriate controls in this area could lead to unauthorized access to City's systems not being detected or reasonably prevented from external sources.

### Recommendation

Management should include the daily review of dial-in access to the monitoring procedures which are currently performed. Additionally, the City should regulate and administer the use of all modem connections to networked PCs.

### Management's Response

The City has reduced the number of persons who are gaining access to its network/systems using PCAnywhere type software. Persons who have a need for offsite access and have been authorized are given a private network account through a local provider. These accounts must authenticate upon connection. The City is in the process of installing ADSL lines in most if not all of the locations which needed to gain access remotely. This project should be completed by the end of the year and will greatly reduce the dial-in access.

At all times, those gaining access to the mainframe directly from an SAA server connection. They are only allowed access to the mainframe. Once they have attached to the server with a user name, they are subject to the security protection offered by Computer Associates' Top secret software, which protects all of the production applications and data sets.

Reports are available from our firewall software. MIS will begin generating reports that show all the unsuccessful attempts at gaining access to our systems.

Completion Data

Ongoing

Contact

Earl J. Kilbride, MIS Director

INFORMATION SECURITY POLICY

Observation

During our review of information security practices, we noted that user IDs for terminated or transferred employees are not promptly revoked. There is no mechanism or procedure by which these IDs in need of revocation are communicated to the MIS department.

Non-adherence to prescribed information security standards and procedures increases the risk of loss or compromise of production data and misuse of company resources. Active user accounts for terminated or transferred employees pose an unnecessary risk.

Recommendation

We recommend the City take measures to develop and implement a means of insuring that all active user IDs are for current employees, and that the permissions for those IDs accurately reflect the individuals current access needs.

Management's Response

We agree with this recommendation. With the implementation of the new Human Resource system in April of 1999, MIS will be able to generate a regular report that will identify to the MIS security officer those City employees who have terminated and/or transferred.

Completion Date

Ongoing

Contact

Earl J. Kilbride, MIS Director  
John Evans, MIS Security

SOFTWARE LICENSE COMPLIANCE

Observation

While the City's policy states that insuring proper software license compliance is the responsibility of the users, there is no consistent means of monitoring for the use of unlicensed software.

Federal authorities interpret the use of unlicensed software as unauthorized use of intellectual property and infringement of copyright protection laws. Offenders (both employers and their employees) may be subject to significant civil and criminal penalties, including fines, jail sentence and property forfeiture.



### Recommendation

To help manage this risk, we recommend that management implement additional procedures to control the use of copyrighted software, including:

- The authorization of periodic audits of installed software to help ensure compliance with such policy; and
- Institute the centralized filing of software to ensure availability of licenses in the event of an outside audit.

### Management's Response

MIS will work with the Chief Administrative Office to add the authorization of periodic audits to the current policy. MIS will then begin those audits.

Review of the recommendation to centralize the filing of software will be conducted to determine the best way to accomplish such a task.

### Completion Date

Ongoing

### Contact

Earl J. Kilbride, MIS Director

INTERNET CONNECTION

### Observation

The City has implemented an Internet connection, and has begun utilizing the connection in a limited capacity, with intentions to expand this use. Only users with Chief Administrative Officer authorization may use this resource. The risk of creating an Internet connection could result in external attacks, release of confidential information, and destruction of systems. The information security policies have not been updated to reflect this expansion.

The City has plans to expand its presence on the Internet and allow system access via that path. Allowing access to the Internet without establishing an Internet Security and Usage Policy could result in usage not consistent with the City's expectations. The security policy should address key issues related to how the City will ensure its risk and exposure are minimized. We would expect an Internet Security and Usage Policy to document the business purposes for the Internet and overall strategy for minimizing risks and exposures to the Internet. This strategy would guide the procedures, such as "access and use" that users follow to help ensure consistent usage and risk mitigation.

### Recommendation

The City should define its Internet security strategy that defines the Internet services the City will utilize and how its Internet network will be protected. Developing policies and procedures to ensure that the Internet's design, configuration, technology and administration will protect the City's internal networks. As the City's internal network, external connections and Internet usage changes, these policies and procedures should be reviewed and modified.

Management's Response

The City agrees with this recommendation. Although many of the issues addressed in the Observation and Recommendation have been actually implemented, the City's computer security policy has not been updated to reflect those strategies. MIS will work with the Chief Administrative Office to modify the procedures currently in place to cover the Internet Security and Usage.

Completion Date

Ongoing

Contact

Earl J. Kilbride, MIS Director

## ACCOUNTING, ADMINISTRATIVE AND OPERATING MATTERS

### FINANCE DEPARTMENT STAFFING

#### Observation

The staffing level and workload distribution for the Finance Department have not been systematically evaluated for several years despite growth in City operations and complex changes in financial reporting. Failure to evaluate staffing and workloads can result in an inefficient use of City personnel resources.

#### Recommendation

Reevaluate workloads and staffing levels in the Finance Department to ensure that the processing of City financial information continues to be handled in the most effective and efficient manner possible.

#### Management's Response

We concur with auditor's finding. In June 2000, the City Council approved a revised pay plan for positions within the Finance Department. We are currently reviewing staffing and workload distribution of every bureau. In conjunction with Civil Service we are developing a recruitment plan to provide effective staffing in the Finance Department. Please note that any staffing enhancement must be approved by the City Council, Chief Administrative Office, and Civil Service.

#### Completion Date

Ongoing

#### Contact

Marlin N. Gusman, Chief Administrative Officer  
Marina M. Kahn, Director of Finance

### FUND BALANCE OF THE GENERAL FUND

#### Observation

Over the last several years, the City has appropriated portions of its prior year fund balance in its general fund in order to meet increasing expenditure requirements. For each of the past two years, expenditures in the general fund have exceeded revenues. If these appropriations continue at the same rate as the past three years and if additional revenue sources do not materialize, the City's general fund could be in a deficit position on a budgetary basis in the near future.

#### Recommendation

Many municipalities establish minimum levels of fund balance beyond which levels they will not exceed except in unusual or extraordinary circumstances. We recommend that the City establish for budgeting purposes a minimum level of fund balance.

### Management's Response

The Chief Administrative Office will develop a policy and establish parameters for the requirement of a minimum level of fund balances. This policy would be agreed upon by both the administrative and legislative branches of government.

### Completion Date

Ongoing

### Contact

Marlin N. Gusman, Chief Administrative Officer

## INTERNAL AUDIT FUNCTION

### Observation

Currently, the City's internal audit function is limited in the scope and breadth of its activities due to insufficient size and staffing levels of its staff. The size and complexity of City operations warrants the allocation of additional, qualified personnel to perform internal audit activities on an ongoing basis. The internal audit function is an important element in providing assurance to the City that its internal control structure is adequate and functioning properly. The lack of significant ongoing internal audit activities may expose the City to an undue level of risk of loss of financial resources, instances of noncompliance or other control risks. The following is a suggested list of areas in which an internal auditor could add significant value to the City:

- *Internal control reviews*
- Independent audits of various accounts and financial activity
- Federal program compliance reviews
- Accounting policy compliance reviews
- Additional operational reviews and special projects

Due to the existing staffing level and workload of the Internal Audit department, internal audit activities are not being performed on a regular basis. As a result, the City must place greater reliance on its systems of internal control and the annual external audit to provide assurance relating to its financial statements and control systems. The City also cannot proactively perform audits to isolate problem areas or identify areas of weakness which may exist.

### Recommendation

Consider expanding the size and staffing levels of the Internal Audit department. Alternatively, the City should consider outsourcing that function by hiring outside consultants to aid the City in performing internal audit activities. The duties and responsibilities should be set forth in order to address the areas suggested above.

Management's Response

We concur and have proceeded to enhance our internal audit department through outsourcing these services. Currently various consultants are providing this function.

Completion Date

Ongoing

Contact

Marlin N. Gusman, Chief Administrative Officer

FINANCIAL STATEMENT PREPARATION

Observation

At fiscal year-end, the Accounting department personnel prepare trial balances for all funds of the City to prepare the annual financial report. Accounting department personnel spend a significant amount of time preparing year end trial balances in a personal computer-based spreadsheet program. The City's general ledger software does not currently prepare the reports needed by the Accounting department for the creation of the annual financial report. Manually reentering the data is inefficient and increases the potential for error in creating the annual financial report.

Recommendation

*Explore alternatives to manually reentering information that is already maintained in an electronic format. These alternatives could include:*

- Development of automated reports that meet the Accounting department's needs
- Establishing a responsibility and a time frame for testing the system's ability to download data to a personal computer-based spreadsheet template that meets the accounting department's needs.

Management's Response

We concur with the recommendation in general; however, the utilization of a special data sheet did not cause problems or delays. We will coordinate development of automated reports with MIS and AMS.

Completion Date

March 31, 2001

Contact

Wayne DeLarge, Comptroller

## NEW REPORTING MODEL

### Observation

The Governmental Accounting Standards Board ("GASB") has adopted new requirements for annual financial statements of state and local governments. GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" will significantly change the way governments report their finances to the public. The financial reports prepared under the new system will not only improve information provided for major funds, but, most importantly will provide financial information from a total government prospective. Under GASB Statement No. 34, the City will be required to provide: (1) a financial manager's analysis discussing the City's overall financial position and results of the previous year's operations, (2) a statement of net assets and a statement of activities disclosing all of its assets, liabilities, revenues, and expenses, (3) disaggregated information about the most important or major funds, including the general fund, and (4) a supplementary schedule comparing original, final, and actual information on the budgetary basis for the City's general fund and major special revenue funds. The new GASB statement will become effective for the City in the fiscal year ending after December 31, 2002.

### Recommendation

In order to avoid delays in issuing Comprehensive Annual Financial Reports under the new reporting model, the City should begin the process of reviewing the new GASB statement and forming a plan to implement the required revisions to the financial statements. Also, as part of this plan, the City should begin to gather any additional information that will be required under GASB Statement No. 34, such as the historical cost of infrastructure. Finally, the City should begin assessing the cost to implement the new statement in order for these amounts to be included in future budgets.

### Management's Response

We concur with the auditor's recommendation. We will begin in July 2000 to coordinate this effort with the City Council, Chief Administrative Office, Finance Department and external auditors.

### Completion Date

Ongoing

### Contact

Marina M. Kahn, Director of Finance

## BUSINESS CONTINUITY PLAN

### Observation

Critical business processing functions may not be recovered in the event of major damage or inaccessibility of key company facilities.

Currently, the City of New Orleans lacks a "Business Continuity Plan." A Business Continuity Plan (BCP) contains the necessary arrangements to perform key business functions in the event of a disaster. A plan would help reduce the financial costs and the time necessary to replace key processing components after a disaster. The first step in completing a BCP involves a Business Impact Analysis (BIA) to identify key business processes, their criticality to the organization, the impact of not providing those processes, potential threats, and the likelihood of occurrence to the organization. The plan would be developed from an overall

business perspective and would identify all business processes; however, the plan would only address those business processes deemed critical.

### Recommendation

We recommend the development of a comprehensive, business-driven disaster recovery program, which not only concerns the recovery of data processing, but also puts heavy emphasis on preventing such disruptions and covers all critical business resources (e.g., work site, facilities, human resources, and technology, and business process activities). Prosperity should first perform a BIA, which will drive the recovery strategy. Based on this analysis, a BCP should be prepared and its effectiveness tested on a periodic basis to ensure continued existence of the organization in the event of a disaster.

A BCP should include, but not be limited to:

- The identification of key automated business processes required to continue when a disaster is declared.
- Declaration procedures and respective roles and responsibilities.
- Escalation procedures.
- Interim manual procedures and communications.
- The specific arrangements to recover those key processes identified, including personnel, facilities, telecommunications, supplies and equipment.
- A process to identify changes within the organization and make updates to help ensure that the plan remains current.
- Periodic testing, where feasible and cost effective, to help ensure that the plan is operational.

### Management's Response

The Chief Administrative Office will prepare a Policy Memorandum requiring each department to develop a business continuity plan in the event of a disaster.

Additionally, MIS has begun conversations with Com DISCC to look into developing a full disaster recovery plan and process that will be a part of the City disaster recovery plan.

### Completion Date

December 31, 2000

### Contact

Marlin N. Gusman, Chief Administrative Officer

## CAPITALIZATION POLICY

### Observation

The City currently has a policy to capitalize all expenditures for moveable fixed assets that exceed \$500 and a useful life greater than one year. This can result in significant expenditures of time and effort to account for low dollar value and/or short-lived assets. OMB Circular A-87 has recently been amended to allow a capitalization floor of \$5,000.

### Recommendation

The City's capitalization policy should be reviewed to determine the cost/benefit of recording fixed assets with low dollar values or short life spans. Additionally, because of the change in OMB Circular A-87, an increased capitalization floor could result in additional grant reimbursements as items which were considered capital under the old policy would be considered reimbursable under the new policy as supplies and could be funded more readily from federal funds. The City should consider increasing the limit to \$5,000. Additionally, consider maintaining subsidiary records for those controllable assets whose value falls below the threshold.

### Management's Response

We agree with auditor recommendation. The City's capitalization will be reduced to conform to OMB Circular A-87.

### Completion Date

December 31, 2000

### Contact

Wayne DeLarge, Comptroller

### TRUST FUNDS

### Observation

During our audit of expendable and nonexpendable trust funds, we noted that none of these trust funds were documented by formal legal trusts that could be located. Additionally, the following funds have had no activity recorded for many years even though many require annual expenditures to be made for specified purposes and have assets remaining in the funds:

a. Isaac Delgado Memorial

This fund was established for the use and benefit of the Isaac Delgado Trade School (currently Delgado Community College).

b. John McDonough School

This fund was established for the support of public schools.

c. Lafayette Cemetery #1 Under Will of Lilly Violet

The ordinance under which the fund, Lafayette Cemetery #1 Under Will of Lilly Violet, was established requires the City to carry out the terms of the bequest, which states that the income be spent for the perpetual care and maintenance and repairs of the family tomb in Lafayette Cemetery #1 and placing flowers thereon three times a year.

d. Mahalia Zimmerman Tomb

This fund was established according to the terms of the will of Mrs. Mahalia Zimmerman for the care and improvement of her tomb and grounds in Washington Cemetery.



e. Mrs. Otto Joachim

This fund was established according to the terms of the will of Mrs. Otto Joachim to perpetuate a subscription of National Geographic Magazine for the New Orleans Public Library.

f. Place deFrance - Joan of Arc

g. Sickles Legacy

The Sickles Legacy Fund was established by the bequest of Mr. Simon Van Antwerp Sickles, in which he bequeathed to the City of New Orleans a portion of his estate to establish a City Dispensary for gratuitous dispensing of medicine and medical advice to the poor of the City.

h. Helen Adler Levy Library

This fund was authorized to establish and maintain the Helen Adler Levy Memorial Room at the New Orleans Public Library.

i. Kiwanis Club Lee Circle Sprinkler System

The Kiwanis Club Lee Circle Sprinkler System Fund was established in 1977 by a donation of \$4,200 by the Kiwanis Club to install a Subterranean Lawn Sprinkler System at Lee Circle.

j. Ella West Freeman Foundation

This fund was established for the purpose of producing copies of the Masonry Maintenance Guidelines Manual to be used by the Vieux Carre Commission.

Recommendation

We recommend that additional research of these trust funds be performed to determine the legal status and necessity of maintaining these funds in trust for others. Additionally, the City should implement a system for determining whether the requirements of each of these trusts are being met, and the Board of City Trusts should become more involved in monitoring the activities of those funds which fall under its jurisdiction.

Management's Response

The Law Department is currently reviewing the terms of these trust fund requirements and is reevaluating each as to activities and performance of trusts. Additionally, the Board of City Trusts will annually review said funds.

Completion Date

Ongoing

Contact

Mavis Early, City Attorney

## STATUS OF THE 1998 RECOMMENDATIONS

The following is a summary of the 1998 recommendations from our report dated June 25, 1999 and the status of implementation thereof:

	<u>Implemented</u>	<u>Partially Implemented</u>	<u>Not Implemented</u>
<ul style="list-style-type: none"> <li>• Management should develop a database of current and historical general and police reserves and workers' compensation reserves.</li> </ul>		X	
<ul style="list-style-type: none"> <li>• Investigate why medical losses are greater than indemnity losses as this distribution is opposite of what typically occurs in the industry.</li> </ul>			X
<ul style="list-style-type: none"> <li>• All original property documents maintained by the City should be safeguarded in fire proof cabinets.</li> </ul>		X	
<ul style="list-style-type: none"> <li>• Identify and sell non-productive assets and use the cash generated to finance other uses</li> </ul>			X
<ul style="list-style-type: none"> <li>• Adopt a policy to ensure that all fixed assets are counted on a periodic basis.</li> </ul>			X
<ul style="list-style-type: none"> <li>• A detailed review of outstanding encumbrances should be performed at the end of each fiscal year.</li> </ul>			X
<ul style="list-style-type: none"> <li>• Accounting personnel with the City should contact the appropriate personnel at each respective component unit periodically in order to reconcile the due to/due from balances.</li> </ul>			X
<ul style="list-style-type: none"> <li>• The internal audit department should consider periodically performing surprise paycheck distributions at the various City departments, requiring proper identification of employees.</li> </ul>			X
<ul style="list-style-type: none"> <li>• Maintain debt amortization schedules and implement the GFS module relating to the general long-term debt account group in the general ledger system.</li> </ul>			X

	<u>Implemented</u>	<u>Partially Implemented</u>	<u>Not Implemented</u>
• A periodic review of access applications should be performed.		X	
• A secure staging library should be developed.		X	
• Publish formal program change standards.	X		
• Develop procedures to have program changes tested by users and are approved by users.	X		
• Management should include the daily review of dial-in activity to the monitoring procedures which are currently performed.		X	
• Enhance the developed information security policy based on its security strategy. This information security policy should be reviewed annually by management and updated to reflect changes in the City's computer environment. The updated policy should be distributed to all current employees to increase their information security awareness.		X	
• Implement additional procedures to control the use of copyrighted software, including the authorization of periodic audits of installed software and centralized filing of software.			X
• Reevaluate workloads and staffing levels in the Finance Department.			X
• Many municipalities establish minimum levels of fund balance beyond which levels they will not exceed except in unusual or extraordinary circumstances. The City should establish for budgeting purposes a minimum level of fund balance.			X

	<u>Implemented</u>	<u>Partially Implemented</u>	<u>Not Implemented</u>
• Consider expanding the size and staffing levels of the internal audit department.			X
• Explore alternative to manually reentering information that is already maintained in electronic format.			X
• Begin the processing of assessing its records regarding the historical cost of infrastructure.		X	
• Review the capitalization policy to determine the cost/benefit of recording fixed assets with low dollar values or short life spans.		X	
• A Disaster Recovery Plan needs to be developed, documented and tested.			X
• Additional research of certain trust funds should be performed to determine their legal status and whether the requirements of each of these funds are being met.			X
• The City should exercise additional oversight of component units to ensure that their financial reports will be received in a timely manner.		X	
• The City should consider developing a formal long-term fiscal plan.		X	

## APPENDIX

### MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND LIMITATIONS OF, THE INTERNAL CONTROL

The following comments concerning management's responsibility for internal control and the objectives of and the inherent limitations in the internal control structure are adapted from the Statements on Auditing Standards of the American Institute of Certified Public Accountants.

#### Management's Responsibility

Management is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls.

#### Objectives

The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

#### Limitations

Because of inherent limitations in any internal control structure, misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions or that the degree of compliance with the policies and procedures may deteriorate.

**CITY OF NEW ORLEANS**

---

RECEIVED  
LEGISLATIVE AUDITOR  
2000 JUL -7 AM 11:33

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 1999**

**Bruno  
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF NEW ORLEANS  
TABLE OF CONTENTS**

---

	<u><b>PAGE</b></u>
INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	3
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	16
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	25
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 .....	28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
Schedule I - Summary of the Independent Auditors' Results .....	32
Schedule II - Financial Statement Findings for the Year Ended December 31, 1999 .....	34
Schedule III - Federal Award Findings and Questioned Costs for the Year Ended December 31, 1999 .....	36
CURRENT STATUS OF OTHER AUDITS PERFORMED BY FEDERAL AUDITORS .....	68
CURRENT STATUS OF OTHER AUDITS PERFORMED BY OTHER INDEPENDENT AUDITORS .....	72
SUMMARY OF OTHER INDEPENDENT ACCOUNTANTS FISCAL AND PROGRAMMATIC MONITORING OF THE CITY OF NEW ORLEANS' SUB-RECIPIENTS .....	78
EXIT CONFERENCE .....	79

**INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
City of New Orleans, Louisiana

We have audited the Schedule of Expenditures of Federal Awards of the City of New Orleans, Louisiana, for the year ended December 31, 1999. The Schedule of Expenditures of Federal Awards is the responsibility of the management of the City of New Orleans. Our responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards based on our audit. The accompanying Schedule of Expenditures of Federal Awards is not a part of the City of New Orleans' general purpose financial statements for the year ended December 31, 1999. The general purpose financial statements were audited by other auditors whose report thereon has been furnished to us.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and the provisions of OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Expenditures of Federal Awards is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Expenditures of Federal Awards. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Expenditures of Federal Awards. We believe that our audit provides a reasonable basis for our opinion.



**INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**(CONTINUED)**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
City of New Orleans, Louisiana  
Page 2

In our opinion, the accompanying Schedule of Expenditures of Federal Awards of the City of New Orleans presents fairly in all material respects, the expenditures of federal awards of all federal programs for the year ended December 31, 1999, in conformity with generally accepted accounting principles.

As further discussed in Notes 4, 5 and 8, the City of New Orleans has been requested by federal agencies to remit funds for ineligible and disallowed costs, and has failed to comply with certain contractual and programmatic requirements with regard to its federal awards programs during the year ended December 31, 1999 and in previous years. The determination of whether the identified instances of noncompliance will ultimately result in a disallowance of costs cannot be presently determined. Accordingly, the Schedule of Expenditures of Federal Awards does not include any adjustments for those matters.

In accordance with Government Auditing Standards, we have also issued a report dated June 23, 2000 on our consideration of the City of New Orleans internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**June 23, 2000**

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Agriculture</u>			
<u>Direct Awards</u>			
Agricultural Research -			
Basic and Applied Research	10.001	-----	\$ <u>108,541</u>
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana's</u>			
<u>Department of Social Services</u>			
Special Supplemental Nutrition Program for			
Women, Infants and Children	10.557	015572/016632	718,799
<u>Through: Associated Catholic Charities</u>			
Commodity Supplemental Food Program	10.565	Philmat 98/99	<u>199,985</u>
<u>Sub-total - Awards from a</u>			
<u>Pass-Through Entity</u>			<u>918,784</u>
<u>Total U. S. Department</u>			
<u>of Agriculture</u>			<u>1,027,325</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Commerce</u>			
<u>Direct Awards</u>			
Economic Development-Grants for Public Works and Infrastructure Development	11.300	-----	\$ <u>468,756</u>
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana's</u>			
<u>Department of Natural Resources</u>			
Coastal Zone Management Administration	11.419	NA970Z0162	<u>6,455</u>
<b>Total U. S. Department of Commerce</b>			<u>475,211</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Housing and Urban Development</u>			
<u>Direct Awards</u>			
Urban Development Action Grants-			
Cumulative Program Income (NOTE 6)	14.221	-----	\$ 307,256
Community Development Block Grant-			
Special Purpose Grants	14.227	-----	1,831,276
Emergency Shelter Grants Program	14.231	-----	899,550
Shelter Plus Care	14.238	-----	293,096
Home Investment Partnerships Program	14.239	-----	9,033,090
Housing Opportunities for Persons with AIDS	14.241	-----	2,137,152
Opportunities for Youth-Youth Build Program	14.243	-----	240,119
Community Development Block Grant-			
Section 108 Loan Guarantee (NOTE 7)	14.248	-----	<u>30,230,000</u>
<i>Sub-total - Direct Awards</i>			<u>44,971,539</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Housing and Urban Development, Continued</u>			
<u>CDBG-Entitlement and Small Cities Cluster</u>			
<u>Direct Awards</u>			
Community Development Block Grants	14.218	-----	\$19,620,154
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana's</u>			
Department of Social Service			
Emergency Shelter Grant	14.231	CFMS 547052/524284 536119	228,933
<u>Through: Housing Authority of New Orleans</u>			
Public and Indian Housing Drug Elimination Program	14.854	LA48DEP0010197	259,324
Public and Indian Housing Drug Elimination Program	14.854	LA48DEP00100198	<u>636,725</u>
<i>Sub-total - Awards from a Pass-Through Entity</i>			<u>1,124,982</u>
<b>Total U. S. Department of Housing and Urban Development</b>			<u>65,716,675</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Justice</u>			
<u>Direct Awards</u>			
Byrne Formula Grant Program-Cops Ahead Mapping and Information Shaping	16.579	-----	\$ 2,210,234
Comprehensive Domestic Violence Arrest Policies	971JCXK006	-----	82,690
Executive Office of Weed and Seed Plan	97-WE-VX-0081	-----	509,712
Domestic Violence Program	16.595	-----	148,135
Local Law Enforcement Block Grant Program	96DVWX0071	-----	35,757
Byrne Formula Grant Program-Cops More	16.592	-----	1,490,305
	16.579	-----	<u>42,000</u>
<i>Sub-total - Direct Awards</i>			<u>4,518,833</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<b>U. S. Department of Justice, Continued</b>			
<i>Awards from a Pass-Through Entity</i>			
<b>Through: State of Louisiana's Executive Justice Department</b>			
Juvenile Justice and Delinquency Prevention	16.540	94/96/97/98	82,143
Byrne Formula Grant Program	16.579	JF-FX-0022 94/95/96/98	408,382
Title V - Delinquency Prevention Program	16.548	DB-Vx-0022 96/97 JP-FX-0022/ VA 6X-002	62,199 4,802
Crime Victim Assistance Violence Against Women Formula Grant	16.575 16.588	97-VA6X-002 97/98 WF-VX-0022	172,773
<i>Sub-total - Awards from a Pass- Through Entity</i>			<u>730,299</u>
<b>Total U. S. Department of Justice</b>			<u>5,249,132</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Labor</u>			
<u>Direct Awards</u>			
Welfare to Work to State and Localities	17.253	-----	\$ <u>174,246</u>
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana's Department of Labor</u>			
Employment and Training Assistance-			
Dislocated Workers	17.246	A-6702/5846/6198	1,854,464
Welfare to Work to State and Localities	17.253	Y6438-8-00-81-50	1,671,773
Job Training Partnership Act	17.250	A-6198/6702/5846	<u>6,164,340</u>
<u>Sub-total-Awards from A</u>			
<u>Pass-Through Entity</u>			<u>9,690,577</u>
<b>Total U. S. Department of Labor</b>			<u>9,864,823</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)



**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Transportation</u>			
<u>Direct Awards</u>			
Airport Improvement Program-			
New Orleans Aviation Board	20.106	-----	\$12,314,746
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana's</u>			
Department of Transportation			
State and Community Highway Safety	20.600	742-36-0015/0004	<u>6,656,239</u>
Total U. S. Department of Transportation			<u>18,970,985</u>
<u>Environmental Protection Agency</u>			
<u>Direct Awards</u>			
New Orleans Brownfields Project - Superfund State Site - Specific Cooperative Agreements	66.802	-----	<u>44,718</u>
Total Environmental Protection Agency			<u>44,718</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>Federal Emergency Management Agency</u>			
<u>Direct Awards</u>			
Emergency Management - State and Local Assistance	83.534	-----	\$ 187,842
Fire Prevention	EME-1998-GR-0556	-----	<u>5,603</u>
<i>Sub-total-Direct Awards</i>			
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana's</u>			
Emergency Management Emergency Management-State and Local Assistance	83.534	071-91045	<u>654,451</u>
<b>Total Federal Emergency Management Agency</b>			<u>847,896</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<b><u>U. S. Department of Health and Human Services</u></b>			
<b><u>Direct Awards</u></b>			
Grants for Residential Treatment Programs for Pregnant and Post-Partum Women-Infinity Program Health Center Grants for Homeless Population	93.101	-----	\$ 552,877
Community Prevention Coalitions (Partnership) Demonstration Grant	93.151 93.194	-----	1,206,748
Healthy Start Initiative-Great Expectations Program	93.926	-----	79,992
		-----	<u>2,251,016</u>
<b><i>Sub-total - Direct Awards</i></b>			<u>4,090,633</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Health and Human Services, Continued</u>			
<u>HIV Emergency Relief Cluster</u>			
<u>Direct Awards</u>			
HIV Emergency Relief Project Grant-Ryan White Program	93.914	-----	\$ 5,445,629
HIV Emergency Relief Formula Grant- Ryan White Program	93.915	-----	<u>24,000</u>
<i>Sub-total - HIV Emergency Relief Cluster</i>			<u>5,469,629</u>

See the notes to the Schedule of Expenditures of Federal Awards.  
(CONTINUED)

**CITY OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<b>U. S. Department of Health and Human Services, Continued</b>			
<i>Awards from a Pass-Through Entity</i>			
<b>Through: State of Louisiana's Departments of Health and Hospitals and Social Services</b>			
Childhood Immunization Grants	93.268	1880043/97-	\$ 48,397
Empowerment Zones Program	93.585	HLTH-011A 37001492/	574,820
EPSDT Medical	N.A.	CFMS 504032 1410012	962,035
Preventive Health and Health Services Block Grant	93.991	CFMS523619/ 551721	178,853
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	CFMS553038/ 18364	69,151
LAPS	N.A.	CFMS545348	35,111
Healthy Start Initiative	93.926	CFMS538418/ 551206	<u>71,578</u>
<b>Sub-total - Awards from a Pass- Through Entity</b>			<u>1,939,945</u>

N.A.=Not Available.

See the notes to the Schedule of Expenditures of Federal Awards.

(CONTINUED)

**CITY OF NEW ORLEANS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<p><u>U. S. Department of Health and Human Services, Continued</u>  <u>Awards from a Pass-Through Entity</u>  <u>HIV Emergency Relief Cluster</u>            Through: State of Louisiana's Departments of            Health and Hospitals and Social Services            HIV Emergency Relief Formula Grants-            Ryan White</p>	93.915	BRX070018-97-0	\$ <u>10,980</u>
<p><i>Sub-total- Awards from a Pass-            Through Entity-HIV Emergency Relief Cluster</i></p>			
<p>Total U. S. Department            of Health and            Human Services</p>			<u>11,511,187</u>
<p><b>Total Expenditures of Federal Awards-            City of New Orleans</b></p>			<b><u>\$113,707,952</u></b>

See the notes to the Schedule of Expenditures of Federal Awards.

**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

---

**NOTE 1 - BACKGROUND:**

The City of New Orleans, Louisiana, (the City) was incorporated in 1805. The City's system of government is established by its Home Rule Charter which became effective in 1954. The City operates under a Mayor-Council form of government. The City provides the following types of services as authorized by its charter: public health and safety, streets, sanitation, water and sewerage, planning and zoning, recreation, and general administrative service. Education and welfare are administered by other governmental entities.

**NOTE 2 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the City that were received directly from Federal agencies or passed through other governmental agencies.

The City has prepared this Schedule of Expenditures of Federal Awards to comply with the provisions of Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. OMB Circular A-133 stipulates that a Schedule of Expenditures of Federal Awards be prepared showing total expenditures for each federal awards program as identified in the Catalog of Federal Domestic Assistance and for other federal financial awards that have not been assigned a catalog number.

**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

---

**NOTE 3 - BASIS OF ACCOUNTING/PRESENTATION:**

Grant expenditures in the Schedule of Expenditures of Federal Awards are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable. Vacation and sick leave are recognized when paid. Current grant expenditures include direct expenditures and expenditures of federal awards passed through from another governmental agency.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with generally accepted accounting principles requires management to make assumptions that affect the reported amount of expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 4 - QUESTIONED COSTS:**

The City of New Orleans and certain sub-recipients who received funds from the City have expended certain federal grant funds in a manner that may have violated certain restrictive provisions of the related grants. The related questioned cost amounts as reported in the current and prior Single Audit reports pertinent to such actions excluding audit findings that were no longer valid based upon the provisions of OMB Circular A-133 Section 315(b)(4) are as follows:

<u>Program Year</u>	<u>Amount</u>
<u>City of New Orleans</u>	
December 31, 1996 through	
December 31, 1998	\$11,647,439
December 31, 1999	<u>1,714,569</u>
Total	<u>\$13,362,008</u>



**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

---

**NOTE 4 - QUESTIONED COSTS, CONTINUED:**

<u>Sub-Recipients</u>	
December 31, 1994 through	
December 31, 1999	\$ <u>1,672,444</u>
Total	\$ <u>1,672,444</u>

Also, as a result of sub-recipient monitoring performed by independent accountants, questioned costs totaling \$428,926 was noted. See page 78 for further details.

The ultimate resolution or determination as to whether the questioned costs will be allowable or unallowable under the affected grants will be made by the various funding sources and cannot be determined at this time. As such, management of the City is presently unable to determine a reasonable estimate of the possible federal claims for refunds of the noted grant funds. Accordingly, no provision or adjustment has been made to the Schedule of Expenditures of Federal Awards.

**NOTE 5 - INELIGIBLE/DISALLOWED AND QUESTIONED COSTS:**

As of the date of this report, funding sources have reviewed the operations and activities of certain programs and have rendered determinations as detailed in the status of other audits performed by Federal Auditors. Such ineligible/disallowed costs aggregated \$12,185,266 with repayments and credit reductions of such ineligible/disallowed costs totaling \$6,501,490 as of December 31, 1999. When required, the repayment of the ineligible/disallowed costs is funded from non-federal funds. However, the Schedule of Expenditures of Federal Awards has not been adjusted for any such repayments. See pages 69, 70 and 71 for further details.

**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

---

**NOTE 6 - GRANTEE LOANS - UDAG:**

The City has received certain grant awards from the United States Department of Housing and Urban Development (HUD) for the purpose of providing loans to the private sector for completion of projects that will stimulate economic development activity in the City. Eleven individual loans are outstanding at December 31, 1999, totaling \$12,725,000 which bear interest at rates ranging from zero percent-to-seven percent. These loans are receivable over a fifteen-to-thirty-year period and are recorded as deferred revenue at December 31, 1999. Once loan payments are received and the project is accepted by HUD, the City may use the amounts received for other allowable economic development activities as specified in the grant agreement.

The future maturities of grantee loans receivable as of December 31, 1999, are as follows (in thousands of dollars):

<u>Year Ending</u> <u>December 31,</u>	
2000	\$ 610,000
2001	610,000
2002	610,000
2003	610,000
2004	610,000
2005 and thereafter	<u>9,675,000</u>
	<u>\$12,725,000</u>

**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**NOTE 7 - HUD SECTION 108 LOANS:**

During the years ended December 31, 1989, 1993, 1998 and 1999, the City entered into contracts for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, with the Secretary of Housing and Urban Development (HUD) as guarantor. The City received these loans in order to fund its commitments to McFrugals, to the Historic Restoration, Inc., whose project includes the development of the "D. H. Holmes Property" for the following uses; namely, a first-class hotel, residential apartments, and a parking garage and to Jazzland for the development of the theme park. During the years ended December 31, 1998 and 1999 \$15,467,537 was disbursed to Jazzland. These loans consist of notes originally totaling \$36,100,000 and bearing interest at either 8.70% to 8.75% or variable interest rates based upon the London Interbank Offered Rate (LIBOR). As of December 31, 1999, the entire remaining balance of \$30,230,000 is recorded as a liability in the City of New Orleans' General Long-term Debt Account Group.

The requirements to amortize the remaining Section 108 loan is as follows:

<u>D. H. Holmes Project</u>	<u>Interest</u>	<u>Principal</u>
2000	\$ 317,000	\$ 210,000
2001	304,000	225,000
2002	<u>289,000</u>	<u>4,495,000</u>
Sub-Total	<u>910,000</u>	<u>4,930,000</u>
 <u>Jazzland Project</u>		
2000	1,545,790	-0-
2001	1,545,790	860,000
2002	1,500,210	910,000
2003	1,451,070	970,000
2004	1,397,720	1,035,000
Thereafter	<u>10,799,755</u>	<u>21,525,000</u>
Sub-Total	<u>18,240,335</u>	<u>25,300,000</u>
Total	<u>\$19,150,335</u>	<u>\$30,230,000</u>

**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

---

**NOTE 8 - CONTINGENCY:**

The City of New Orleans is a recipient of numerous grants and awards of Federal funds. These grants and awards are governed by various Federal guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants and awards is under the control of the City of New Orleans and is subject to audit and/or review by the applicable funding sources. Any grant or award funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

The audit of the federal award programs of the City of New Orleans for the year ended December 31, 1999 disclosed instances of non-compliance with regard to the failure of the City to properly monitor the Department of Health and Human Services, Department of Housing and Urban Development and the Department of Labor grants to subrecipients that may be material to the Schedule of Expenditures of Federal Awards, but for which the ultimate resolution cannot presently be determined.

**NOTE 9 - MAJOR FEDERAL AWARDS PROGRAMS:**

The City of New Orleans' major federal awards programs for the year ended December 31, 1999, were determined based upon program activity. The City's major federal awards programs for the year ended December 31, 1999, were all federally assisted programs for which program activity was equal to or greater than \$2,504,339 during the year ended December 31, 1999. Additionally, three Type B high risk programs with funds less than \$2,504,339 were substituted for three Type A low risk programs.

**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**NOTE 10 - FEDERAL EXPENDITURES TO SUBRECIPIENTS:**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City of New Orleans provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount provided To Subrecipients</u>
Community Development		
Block Grants	14.218	\$ 6,813,636
Special Purpose Grants	14.227	1,780,999
Emergency Shelter Grant	14.231	819,500
Shelter Plus Care	14.238	286,496
Home Investment Partner- ship Program	14.239	6,243,230
Housing Opportunities for Persons with AIDS	14.241	2,105,989
Employment and Training		
Assistance/JTPA	17.246/17.250	7,942,364
Welfare-to-Work	17.253	1,686,184
Grants for Residential		
Treatment Programs for Pregnant and Post-Partum Women	93.101	546,993
Health Center Grants for Homeless Population	93.151	450,729
HIV Emergency Relief Formula Grant	93.914/93.915	4,590,151
Healthy Start Initiative	93.926	<u>2,268,206</u>
Total		<u>\$35,534,477</u>

**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**NOTE 11 - STATE GRANTS**

The City of New Orleans receives non-federal funds from the State of Louisiana to perform certain public programs. Expenditures and adjustments to expenditures for the year ended December 31, 1999 are as follows

<u>State Grantor Agency/ Program Name</u>	<u>Contract Number</u>	<u>Expenditures and Adjustments</u>
<u>Louisiana Department of Health and Human Resources</u>		
Low Risk Maternity	1385476/ 18032/969	\$ 129,626
Carver High Clinic	1415855	19,859
B.T.W. School Clinic	1946796	20,642
Mobile Dental Care	1880051	189,709
Healthy Communities	96-HLHT-074	(2,000)
EPSDT Dental	1880027/188019/35	190,970
Carver Clinic	GWC6BHC-96/97/ 17582	141,757
B.T.W. Clinic	DHH17309/17583	77,051
Crisis Trauma Center	MH00-1S-358 MH99-15-302	125,746
Collaborative Children's Services	CFMS534464	25,000
<u>Louisiana Department of Culture, Recreation and Tourism</u>		
Library State Aid	n/a	108,441
Comiskey/Conrad/Pontchartrain	OCR261	55,520
<u>LA Department of Public Safety</u>		
Red Light Enforcement	9927	100,327
Buckle Up Louisiana	9991-51	995
Safe and Sober	0091-110	1,314

**CITY OF NEW ORLEANS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 11 - STATE GRANTS, CONTINUED

<u>State Grantor Agency/ Program Name</u>	<u>Contract Number</u>	<u>Expenditures and Adjustments</u>
<u>LA Commission on Law Enforcement</u>		
DARE	E-99-9-003	103,438
Correctional Officer Training	P99-COR	1,700
Electronic Equipment	P99-9-001/002	14,025
Block Training	T99-9-001	24,986
Crime Lab Up Grade	L99-8-003	102,444
Post Training	P99-9-BAS	139,000
<u>Facility Planning and Control</u>		
Jazzland Project	50-ML3-9-B-6	7,120,420
First Responder Equipment	50-ML3-98-12	28,897
East N. O. Community Center	50-ML201-95B-6	1,500
Behrman Stadium	FPC50ML	43,173
<u>Department of Natural Resources</u>		
Coastal Zone Management	2515-99-06	16,664
<u>Louisiana Department of Family Services</u>		
Hearing Office Program	355700134	108,183
<u>Louisiana Department of Transportation and Development</u>		
Earhart Corridor	742-07-26	867,733
Tchoupitoulas Street	742-07-62	1,010,240
Florida Avenue Bridge	n/a	<u>2,184</u>
Total State Grant Expenditures		<u>\$10,769,544</u>

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

---

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
of the City of New Orleans  
New Orleans, Louisiana

We have audited the Schedule of Expenditures of Federal Awards of the City of New Orleans, Louisiana as of and for the year ended December 31, 1999, and have issued our report thereon dated June 23, 2000. The general purpose financial statements were audited by other auditors whose report has been provided to us. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. As discussed in Notes 4, 5 and 8, the City of New Orleans has been requested by federal agencies to remit funds for ineligible and disallowed costs, and has failed to comply with certain contractual and programmatic requirements with regard to its federal award programs during the year ended December 31, 1999 and in previous years.

**Compliance**

As part of obtaining reasonable assurance about whether the City of New Orleans' schedule of expenditures of federal awards is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the schedule of expenditures of federal awards' amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.



**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

---

**(CONTINUED)**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
of the City of New Orleans  
New Orleans, Louisiana

The results of our tests of compliance disclosed an instance of noncompliance that might be material to the Schedule of Expenditures of Federal Awards, but for which the ultimate resolution cannot presently be determined. The instance of non-compliance is identified in Schedule II as audit finding 99-01. We also noted other immaterial instances of noncompliance that we have reported to management of the City of New Orleans in a separate letter dated June 23, 2000.

Under the terms and conditions of certain contracts and grants, the City of New Orleans disburses grants and awards to certain sub-recipients who are audited by other independent auditors and monitored by Independent Accountants engaged by the City Council of New Orleans. Also, the City of New Orleans is periodically audited by federal agencies. The other independent auditors, independent accountants and federal auditors have furnished their audit and agreed-upon procedures reports to us. The audit and agreed-upon procedures reports contained instances of non-compliance pertaining to programmatic and financial activities of certain sub-recipients and the City of New Orleans. The scope of our work was not sufficient to express, and we do not express an opinion on the completeness of the findings. However, information on the effect of the reported findings is included in the Current Status of Other Audits performed by Federal Auditors and other Independent Auditors section starting on page 68 and the Summary of Other Independent Accountants monitoring on page 78.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the City of New Orleans' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the Schedule of Expenditures of Federal Awards and not to provide assurance on the internal control over financial reporting. Other independent auditors issued a report in which they reported separately on the results of their study and

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

---

**(CONTINUED)**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
of the City of New Orleans  
New Orleans, Louisiana

evaluation of the City of New Orleans internal control over financial reporting as a part of their audit of the general purpose financial statements.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the Schedule of Expenditures of Federal Awards being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we did note other matters involving the internal control over financial reporting that we have reported to management of the City of New Orleans in a separate letter dated June 23, 2000.

This report is intended for the information and use of the members of the City Council, the Mayor of the City of New Orleans, management and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 23, 2000

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

---

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
of the City of New Orleans  
New Orleans, Louisiana

**Compliance**

We have audited the compliance of the City of New Orleans with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City of New Orleans' major federal programs are identified in the summary of the independent auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of New Orleans' management. Our responsibility is to express an opinion on the City of New Orleans' compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

---

**(CONTINUED)**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
of the City of New Orleans  
New Orleans, Louisiana

to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of New Orleans' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of New Orleans' compliance with those requirements.

As described in Schedule III, audit findings 99-02, 99-05, 99-06, and 99-09 in the accompanying schedule of findings and questioned costs, the City of New Orleans did not comply with the requirements to properly monitor sub-recipients, ensure costs were properly documented and charged to the proper award year, document program income and compliance with matching requirements, that are applicable to its Special Purpose Grants, Housing Opportunities for Persons with AIDS, Welfare to Work, HIV Emergency Relief Program, Healthy Start Initiative, Home Investment Partnership, and Community Development Block Grant programs. Compliance with such requirements is necessary in our opinion, for the City of New Orleans to comply with requirements applicable to those programs. In addition, the results of our audit procedures disclosed instances of non-compliance with the previously noted requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in Schedule III in the accompanying schedule of findings and questioned costs as items 99-03, 99-07, 99-08, 99-10, 99-11, 99-12, 99-13, and 99-14.

In our opinion, except for the City of New Orleans' failures to properly monitor sub-recipients, ensure costs were properly documented and charged to the proper award year, document program income and compliance with matching requirements, as described in the preceding paragraph, the City of New Orleans complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

---

**(CONTINUED)**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
of the City of New Orleans  
New Orleans, Louisiana

Under the terms and conditions of certain contracts and grants, the City of New Orleans disburses grants and awards to certain sub-recipients who are audited by other independent auditors and monitored by Independent Accountants engaged by the City of New Orleans. Also, the City of New Orleans is periodically audited by federal agencies. The other independent auditors, independent accountants and federal auditors have furnished their audit and agreed-upon procedures reports to us. The audit and agreed-upon procedures reports contained instances of non-compliance pertaining to programmatic and financial activities of certain sub-recipients and the City of New Orleans. The scope of our work was not sufficient to express, and we do not express an opinion on the completeness of the findings. However, information on the effect of the reported findings is included in the Current Status of Other Audits performed by Federal Auditors and other Independent Auditors section starting on page 68 and the Summary of Other Independent Accountants monitoring on page 78.

**Internal Control Over Compliance**

The management of the City of New Orleans is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of New Orleans' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of New Orleans' ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in Schedule III in the accompanying schedule of findings and questioned costs as items 99-02, 99-03, 99-04, 99-05, 99-06, 99-07, 99-08, 99-09, 99-10, 99-11, 99-12, 99-13, and 99-14.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

---

**(CONTINUED)**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
of the City of New Orleans  
New Orleans, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions entitled **Monitoring of Sub-Recipients, Internal Control-Departmental Programmatic Activities, Allowable Costs, Program Income, and Matching** are material weaknesses. Such reportable conditions are identified as audit findings 99-02, 99-04, 99-05, 99-06, and 99-09.

We also noted other matters that we have reported to the management of the City of New Orleans in a separate letter dated June 23, 2000.

This report is intended solely for the information and use of the members of the City Council, the Mayor of the City of New Orleans, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bruno & Tervalon*

**BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS**

June 23, 2000

## **SCHEDULE I**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS**

**CITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

- 
1. Type of report issued on the financial statements unqualified.
  2. Did the audit disclose any reportable conditions in internal control yes.
  3. Were any of the reportable conditions material weaknesses yes.
  4. Did the audit disclose any noncompliance which is material to the financial statements of the organization uncertainty, ultimate resolution cannot presently be determined.
  5. Did the audit disclose any reportable conditions in internal control over major programs yes.
  6. Were any of the reportable conditions in internal control over major programs material weaknesses yes.
  7. Type of report issued on compliance for major programs qualified.
  8. Did the audit disclose any audit findings which the independent auditors are required to report under OMB Circular A-133, Section 510(a) yes.

9. The following is an identification of major programs:

<u>CFDA</u> <u>Number</u>	<u>Name of</u> <u>Federal Program</u>
14.218	Community Development Block Grant
14.227	Community Development Block Grant-Special Purpose Grants
14.239	Home Investment Partnerships Program
14.241	Housing Opportunities for Persons with Aids
14.248	Community Development Block Grant- Section 108 Loan Guarantees
16.579	Byrne Formula Grant Program-Cops Ahead
17.253	Welfare to Work
93.914	HIV Emergency Relief Project Grant
93.915	HIV Emergency Relief Formula Grants
93.926	Healthy Start Initiative-Great Expectations Program



**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS  
FOR THE YEAR ENDED DECEMBER 31, 1998  
(CONTINUED)**

---

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 520(b) is as follows:

<u>Program</u>	<u>Amount</u>
Type A	\$2,504,339

11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 530 \_\_\_  
No.

**SCHEDULE II**

**FINANCIAL STATEMENT FINDINGS FOR THE  
YEAR ENDED DECEMBER 31, 1999**

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FINANCIAL STATEMENT FINDINGS**

---

**COMPLIANCE**

**Audit Finding Reference Number**

**Questioned Costs**

99-01 Monitoring

\$-0-

**Federal Program and Specific Federal Award Identification**

**CFDA Title and Number**

- 14.218 Community Development Block Grants
- 14.241 Housing Opportunities for Persons with AIDS
- 14.231 Emergency Shelter
- 14.238 Shelter Plus Care
- 14.239 Home Investment Partnership Program
- 14.227 Special Purpose Grants
- 17.246 Employment and Training Assistance
- 17.250 Job Training Partnership Act
- 17.253 Welfare to Work
- 93.101 Pregnant and Post-Partum Women
- 93.151 Health Center Grants for Homeless
- 93.914/  
93.915 HIV Emergency Relief Program

**Conditions and Recommendation**

We noted during our audit that the City of New Orleans had taken certain steps to improve its internal control over compliance with respect to monitoring. This was performed by management of the City of New Orleans having performed fiscal and programmatic monitoring of certain sub-recipients, desk reviews of certain sub-recipient's cost control statements for the months of October 1999 through December 1999, and the City Council of New Orleans having engaged certain independent accountants to perform fiscal and programmatic monitoring of certain sub-recipients.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FINANCIAL STATEMENT FINDINGS**

---

**COMPLIANCE, CONTINUED**

**Audit Finding Reference Number**

99-01 Monitoring, Continued

**Conditions and Recommendations, Continued**

As a result, as described in Audit Finding Number 99-02, the City of New Orleans monitored approximately 42% of the funds disbursed to sub-recipients and additionally performed programmatic monitoring of 127 out of 194 sub-recipients.

We recommend that management continue in its efforts to ensure that an effective system for monitoring compliance with established procedures exist with regard to sub-recipient activities.

**SCHEDULE III**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

Questioned Costs

99-02 Monitoring

\$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

- 14.218 Community Development Block Grants
- 14.239 Home Investment Partnership Program
- 14.227 Special Purpose Grants
- 14.231 Emergency Shelter
- 14.238 Shelter Plus Care
- 14.241 Housing Opportunities for Persons with AIDS (HOPWA)
- 17.246 Employment and Training Assistance
- 17.250 Job Training Partnership Act
- 17.253 Welfare to Work
- 93.101 Pregnant and Post-Partum Women
- 93.151 Health Center Grants for Homeless
- 93.914/  
93.915 HIV Emergency Relief Program (Ryan White)

Federal Award Year

December 31, 1999

Federal Agencies

- U. S. Department of Labor
- U. S. Department of Health and Human Services
- U. S. Department of Housing and Urban Development

Pass-Through Entity

17.246/17.250/17.253 State of Louisiana

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

**Audit Finding Reference Number**

99-02 Monitoring, Continued

**Criteria**

OMB Circular A-133 Compliance Supplement Part 3, Section M stipulates that a pass-through entity is responsible for monitoring of the sub-recipient's activities to provide reasonable assurance that the sub-recipient administers federal awards in compliance with federal requirements.

**Conditions and Perspectives**

We noted during our audit that management of the City of New Orleans performed fiscal and programmatic monitoring of certain sub-recipients, desk reviews of certain sub-recipient's cost control statements for the months of October 1999 through December 1999, and engaged certain independent accountants to perform fiscal and programmatic monitoring of certain sub-recipients as follows:

**SCHEDULE III**

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-02 Monitoring, Continued

Condition and Perspective, Continued

<u>Federal Program</u>	<u>Total Disbursements to Sub-recipients</u>	<u>Number of Sub-recipients</u>	<u>Fiscal Monitoring Amount</u>			<u>Programmatic Monitoring</u>
			<u>Fiscal/ Independent Accountants</u>	<u>Desk Reviews</u>	<u>Not Monitored</u>	<u>Number Monitored</u>
CDBG	\$ 6,813,636	88	\$ 1,542,390	\$1,129,000	\$ 4,142,246	79
HOPWA	2,105,989	14	583,607	88,885	1,433,497	13
JTPA/Employment Training	7,942,364	1	3,571,749	-0-	4,370,615	1
Healthy Start Initiative	2,268,206	1	1,788,424	479,782	-0-	1
Special Purpose	1,780,999	5	123,609	5,978	1,651,412	0
Ryan White	4,590,151	29	3,032,289	127,902	1,429,960	24
Pregnant & Post-Partum Women	546,993	4	298,990	-0-	248,003	1
Emergency Shelter Grant	819,500	11	159,497	50,333	609,670	3
Shelter Plus Care	286,496	1	-0-	-0-	286,496	0
Home Investment	6,243,230	27	1,247,134	-0-	4,996,096	4
Welfare to Work	1,686,184	1	764,265	-0-	921,919	1
Health Grants- Homeless	<u>450,729</u>	<u>12</u>	<u>30,000</u>	<u>-0-</u>	<u>420,729</u>	<u>0</u>
	<u>\$35,534,477</u>	<u>194</u>	<u>\$13,621,736</u>	<u>\$ 1,402,098</u>	<u>\$20,510,643</u>	<u>127</u>



**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-02 Monitoring, Continued

Questioned Costs

For purposes of these conditions, we have not questioned any costs.

Effect

The City of New Orleans is continuing to ensure that sub-recipients are monitored in accordance with federal requirements.

Recommendation

We recommend that the City of New Orleans continue in its efforts to ensure that a fiscal and programmatic monitoring system is completely established that would be in compliance with federal requirements. Such a system should include the following:

- Performing risk-based assessments;
- Reviewing reports submitted by the sub-recipient;
- Performing site visits to the sub-recipient to review financial and programmatic records and observe operations;
- Arranging for agreed-upon procedures engagements for certain aspects of sub-recipient activities;
- Reviewing the sub-recipient's single audit or program-specific audit results; and
- Evaluating audit findings and the sub-recipient's corrective action plan.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

**Audit Finding Reference Number**

**Questioned Costs**

99-03 Audits of Sub-Recipient Activities

\$-0-

**Federal Program and Specific Federal Award Identification**

**CFDA Title and Number**

14.218 Community Development Block Grant  
14.239 Home Investment Partnership Program  
93.914/  
93.915 HIV Emergency Relief Project Grant-Ryan White  
93.101 Grants for Residential Treatment Programs

**Federal Award Year**

December 31, 1999

**Federal Agencies**

U. S. Department of Housing and Urban Development  
U. S. Department of Health and Human Services

**Pass-Through Entity**

HIV Emergency Relief Formula Grant-State of Louisiana

**Criteria**

OMB Circular A-133 Compliance Supplement Part 3 Section stipulates that a Pass-Through Entity is responsible for ensuring required audits are performed and that appropriate corrective action is performed on audit findings.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-03 Audits of Sub-Recipient Activities, Continued

Conditions and Perspectives

We noted during our audit that management of the City of New Orleans failed to ensure required audits were performed for the following grant programs that were required to be submitted during the year ended December 31, 1999:

<u>Grant Program</u>	<u>Number of Sub-Recipients</u>
U. S. Housing and Urban Development	7
HIV Emergency Relief	8
Health Center Grants for Homeless	4
Grants for Residential Treatment	2

Additionally, we noted that certain sub-recipient audit reports that were received contained audit findings which included audit findings. However, management decisions as prescribed by OMB Circular A-133 were not issued within six months of receipt of the audit reports. See audit finding 99-08 for further discussion of this condition.

Cause

The management of the City of New Orleans has not adhered to established procedures with regard to ensuring audits are performed on appropriate sub-recipients.

Questioned Costs

For purposes of these conditions, we are presently unable to assess whether the failure of the City of New Orleans to ensure audits are performed on sub-recipients will result in any questioned costs.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-03 Audits of Sub-Recipient Activities, Continued

Effect

The City of New Orleans has not determined whether certain sub-recipients have administered their grants in accordance with the terms and conditions of the sub-recipient agreements or whether reimbursements to sub-recipients were for eligible costs.

Recommendation

We recommend that management of the City of New Orleans ensure that independent audits are performed, audit reports are reviewed, desk reviews of independent audit reports are performed to determine compliance with OMB Circular A-133 and corrective action is taken for instances of noncompliance within six months after receipt of audit reports. Additionally, the City should ensure that sub-recipients who receive the federal designated amount of funds are audited and reports are received for resolution in a timely manner.

**CITY OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS-**  
**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE**

Audit Finding Reference Number Questioned Costs

99-04 Internal Control-Departmental  
Programmatic Activities \$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

10.557 Special Supplemental-WIC  
10.565 Commodity Supplemental Food Program  
11.300 Economic Development Grants for Public works  
14.221 Urban Development Action Grant  
14.218 Community Development Block Grant  
16.579 Byrne Formula Grant Program-COPS Ahead  
16.592 Local Law Enforcement Block Grant  
20.600 State and Community Highway Safety  
83.534 Emergency Management  
93.585 Empowerment Zones Programs

Federal Award Year

December 31, 1999

Federal Agencies

U. S. Department of Housing and Urban Development  
U. S. Department of Health and Human Services  
U. S. Department of Justice  
Federal Emergency Management Agency

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE**

Audit Finding Reference Number

99-04 Internal Control-Departmental  
Programmatic Activities, Continued

Pass-Through Entity

State of Louisiana

Criteria

The A-102 Common Rule requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Conditions and Perspectives

We noted during our audit that the City of New Orleans could improve its internal control procedures with regard to monitoring departmental federal programmatic activities. At December 31, 1999, certain departments of the City of New Orleans expended \$23,474,000 to perform programmatic activities.

However, certain internal control procedures and characteristics as presented in the Internal Control-Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report) are not presently utilized by the City of New Orleans.

Cause

The management of the City of New Orleans has not considered certain aspects of the COSO Report to ensure an effective internal control system is established for the monitoring of certain departmental federal activities.

Questioned Costs

For purposes of this finding, we have not questioned any costs.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE**

**Audit Finding Reference Number**

99-04 Internal Control-Departmental  
Programmatic Activities, Continued

**Effect**

Non-compliance with federal regulations requiring that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements.

**Recommendation**

We recommend that management of the City of New Orleans consider the following activities in the development of an overall departmental monitoring plan:

- Ongoing monitoring built-in through independent reconciliations, staff meeting feed back, rotating staff, supervisory review, and management review of reports.
- Periodic site visits performed at decentralized locations and checks performed to determine whether procedures are being followed as intended.
- Follow up on irregularities and deficiencies to determine the cause.
- Internal quality control reviews performed.
- Management meets with program monitors, auditors, and reviewers to evaluate the condition of the program and controls.
- Internal audit routinely tests for compliance with Federal requirements.
- The Office of Federal and State Programs and the Office of the Chief Administrative Office reviews the results of all monitoring or audit reports and periodically assess the adequacy of corrective action.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
99-05 Allowable Costs	<u>\$727,146</u>

**Federal Program and Specific Federal Award Identification**

**CFDA Title and Number**

- 14.218 Community Development Block Grants
- 14.241 Housing Opportunities for Persons with AIDS
- 14.227 Special Purpose Grant
- 93.914/  
93.915 HIV Emergency Relief Program

**Federal Award Year**

December 31, 1999

**Federal Agencies**

- U. S. Department of Housing and Urban Development
- U. S. Department of Health and Human Services

**Pass-Through Entity**

None

**Criteria**

OMB Circular A-133 Compliance Supplement Part 3, Section B stipulates that direct costs must conform with the criteria contained in OMB Circular No. 87 including being supported by appropriate documentation, such as vendor invoices, canceled checks, payroll journals, and general ledgers.



**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-05 Allowable Costs, Continued

Conditions and Perspectives

We noted during our audit that management of the City of New Orleans had disbursed grant funds to certain sub-recipients that were selected for testing based upon a cost control statement detailing the pertinent general ledger accounts and related amounts. This practice was utilized by the City of New Orleans through September 30, 1999 as a means of making prompt payments to sub-recipients and require that such sub-recipients be timely monitored to ensure that the grant funds disbursed were properly supported with appropriate documentation.

However, of the sub-contractors selected for testing, six (6) sub-recipients submitted cost control statements but were not fiscally monitored by June 30, 2000.

Cause

The City of New Orleans has not adhered to established policies and procedures with regard to the timely monitoring of sub-recipients who submit cost control statements.

Questioned Costs

For purposes of this finding, we have questioned the costs disbursed to the fifteen (15) sub-recipients as follows:

<u>CFDA Number</u>	<u>Program</u>	<u>Amount</u>
14.218	Community Development Block Grant	\$ 264,820
14.241	HOPWA	90,604
14.227	Special Purpose Grant	353,522
93.914/93.915	HIV Emergency Relief Program	<u>18,200</u>
	Total	\$ <u><u>727,146</u></u>

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-05 Allowable Costs, Continued

Effect

Non-compliance with the City of New Orleans established policies and procedures and with applicable federal rules and regulations.

Recommendation

We recommend that immediate steps be taken to ensure that the noted sub-recipients are monitored and that appropriate supporting documentation be obtained to verify the sub-recipient grant costs.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

Questioned Costs

99-06 Program Income

\$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

14.239 Home Investment Partnership Program

14.241 Housing Opportunities for Persons with AIDS

Federal Award Year

December 31, 1999

Federal Agencies

U. S. Department of Housing and Urban Development

U. S. Department of Health and Human Services

Pass-Through Entity

State of Louisiana

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section J stipulates that program income generated from the use of grant funds must be accurately accounted for and either deducted from outlays, added to the project budget, or used to meet matching requirements.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-06 Program Income, Continued

Conditions and Perspectives

We noted during our audit that the City of New Orleans had not completed the establishment of a system to accumulate and account for program income data of sub-recipients and to ensure program income is utilized in compliance with all applicable federal rules and regulations.

Cause

The City of New Orleans has not completed the establishment of a system to accumulate, account for and monitor program income of sub-recipients.

Questioned Costs

We have been unable to determine the financial impact of the non-reporting of program income. Therefore, for purposes of this condition, we have not questioned any costs.

Effect

The City of New Orleans has not complied with applicable federal rules and regulations.

Recommendation

We recommend that management of the City of New Orleans continue to take the necessary steps to complete a system to accumulate, account for, monitor and ensure that program income is utilized in compliance with all applicable federal rules and regulations.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

Questioned Costs

99-07 Davis-Bacon Act

\$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

14.218 Community Development Block Grant  
14.239 Home Investment Partnership Program  
14.227 Special Purpose Grants

Federal Award Year

December 31, 1999

Federal Agencies

U. S. Department of Housing and Urban Development

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section D stipulates that a non-federal entity must ensure that contractors and sub-contractors are paid prevailing wage rates for projects covered by the Davis-Bacon Act.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

**Audit Finding Reference Number**

99-07 Davis-Bacon Act, Continued

**Conditions and Perspectives**

We noted during our audit that management of the City of New Orleans failed to adhere to established procedures for monitoring the payment of prevailing wages to workers by contractors or sub-contractors for the noted grants.

**Cause**

The management of the City of New Orleans failed to adhere to established procedures.

**Questioned Costs**

For purposes of the noted condition, we have not questioned any costs.

**Effect**

The City of New Orleans is not ensuring that construction contractors are paying employees prevailing wage rates established by the Department of Labor.

**Recommendation**

We recommend that management of the City of New Orleans adhere to established procedures with regard to monitoring contractors and/or sub-contractors for compliance with the Davis-Bacon Act.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

Questioned Costs

99-08 Management Decisions

\$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

14.218 Community Development Block Grant  
14.239 Home Investment Partnerships Program  
14.241 Housing Opportunities for Persons with AIDS  
93.914/  
93.915 HIV Emergency Relief Program

Federal Award Year

December 31, 1999

Federal Agencies

U. S. Department of Housing and Urban Development  
U. S. Department of Labor  
U. S. Department of Health and Human Services

Pass-Through Entity

State of Louisiana

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-08 Management Decisions, Continued

Criteria

OMB Circular A-133, Subpart D, Section 400(d)(5) stipulates that a pass-through entity shall issue a management decision on audit findings within six months after receipt of the sub-recipient's audit report and ensure that the sub-recipient takes appropriate and timely corrective action. Section 405(a) stipulates what information should be contained in the management decision.

Conditions and Perspectives

We noted during our audit that management of the City of New Orleans had not issued management decisions as prescribed by OMB Circular A-133 on sub-recipient audit reports that contained audit findings within six months after receipt of the audit reports.

Cause

The Management of the City of New Orleans has not adhered to established policies and procedures to ensure management decisions are issued on sub-recipient audit findings within six months of receipt of the sub-recipient's audit report.

Questioned Costs

For purposes of this condition, we have not questioned any costs.

Effect

The City of New Orleans has not complied with Sub-part D, Section 400(d)(5) of OMB Circular A-133.



**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

**Audit Finding Reference Number**

99-08 Management Decisions, Continued

**Recommendation**

We recommend that management of the City of New Orleans ensure adherence to established procedures.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

**Audit Finding Reference Number**

**Questioned Costs**

99-09 Matching

\$944,933

**Federal Program and Specific Federal Award Identification**

**CFDA Title and Number**

14.239 Home Investment Partnerships Program (HOME)

**Federal Award Year**

December 31, 1999

**Federal Agencies**

U. S. Department of Housing and Urban Development

**Pass-Through Entity**

None

**Criteria**

OMB Circular A-133 Compliance Supplement Part 3 Section 6 stipulates that a non-federal entity must provide matching or cost sharing of a specified amount or percentage as provided in the contract or grant agreement with the federal government.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,  
CONTINUED**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-09 Matching, Continued

Conditions and Perspectives

We noted during our audit that the City of New Orleans must provide eligible matching contributions of 12.5% of its actual Home Expenditures. The grantor agency has allowed the City of New Orleans to provide the match in the form of certain non-federal expenditures (i.e. forgiven taxes, appraisal value of donated land or real property, infrastructure, site preparation, non-federal cash, etc.) incurred or provided by the sub-recipient. However, Management of the City of New Orleans failed to document the match of Home funds for the year ended December 31, 1999.

Cause

A system for the reporting, tracking and monitoring of the sub-recipient data has not been established.

Questioned Costs

For purposes of this finding, we have questioned the amount of matching funds which were not documented. This amount totals \$944,933, which is 12.5% of the Home funds drawn down in the amount of \$7,559,466.

Effect

Non-compliance with federal requirements on providing a 12.5% match of Home fund expenditures.

Recommendation

We recommend that Management of the City of New Orleans take immediate steps to document the match of Home grant expenditures.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
99-10 Allowable Activities and Costs	<u>\$42,490</u>

**Federal Program and Specific Federal Award Identification**

CFDA Title and Number

93.914/93.915 HIV Emergency Relief Grant

Federal Award Year

December 31, 1999

Federal Agency

U. S. Department of Health and Human Services

Pass-Through Entity

Not Applicable

Criteria

OMB Circular A-133 Compliance Supplement Part 4, Allowable Activities and Allowable Costs specify the types of activities and costs, which are either specifically allowed or prohibited by the laws, regulations, and the provisions of contracts or grant agreements pertaining to the program.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

**Audit Finding Reference Number**

99-10 Allowable Activities and Costs, Continued

**Conditions and Perspectives**

During our audit, we were informed by the management of the City of New Orleans that a sub-recipient is being investigated for gross mismanagement of Ryan White Title I funds resulting in the inability to provide services.

**Cause**

The management of the City of New Orleans is of the opinion that management of the agency committed fraud and other illegal activities.

**Questioned Costs**

As a result of a fiscal monitor's review of the Agency, the City of New Orleans questioned \$42,490 in grant funds.

**Effect**

Non-compliance with federal regulations which stipulate that federal funds must be utilized for allowable activities and that costs be properly supported.

**Recommendation**

We recommend that management of the City of New Orleans continue in their efforts to determine the full extent of the fraud and illegal activities.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

Questioned Costs

99-11 Special Tests and Provisions -  
On-Site Inspections

\$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

14.239 Home Investment Partnership Program (HOME)

Federal Award Year

December 31, 1999

Federal Agencies

U. S. Department of Housing and Urban Development

Pass-Through Entity

None

Criteria

OMB Circular A-133 Compliance Supplement Part 4, Section 4.14.239 - Housing Quality Standards stipulate that during the period for which the sub-recipient maintains subsidized housing for Home Assisted Rental Housing, the disbursing agency must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners no less than certain presented years for defined project levels (1 to 26 or more units).

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-11 Special Tests and Provisions -  
On-Site Inspections, Continued

Conditions and Perspectives

We noted during our audit that management of the City of New Orleans had not performed on-site inspections of rental rehabilitation projects funded with HOME funds. At December 31, 1999, the City of New Orleans had funded seventeen individual rental rehabilitation projects.

Cause

The City of New Orleans has not adhered to established policies and procedures to perform on-site inspections.

Effect

Non-compliance with federal requirements to perform on-site inspections.

Recommendation

We recommend that management of the City of New Orleans take immediate steps to ensure on-site inspections are performed as required by federal legislation.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

**Audit Finding Reference Number**

**Questioned Costs**

99-12 Financial Reporting

\$-0-

**Federal Program and Specific Federal Award Identification**

**CFDA Title and Number**

14.218	Community Development Block Grant (CDBG)
14.239	Home Investment Partnership Program
14.231	Emergency Shelter Grants

**Federal Award Year**

December 31, 1999

**Federal Agencies**

U. S. Department of Housing and Urban Development

**Pass-Through Entity**

None

**Criteria**

OMB Circular A-133 Compliance Supplement Part 4, Section 4.14.218 - Reporting specifies that the financial information per the Summary Report (CO4PR03) and the CDBG Financial Summary (CO4PR26), which is included in the Consolidated Annual Performance and Evaluation Report (CAPERS) must agree to the accounting records.



**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-12 Financial Reporting, Continued

Conditions and Perspectives

We noted during our audit that the financial information for all HUD grants which were included in the summary report section of the CAPERS and the CDBG financial summary did not agree to the accounting records.

Cause

The City of New Orleans has experienced significant problems with the Integrated Disbursement and Information System (IDIS) that has resulted in inaccurate information being generated.

Effect

Due to the problems with the IDIS, the City of New Orleans was unable to provide accurate financial information to HUD.

Recommendation

We recommend that management of the City of New Orleans continue to investigate and correct the present problems with the Integrated Disbursement and Information System.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number Questioned Costs

99-13 Reporting \$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

14.248 Community Development Block Grant-  
Section 108 Loan Guarantee

Federal Award Year

December 31, 1999

Federal Agency

U. S. Department of Housing and Urban Development (HUD)

Pass-Through Entity

None

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section L-Reporting specifies that reports of federal awards or activities must be timely submitted to the Federal awarding agency, include all activity of the reporting period, and be fairly presented in accordance with program requirements. Also, the contract between HUD, the City of New Orleans and the related third party specified that certain monthly financial reports were required to be submitted to HUD.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

99-13 Reporting, Continued

Conditions and Perspectives

We noted during our audit that management of the City of New Orleans did not provide HUD with monthly financial reports that disclose the withdrawals and balances of funds in the Section 108 loan fund account.

Cause

The management of the City of New Orleans did not adhere to established procedures for preparing federal financial reports.

Effect

Non-compliance with federal requirements-and the Section 108 loan agreement.

Recommendation

We recommend that management of the City of New Orleans take immediate steps to ensure adherence to established reporting procedures.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

Audit Finding Reference Number

Questioned Cost

99-14 Reporting

\$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

93-914 HIV Emergency Relief Program

93-926 Healthy Start Initiative

Federal Award Year

December 31, 1999

Federal Agencies

U. S. Department of Health and Human Services

Pass-Through Entity

None

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section L - Reporting specifies that federal program reports should include all activity of the reporting period, are supported by applicable accounting records, and are fairly presented in accordance with program requirements.

**CITY OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**

**Audit Finding Reference Number**

99-14 Reporting, Continued

**Conditions and Perspectives**

We noted during our audit that certain grant expenditures and receipts that were reflected on the related financial reports submitted during the year ended December 31, 1999 did not agree in total to the grant expenditure and receipt amounts recorded in the general ledger as follows:

<u>Grant Name</u>	<u>CFDA Number</u>	<u>Amount Per Report</u>		<u>Amount Per Accounting Records</u>	
		<u>Receipts</u>	<u>Expenditures</u>	<u>Receipts</u>	<u>Expenditures</u>
HIV Emergency Relief	93.914	\$4,546,028	\$4,915,894	\$4,676,337	\$5,445,629
Health Start Initiative	93.926	\$1,844,105	\$7,358,074	\$1,719,311	\$2,251,016

**Cause**

The management of the City of New Orleans encountered significant problems in utilizing the payment management system.

**Questioned Costs**

For purposes of this finding, we have not questioned any costs.

**Effect**

Certain federal financial reports contained inaccurate financial information.

**Recommendation**

We recommend that management of the City of New Orleans take immediate steps to ensure accurate financial information is provided to federal agencies.

**CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY FEDERAL AUDITORS**

**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY FEDERAL AUDITORS**

---

FEDERAL AUDITORS - U. S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL

SUBJECT - REGIONAL LOAN CORPORATION (THE CORPORATION)

AUDIT PERIOD - SEPTEMBER 25, 1979 THROUGH AUGUST 9, 1994

PURPOSE OR AUDIT The purpose of the audit was to examine the revolving loan fund status, record keeping, and eligibility of loan applicants to determine whether the City and the Corporation complied with (i) grant terms and conditions, (ii) the RLF Plan, (iii) the Public Works and Economic Development Act of 965, as amended, (iv) Office of Management and Budget Circular A-102, (v) EDA Title IX Revolving Loan Fund Guidelines, and (vi) the Code of Federal Regulations.

FINDINGS

The OIG determined that the City of New Orleans and the Corporation:

- o Failed to contribute the required matching share of \$333,333 for the initial grant amendment;
- o Inappropriately applied for the second grant amendment of \$500,000;
- o Maintained inadequate accounting records to reflect regional loan fund (RLF) activity and does not document actual or allocable administrative expenses;
- o Failed to provide support for funds removed from the RLF for administrative costs resulting in questioned costs of \$1,044,323; and
- o Maintained insufficient loan documentation.

**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY FEDERAL AUDITORS  
(CONTINUED)**

---

FINDINGS

On January 5, 1998, the Corporation received a final decision with regard to the audit. The decision required the following audit resolution steps:

- The Corporation will direct repayments on HUD-CDBG loans into an EDA Revolving Loan fund until the \$333,333 is repaid;
- The finding with regard to the \$500,000 second grant amendment was not sustained and required no further action;
- The Corporation is required to maintain adequate accounting records to reflect loan fund activity and to document actual or allocable administrative expenses;
- The questioned costs of \$1,044,323 was reduced to \$152,700, and was required to be immediately repaid; and
- The Corporation was required to improve the documentation of loans to conform with sound record keeping standards.



**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY FEDERAL AUDITORS  
(CONTINUED)**

---

FEDERAL AUDITORS - U. S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT (HUD) - OFFICE  
OF INSPECTOR GENERAL

SUBJECT - HOME INVESTMENT PARTNERSHIP PROGRAM

AUDIT PERIOD - JANUARY 13, 1992 THROUGH APRIL 30, 1994

BACKGROUND

In May of 1994, the U. S. Department of Housing and Urban Development, Office of Inspector General, began an audit of the Home Investment Partnerships program as administered by the City of New Orleans. The audit report No. 95-FW-255-1007 dated March 24, 1995, was intended to determine whether the City of New Orleans managed its Home program effectively and complied with the applicable regulations.

The audit disclosed numerous instances of what was deemed misuses of Federal funds, regulatory violations, inefficiencies, and numerous uncorrected deficiencies. Moreover, the audit stated that the City had seriously mismanaged Home activities and that officials responsible for administering the program did not properly plan, implement, or monitor Home activities or always take corrective action upon notice of problems.

Consequently, a substantial amount of the grant award was questioned with additional amounts identified as ineligible. Costs determined to be ineligible per the report were \$280,151 while an additional \$6,322,800 was questioned because of a lack of satisfactory documentation to support the eligibility of the costs.

CURRENT STATUS

The U. S. Department of Housing and Urban Development (HUD) and the City of New Orleans have reached a repayment agreement that provides over a five year period an annual payment of \$1,070,590. As of December 31, 1999, the City of New Orleans has repaid HUD a cumulative amount of \$3,391,180. Also, per the agreement HUD will re-apply all payments made by the City of New Orleans to the Home Investment Partnership Program.

**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY FEDERAL AUDITORS  
(CONTINUED)**

---

FEDERAL AUDITORS - U. S. DEPARTMENT OF LABOR -  
OFFICE OF INSPECTOR GENERAL

SUBJECT - JOB TRAINING PARTNERSHIP ACT

AUDIT PERIOD - INCEPTION OF PROGRAM THROUGH DECEMBER 31, 1990

BACKGROUND

On May 5, 1994 and on March 28, 1997, judgements totaling \$4,535,000 and \$894,615, respectively, were rendered against the City of New Orleans relative to disallowed costs determined by the U. S. Department of Labor for the Job Training Partnership Act Program.

The City of New Orleans has paid or received credit for approximately \$3,110,310 with the remaining balance being repaid with video poker revenues.

**CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY OTHER INDEPENDENT AUDITORS**

**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY OTHER INDEPENDENT AUDITORS**

---

ORGANIZATION - NEW ORLEANS AFFORDABLE HOME OWNERSHIP, INC.  
(Formerly Urban Homeowner's Corporation of  
New Orleans)

AUDIT PERIOD - AUGUST 29, 1989 (Inception) through December 31,  
1994

OTHER INDEPENDENT AUDITOR - JUSTIN SCANLON, CPA

FINDINGS AND QUESTIONED COSTS

The New Orleans Affordable Home ownership, Inc. is a sub-recipient of Home program funds from the City of New Orleans. An audit which was performed on the organization for the period August 29, 1989 through December 31, 1994 contained several compliance findings with related questioned costs totaling \$1,290,328. However, the cognizant agency has not rendered a final determination in this matter.

**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY OTHER INDEPENDENT AUDITORS  
(CONTINUED)**

---

ORGANIZATION - NEW ORLEANS AFFORDABLE HOME OWNERSHIP, INC.  
(Formerly Urban Homeowners Corporation of New Orleans)

AUDIT PERIOD - JANUARY 1, 1995 THROUGH DECEMBER 31, 1995

OTHER INDEPENDENT AUDITOR - PAILET, MEUMER & LEBLANC, L.L.P.

FINDINGS AND QUESTIONED COSTS

The New Orleans Affordable Home ownership is a sub-recipient of Home Program funds from the City of New Orleans. An audit which was performed for the year ended December 31, 1995 contained several compliance findings with related questioned costs totaling \$152,368. The cognizant agency has not rendered a final determination with regard to this matter.

**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY OTHER INDEPENDENT AUDITORS  
(CONTINUED)**

---

ORGANIZATION - NEW ORLEANS AFFORDABLE HOME OWNERSHIP, INC.

AUDIT PERIOD - JANUARY 1, 1996 THROUGH DECEMBER 31, 1996

OTHER INDEPENDENT AUDITOR - JUSTIN SCANLAN, CPA

FINDINGS AND QUESTIONED COSTS

The New Orleans Affordable Home ownership is a sub-recipient of Community Development Block Grant (CFDA 14.218) funds from the City of New Orleans. An audit performed for the year ended December 31, 1996 contained several compliance findings with related questioned costs totaling \$45,438. The Cognizant Agency has not rendered a final determination with regard to these findings.

**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY OTHER INDEPENDENT AUDITORS  
(CONTINUED)**

---

ORGANIZATION - THIRD SHILOH HOUSING, INC.

AUDIT PERIOD - JANUARY 1, 1996 TO DECEMBER 31, 1996

OTHER INDEPENDENT AUDITOR - LUTHER SPEIGHT & CO.

FINDINGS AND QUESTIONED COSTS

Third Shiloh Housing, Inc. Is a sub-recipient of Community Development Block Grant (CFDA 14.218) funds from the City of New Orleans. An audit performed for the year ended December 31, 1996 contained several compliance findings with related questioned costs totaling \$160,111. The Cognizant Agency has not rendered a final determination with regard to these findings.

**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY OTHER INDEPENDENT AUDITORS  
(CONTINUED)**

---

ORGANIZATION - MULTI-SERVICE CENTER FOR THE HOMELESS

AUDIT PERIOD - YEARS ENDED DECEMBER 31, 1995 AND 1994

OTHER INDEPENDENT AUDITOR -  
LUTHER C. SPEIGHT & COMPANY - REPORT DATED  
SEPTEMBER 16, 1996

FINDINGS AND QUESTIONED COSTS

The Multi-Service Center for the Homeless is a sub-recipient of funding from the City Council grants and the City of New Orleans Emergency Shelter Grants (HUD) for the aforementioned periods. The Independent Accountants' Report On Applying Agreed-Upon Procedures relative to the Organization's compliance with certain laws and regulations reported an allegation of fraud against an employee of the Organization. The results of the engagement was reported to the Organization's Board of Directors and the State Legislative Auditor.

Current Status

This matter has been referred to the Federal Bureau of Investigation who, is presently reviewing the matter for trial.



**CITY OF NEW ORLEANS  
CURRENT STATUS OF OTHER AUDITS  
PERFORMED BY OTHER INDEPENDENT AUDITORS  
(CONTINUED)**

---

ORGANIZATION - MULTI-SERVICE CENTER FOR THE HOMELESS

AUDIT PERIOD - YEARS ENDED DECEMBER 31, 1996

OTHER INDEPENDENT AUDITOR - BRUNO & TERVALON, CPAS

FINDINGS AND QUESTIONED COSTS

The Multi-Service Center for the Homeless is a sub-recipient of Emergency Shelter Grants (CFDA 14.231) from the City of New Orleans. An audit performed for the year ended December 31, 1996 contained several compliance findings with related questioned costs totaling \$24,199. The Cognizant Agency has not rendered a final determination with regard to these findings.

**CITY OF NEW ORLEANS  
SUMMARY OF OTHER INDEPENDENT ACCOUNTANTS  
FISCAL AND PROGRAMMATIC MONITORING OF THE  
CITY OF NEW ORLEANS' SUB-RECIPIENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

---

The City Council of the City of New Orleans engaged Independent Accountants to perform fiscal and programmatic monitoring on twenty-eight (28) sub-recipients who received Home Investment Partnership, Community Development Block Grant, Emergency Shelter Grant, Healthy Start Initiative, Job Training Partnership, Employment Training Assistance, Welfare-to-Wok, Housing Opportunities for Persons with AIDS, and HIV Emergency Relief Program grant funds for the year ended December 31, 1999.

As a result of the Independent Accountants' Monitoring of sub-recipients' activities, approximately \$428,926 of federal funds were questioned.

The management of the City of New Orleans has issued management decisions on such monitoring findings and is working towards either resolving or receiving reimbursement of all questioned costs.

**CITY OF NEW ORLEANS  
EXIT CONFERENCE**

---

An exit conference and other meetings were held at the City of New Orleans to discuss the audit report and the various findings. Those who have been in attendance are noted below. The findings were also discussed, prior to the exit conference, with the respective department heads.

**CITY OF NEW ORLEANS**

Councilmember Oliver Thomas	--	City Council Audit Committee
Councilmember James Singleton	--	City Council Audit Committee
Councilmember J. Kenneth Johnston	--	City Council Audit Committee
Ms. Marina Kahn	--	Director of Finance
Mrs. Etta Morris	--	Deputy Director of Finance
Mr. Wayne M. DeLarge	--	Comptroller
Ms. Ellen Lee	--	Director of Neighborhood Development
Ms. Thelma French	--	Assistant to the Mayor
Mr. John Roussel	--	Deputy Director- Neighborhood Development
Ms. Mary Pettingill	--	Assistant to the Mayor for Fiscal Affairs
Ms. Angela Cryer	--	Program Director

**BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Michael B. Bruno, CPA	--	Managing Partner
Mr. Edward Phillips, Jr.	--	Senior Manager
Mr. Armand Pinkney	--	Manager

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**June 23, 2000**

**CORRECTIVE ACTION PLAN - AUDIT FINDINGS  
DECEMBER 31, 1999**

<u>AUDIT FINDINGS</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED COMPLETION DATE</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/ PASS THROUGH AGENCY CONTACTED</u>
<p><u>99-01 and 99-02 MONITORING</u></p> <p>The Independent Auditors noted that management of the City of New Orleans had taken certain steps to improve its internal control over compliance with respect to monitoring. This was performed by management of the City of New Orleans having performed fiscal and programmatic monitoring of certain sub-recipients, desk reviews of certain sub-recipient's cost control statements for the months of October 1999 through December 1999, and the City Council of New Orleans having engaged certain independent accountants to perform fiscal and programmatic monitoring of certain sub-recipients.</p> <p>As a result, approximately <u>42%</u> of the funds disbursed to sub-recipients was monitored and additionally 127 out of 194 sub-recipients were programmatically monitored.</p>	<p>The Management of the City of New Orleans have developed procedures to strengthen their monitoring reviews of sub-recipients.</p>	<p>December 2000</p>	<p>Thelma French</p>	<p><i>NO</i></p>

CITY OF NEW ORLEANS  
CORRECTIVE ACTION PLAN - AUDIT FINDINGS  
: DECEMBER 31, 1999

<u>AUDIT FINDINGS</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED COMPLETION DATE</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/ PASS THROUGH AGENCY CONTACTED</u>
<p>99-03 <u>AUDITS OF SUB-RECIPIENT ACTIVITIES</u></p> <p>The Independent Auditors noted that management of the City of New Orleans failed to ensure required sub-recipient audits were performed for the U. S. Housing and Urban Development (7), HIV Emergency Relief (8), Health Center Grants for Homeless (4), and Grants for Residential Treatment grant programs (2) that were required to be submitted during the year ended December 31, 1999.</p>	<p>The Management of the City of New Orleans will aggressively enforce the required audits of sub-recipients</p>	<p>December 2000</p>	<p>Thelma French</p>	<p>NO</p>

99-1 The Orle regt acti the func cert pres pub of t pres

CITY OF NEW ORLEANS  
CORRECTIVE ACTION PLAN - AUDIT FINDINGS, CONTINUED  
DECEMBER 31, 1999

<u>AUDIT FINDINGS</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED COMPLETION DATE</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/ PASS THROUGH AGENCY CONTACTED</u>
<p><u>99-05 ALLOWABLE COSTS</u></p> <p>The Independent Auditors noted that management of City of New Orleans had disbursed grant funds to certain sub-recipients based upon a cost control statement. This condition resulted in questioned costs totaling \$727,146.</p>	<p>The Management of the City of New Orleans has implemented procedures during the months of October - December 1999, to ensure that cost control statements are supported by copies of invoices, checks and general ledger.</p>	<p>Implemented in October 1999</p>	<p>Thelma French</p>	<p>No</p>
<p><u>99-06 PROGRAM INCOME</u></p> <p>The Independent Auditors noted that the City of New Orleans had not established a system to accumulate and account for program income data of sub-recipients and to ensure program income is utilized in compliance with all applicable federal rules and regulations for the Home Investment and Housing Opportunities grants.</p>	<p>The Management of the City of New Orleans will review and enhance the system of accounting for program income of sub-recipients.</p>	<p>December 2000</p>	<p>Marina Kahn Wayne Clark John Rousell</p>	<p>No</p>

CITY OF NEW ORLEANS  
CORRECTIVE ACTION PLAN - AUDIT FINDINGS, CONTINUED  
DECEMBER 31, 1999

<u>AUDIT FINDINGS</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED COMPLETION DATE</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/PASS THROUGH AGENCY CONTACTED</u>
<p><u>99-07 DAVIS-BACON ACT</u></p> <p>The Independent Auditors noted that management of the City of New Orleans failed to adhere to established procedures for monitoring the payment of prevailing wages to workers by contractors or sub-contractors for the CDBG, Home Investment and Special Purpose grants.</p>	<p>The Management of the City of New Orleans will ensure that established procedures are adhered to.</p>	<p>December 2000</p>	<p>Wayne Clark John Russell</p>	<p><i>NO</i></p>
<p><u>99-08 MANAGEMENT DECISIONS</u></p> <p>The Independent Auditors noted that management of the City of New Orleans had not issued management decisions as prescribed by OMB Circular A-133 on sub-recipient audit reports that contained audit findings within six months after receipt of the audit reports for CDBG, Home Investment, Housing Opportunities and HIV Emergency Relief grants.</p>	<p>The Management of the City of New Orleans will ensure that established procedures are adhered to timely.</p>	<p>December 2000</p>	<p>Ellen Lee Angela Cryer</p>	<p><i>NO</i></p>

CITY OF NEW ORLEANS  
 CORRECTIVE ACTION PLAN - AUDIT FINDINGS, CONTINUED  
 DECEMBER 31, 1999

<u>AUDIT FINDINGS</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED COMPLETION DATE</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/ PASS THROUGH AGENCY CONTACTED</u>
<p><u>99-09 MATCHING</u></p> <p>The Independent Auditors noted that the City of New Orleans must provide eligible matching contributions of 12.5% of its actual Home Expenditures. The grantor agency has allowed the City of New Orleans to provide the match in the form of certain non-federal expenditures (i.e. forgiven taxes, appraisal value of donated land or real property, infrastructure, site preparation, non-federal cash, etc.) incurred or provided by the sub-recipient. However, Management of the City of New Orleans failed to document the match of Home funds for the year ended December 31, 1999 which totaled \$944,933 and is reported as questioned costs.</p>	<p>The Management of the City of New Orleans will take immediate steps to document this match.</p>	<p>December 2000</p>	<p>Ellen Lee Marina Kahn</p>	<p>ND</p>



CITY OF NEW ORLEANS  
CORRECTIVE ACTION PLAN - AUDIT FINDINGS, CONTINUED  
DECEMBER 31, 1999

<u>AUDIT FINDINGS</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED COMPLETION DATE</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/ PASS THROUGH AGENCY CONTACTED</u>
<p><u>99-10 ALLOWABLE ACTIVITIES AND COSTS</u></p> <p>The Independent Auditors was informed by the management of the City of New Orleans that a sub-recipient is being investigated for gross mismanagement of Ryan White Title I funds resulting in the inability to provide services. This condition resulted in questioned costs totaling \$42,490.</p>	<p>This case is under investigation by the U.S. District Attorney office. However, management of City of New Orleans have reviewed these records and requested the repayment of \$42,490.</p>	<p>Dec. 31, 2000</p>	<p>Angela Cryer</p>	<p>ND</p>
<p><u>99-11 SPECIAL TESTS AND PROVISIONS - ON-SITE INSPECTIONS</u></p> <p>The Independent Auditors noted that management of the City of New Orleans had not performed on-site inspections of rental rehabilitation projects funded with HOME funds. At December 31, 1999, the City of New Orleans had funded seventeen individual rental rehabilitation projects.</p>	<p>The Management of the City of New Orleans will adhere to established procedures.</p>	<p><u>Dec. 31, 2000</u></p>	<p>Wayne Clark</p>	<p>ND</p>

CITY OF NEW ORLEANS  
 CORRECTIVE ACTION PLAN - AUDIT FINDINGS, CONTINUED  
 DECEMBER 31, 1999

<u>AUDIT FINDINGS</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED COMPLETION DATE</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/PASS THROUGH AGENCY CONTACTED</u>
<p><u>99-12 FINANCIAL REPORTING</u></p> <p>The Independent Auditors noted that the financial information included in the summary report section of the CAPERS did not agree to the accounting records for all U. S. Department of Housing and Urban Development (HUD) Grants and the CDBG financial summary was not submitted.</p>	<p>The Management of the City of New Orleans is reconciling the financial information with HUD.</p>	<p>September 2000</p>	<p>Marina Kahn</p>	<p><i>NO</i></p>
<p><u>99-13 REPORTING</u></p> <p>The Independent Auditors noted that management of the City of New Orleans did not provide HUD with monthly financial reports that disclosed the withdrawals and balances of funds in the Section 108 loan fund account.</p>	<p>The Management of the City of New Orleans will adhere to contractual agreement requiring monthly reports be submitted as stipulated in the contract.</p>	<p>December 2000</p>	<p>Gwen Owens</p>	<p><i>NO</i></p>

CITY OF NEW ORLEANS  
CORRECTIVE ACTION PLAN - AUDIT FINDINGS, CONTINUED  
DECEMBER 31, 1999

<u>AUDIT FINDINGS</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED COMPLETION DATE</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/ PASS THROUGH AGENCY CONTACTED</u>
<u>99-14 REPORTING</u> The Independent Auditors noted that certain grant expenditures and receipts that were reflected on the related financial reports submitted during the year ended December 31, 1999 did not agree in total to the grant expenditure and receipt amounts recorded in the general ledger.	The Management of the City of New Orleans is reconciling the differences as reflected on these reports.	September 2000	Angela Cryer	NO

## **INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor  
City of New Orleans, Louisiana

We have audited the schedule of expenditures of federal awards of the City of New Orleans for the year ended December 31, 1999 and have issued our report thereon dated June 23, 2000. In planning and performing our audit of the schedule of expenditures of federal awards, we considered the City of New Orleans' internal control over financial reporting and compliance.

During our audit, we became aware of certain matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters.

This letter does not affect our report dated June 23, 2000 on the schedule of expenditures of federal awards of the City of New Orleans. This report is intended solely for the information and use of the City Council, the Mayor of the City of New Orleans, management, and federal awarding agencies and pass-through entities, such as the State of Louisiana and the Legislative Auditor's Office.

**CITY OF NEW ORLEANS  
INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT  
DECEMBER 31, 1999**

---

**ALL MAJOR FEDERAL PROGRAMS**

1. Encumbrances

We noted during our audit that amounts recorded as encumbrances in the City of New Orleans' financial records had not been adjusted for the past three (3) years.

We recommend that immediate steps be taken to reconcile encumbrances.

**COMMUNITY DEVELOPMENT BLOCK GRANT**

2. Monitoring of Programmatic Activities

We noted during our audit that the City of New Orleans expended approximately \$8M in CDBG departmental related activities. Such departments included Economic Development, Fire Department, Safety & Permits, Sanitation, etc.

We requested and received, but not on a timely basis, a summary of the departmental programmatic accomplishments.

We recommend that the established policies and procedures that require independent evaluations and/or programmatic reviews be adhered to and utilized to ensure programmatic compliance. Such reports can then be utilized to respond to requests of independent auditors and/or federal agencies.

**CITY OF NEW ORLEANS  
INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT  
DECEMBER 31, 1999  
CONTINUED**

---

**HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)**

3. Programmatic Activities

We noted the following during our audit of the Home program:

- The management of the Home Program provided, but not on a timely basis, a detailed listing of all Home program participants for the year ended December 31, 1999;
- Six (6) instances out of eighteen (18) participants tested whereby such participants failed to certify that they did not receive prior Home assistance;
- Six (6) instances out of eighteen (18) participants tested whereby conflict of interest statements were not maintained;
- Seven (7) instances out of eighteen (18) participants tested whereby Housing Standards Code and Section 8 Housing Quality Standards documentation was not maintained.
- One (1) instance out of eighteen (18) participants tested whereby the participant's program file could not be located; and
- Two (2) instances out of five (5) contracts examined whereby the sub-recipients' contract did not contain a provision which required that documentation be maintained reporting matching amounts.

Also, we noted during our audit of the City of New Orleans programmatic monitoring, that management of the Home Program could strengthen its present procedures by incorporating certain additional monitoring procedures into the overall review. Such additional procedures could include monitoring essential aspects of sub-recipient programmatic requirements as documented in the contractual agreement between the City of New Orleans and the related sub-recipient.

**CITY OF NEW ORLEANS  
INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT  
DECEMBER 31, 1999  
CONTINUED**

---

4. Programmatic Data Base

We noted during our audit that management of the Home program did not have available a tracking system or data base that would provide essential information of certain programmatic activities such as:

1. Matching of grant funds by sub-recipients;
2. Program income generated by sub-recipients;
3. Documenting that 221(d)(3) subsidy limits were not exceeded;
4. Real Property acquisitions by sub-recipients; and
5. Home-Owners or Tenants for all Home Projects.

We recommend that immediate steps be taken to correct the noted condition.

**SPECIAL PURPOSE GRANT**

5. Annual Progress Report

We noted that the Annual Progress Performance Report of sub-recipients was not submitted to the federal agency as required.

We recommend that management adhere to established procedures.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT,**  
**CONTINUED**

To the Members of the  
City Council and the  
Honorable Marc H. Morial, Mayor

This report is intended solely for the information and use of the members of the City Council, the Mayor of the City of New Orleans, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**June 23, 2000**



CITY OF NEW ORLEANS  
CORRECTIVE ACTION PLAN - MANAGEMENT COMMENTS  
DECEMBER 31, 1999

MANAGEMENT LETTER	CORRECTION ACTION	ANTICIPATED COMPLETION DATE	CONTACT PERSON
<p>1. <u>ENCUMBRANCES</u> The Independent Auditors noted that amounts recorded on encumbrances in the financial records had not been adjusted.</p>	<p>The Management of the City of New Orleans will continue it's review of encumbrances and adjust as needed.</p>	<p>December 2000</p>	<p>John Roussell Marina Kahn</p>
<p>2. <u>MONITORING OF PROGRAMMATIC ACTIVITIES</u> The Independent Auditors noted that a summary of departmental programmatic accomplishments was not provided on a timely basis.</p>	<p>The City of New Orleans will ensure the timely submission of these summary of departmental programmatic accomplishments.</p>	<p>December 2000</p>	<p>Eileen Lee</p>
<p>3. <u>PROGRAMMATIC ACTIVITIES - HOME INVESTMENT</u> The Independent Auditors noted that certain programmatic records (conflict of interest, a participant's file, prior assistance certifications, etc.) were not maintained. Also, the Independent Auditors noted that programmatic monitoring procedures could be strengthened.</p>	<p>The City of New Orleans will continue to strengthen its monitoring procedures.</p>	<p>December 2000</p>	<p>Thelma French</p>
<p>4. <u>PROGRAMMATIC DATABASE-HOME INVESTMENT</u> The Independent Auditors noted that management of the City had not completed the development of a tracking system or database for certain programmatic activities.</p>	<p>The Management of the City of New Orleans will enhance the tracking system of the database for Home Investment programmatic activities.</p>	<p>December 2000</p>	<p>Doug Kahn</p>
<p>5. <u>ANNUAL PROGRESS REPORT-SPECIAL PURPOSE GRANT</u> The Independent Auditors noted that the Annual Progress Performance Report was not submitted to the federal agency.</p>	<p>The City of New Orleans will assure that the annual Progress Performance Report is submitted timely.</p>	<p>December 2000</p>	<p>Thelma French</p>

RECEIVED  
LEGISLATIVE AUDITOR  
2000 JUL 7 AM 11:32

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Monitoring

Reference Number: 98-01

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one)                      Resolved   N/A      Unresolved: \_\_\_\_\_

Initial Year of Finding: 1996

Page Number: 33

Program Name(s): U.S. Department of Housing & Urban Development, Job Training Partnership,  
Welfare to Work, HIV Emergency Relief, Healthy, Start Initiative

Federal Grantor Agency: 14.218, 14.241, 14.239, 14.227, 17.246, 17.250, 17.253,  
93.914/93.915, 93.926

CFDA Number(s): \_\_\_\_\_

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>  x  </u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable): \_\_\_\_\_

The management of the City of the New Orleans have developed procedures to strengthened their monitoring reviews of sub-recipients.

Preparer's Signature: \_\_\_\_\_

*Etta Reed Morris*

Phone Number: \_\_\_\_\_

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Monitoring

Reference Number: 98-02

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1996

Page Number: 33

Program Name(s): U.S. Department of Housing & Urban Development, Job Training Partnership, Welfare to Work, HIV Emergency Relief, Healthy, Start Initiative

Federal Grantor Agency: U.S. Dept. of Housing and Urban Development, U. S. Dept. of Labor/Health and Human Services

CFDA Number(s): 14.218, 14.241, 14.239,  
14.227, 17.246, 17.250,  
17.253, 98.914/93.915,  
93.926

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>X</u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The City of New Orleans is continuing to strengthen their monitoring reviews.

Preparer's Signature: *Etta Reed Morris*

Phone Number: (504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Audits of Sub-recipient Activities

Reference Number: 98-03

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1996

Page Number: 39

Program Name(s): Community Development Block Grant, Home Investment Partnership,  
Ryan White

Federal Grantor Agency: U.S. Department of Housing and Urban Development, U.S.  
Department of Health and Human Services

CFDA Number(s): 14.218, 14.239, 93.914, 93.215

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>X</u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The management of the City of New Orleans will aggressively enforce the required audits of sub-recipients.

Preparer's Signature: *Etta Reed Morris*

Phone Number: (504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Allowable Costs

Reference Number: 98-04

Amount of Questioned Costs in Findings: \$1,842,801

Status of Questioned Costs (check one) Resolved \_\_\_\_\_ Unresolved:  X

Initial Year of Finding: 1998

Page Number: 42

Program Name(s): Community Dev. Block Grants, Housing Dept. for Persons with AIDS, Special Purpose Grants, Healthy Start Initiative, HIV Emergency Relief Program

Federal Grantor Agency: U.S. Dept. of Housing and Urban Dev., U.S. Department of Health and Human Service

CFDA Number(s): 14.218, 14.241, 14.227,  
93.926, 93.914, 93.915

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u> X </u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The City of New Orleans has not received a final determination with regard to the questioned costs from the Cognizant Agency.

Preparer's Signature: Etta Reed Morris

Phone Number: (504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Program Income

Reference Number: 98-05

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 45

Program Name(s): Community Dev. Block Grant, Home Inv., Special Purpose, HOPWA, Employment Training and Assistance, JTPA, Healthy Start Initiative, HIV Emergency Relief

Federal Grantor Agency: U.S. Dept. of Housing and Urban Dev., U.S. Department of Labor, U.S. Department of Health and Human Services

CFDA Number(s): 14.218, 14.239, 14.227,  
14.241, 17.246, 17.250,  
93.926, 93.914, 93.915

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____ X _____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The management of the City of New Orleans will review and enhance the system of accounting for program income of sub-recipients.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Davis Bacon Act

Reference Number: 98-06

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1997

Page Number: 48

Program Name(s): Community Dev. Block Grant, Home Investment, Special Purpose Grants

Federal Grantor Agency: U.S. Dept. of Housing and Urban Dev.

CFDA Number(s): 14.218, 14.239, 14.227

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u>X</u> _____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable): \_\_\_\_\_

The City of New Orleans will ensure established procedures are adhered to.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Eligibility

Reference Number: 98-07

Amount of Questioned Costs in Findings: \$12,594

Status of Questioned Costs (check one) Resolved \_\_\_\_\_ Unresolved:   x  

Initial Year of Finding: 1998

Page Number: 50

Program Name(s): Byrne Formula Grant Program

Federal Grantor Agency: U. S. Dept. of Justice

CFDA Number(s): 16.579

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u>  x  </u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The City of New Orleans has not received a final determination with regard to the questioned costs.

Preparer's Signature: Etta Reed Morris

Phone Number: (504) 565-6600



# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Management Decisions

Reference Number: 98-08

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 52

Program Name(s): Community Dev. Block Grant, Home Invest., HOPWA, Employment and Training, JTPA, Healthy Start Initiative, HIV Emergency Relief

Federal Grantor Agency: U.S. Dept. of Housing and Urban Dev., U.S. Dept. of Health and Human Services

CFDA Number(s): 14.218, 14.239, 14.241,  
17.246, 14.250, 93.926,  
93.914, 93.215

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u>  X  </u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The City of New Orleans will follow established policies and procedures to ensure timely issuance of management decisions on sub-recipient audit findings.

Preparer's Signature: Etta Reed Morris

Phone Number: (504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Matching

Reference Number: 98-09

Amount of Questioned Costs in Findings: \$652,436

Status of Questioned Costs (check one)                      Resolved \_\_\_\_\_ Unresolved:   X  

Initial Year of Finding: 1998

Page Number: 55

Program Name(s): Home Investment Partnerships

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u>  x  </u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The management of the City of New Orleans will review and enhance the system of accounting for program income of sub-recipients.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Federal Cash Management

Reference Number: 98-10

Amount of Questioned Costs in Findings: \$2,012,254

Status of Questioned Costs (check one)                      Resolved   X        Unresolved:           

Initial Year of Finding: 1998

Page Number: 57

Program Name(s): Healthy Start Initiative

Federal Grantor Agency: U. S. Dept. of Health and Human Service

CFDA Number(s): 93.926

Status of Finding (check one)

Fully Corrected	<u>  X  </u>	Not Corrected	<u>          </u>
Partially Corrected	<u>          </u>	No Further Action Needed	<u>          </u>
Change of Corrective Action	<u>          </u>		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The management of the City of New Orleans has determined that federal funds were not drawn down in excess of actual expenditures.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Equipment and Real Property Management

Reference Number: 98-11

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 59

Program Name(s): Community Dev. Block Grant, Grants for Residential Treat, HIV Emergency Relief, Healthy Start Initiative

Federal Grantor Agency: U.S. Dept. of Housing and Urban Dev., U.S. Department of Health and Human Service

CFDA Number(s): 14.218, 93.101, 93.914,  
93.915, 93.926

Status of Finding (check one)

Fully Corrected	<u>X</u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The City of New Orleans has performed an annual inventory and has appropriately tagged and identified property acquired with federal funds.

Preparer's Signature:

*Etha Reed Morris*

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Internal Control - Risk Assessment

Reference Number: 98-12

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 61

Program Name(s): Special Purpose, HOME, HOPWA, CDBG, Byrne Formula, Local Law Enforcement, Employ. Training Assistance, Welfare Work, JTPA, Healthy Start Initiative, HIV Emergency Relief

Federal Grantor Agency: U.S. Department of Housing and Urban Dev., U.S. Dept. of Justice, U.S. Dept. of Labor, U. S. Dept. of Health and Human Services

CFDA Number(s): 14.227, 14.239, 14.241,  
14.248, 14.218, 16.579,  
16.592, 17.246, 17,253,  
17.250, 93.926, 93.915,

Status of Finding (check one)

Fully Corrected	<u>X</u>	Not Corrected	_____
Patially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The City of New Orleans has developed procedures to perform risk assessment.

Preparer's Signature: Etta Reed Morris

Phone Number: (504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Period of Availability

Reference Number: 98-13

Amount of Questioned Costs in Findings: 488,694

Status of Questioned Costs (check one) Resolved  Unresolved:

Initial Year of Finding: 1998

Page Number: 64

Program Name(s): Healthy Start Initiative

Federal Grantor Agency: U.S. Dept. of Health and Human Services

CFDA Number(s): 93.926

Status of Finding (check one)

Fully Corrected	<input checked="" type="checkbox"/>	Not Corrected	<input type="checkbox"/>
Partially Corrected	<input type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Corrective Action	<input type="checkbox"/>		<input type="checkbox"/>

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The City of New Orleans has determined that no federal funds were drawn down or disbursed either prior to or subsequent to the period of availability.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Suspension and Debarment

Reference Number: Management Letter Comment Number 1

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 2-Management Letter

Program Name(s): All Federal Programs

Federal Grantor Agency: All Federal Programs

CFDA Number(s): \_\_\_\_\_

Status of Finding (check one)

Fully Corrected	<u>X</u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable): \_\_\_\_\_

Preparer's Signature: \_\_\_\_\_

*Etta Reed Morris*

Phone Number: \_\_\_\_\_

(504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: OMB Circular A-133 Compliance Supplement

Reference Number: Management Letter Comment Number 2

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 2-Management Letter

Program Name(s): All Federal Programs

Federal Grantor Agency: All Federal Programs

CFDA Number(s): \_\_\_\_\_

Status of Finding (check one)

Fully Corrected	<u>X</u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable): \_\_\_\_\_

Preparer's Signature: \_\_\_\_\_

Phone Number: \_\_\_\_\_

*Etta Reed Morris*  
(504) 565-6600



# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Financial Reports

Reference Number: Management Letter Comment Number 3

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one)      Resolved   N/A   Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 2-Management Letter

Program Name(s): All Federal Programs

Federal Grantor Agency: All Federal Programs

CFDA Number(s): \_\_\_\_\_

Status of Finding (check one)

Fully Corrected	<u>  x  </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable): \_\_\_\_\_

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Encumbrances

Reference Number: Management Letter Comment Number 4

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 3-Management Letter

Program Name(s): All Federal Programs

Federal Grantor Agency: All Federal Programs

CFDA Number(s): \_\_\_\_\_

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____ x _____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable): \_\_\_\_\_

The management of the City of New Orleans is continuing to evaluate and reconcile the encumbrances detail. Such evaluation and reconciliation is expected to be completed by December 31, 2000.

Preparer's Signature: Etta Reed Morris

Phone Number: (504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Programmatic Deficiencies

Reference Number: Management Letter Comment Number 5

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one)                      Resolved   N/A      Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 3-Management Letter

Program Name(s): Community Development Block Grant

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s):   14.218  

Status of Finding (check one)

Fully Corrected	<u>  X  </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: CASH Disbursement Test

Reference Number: Management Letter Comment Number 6

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 3-Management Letter

Program Name(s): Community Development Block Grant

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.218

Status of Finding (check one)

Fully Corrected	<u>x</u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Post Completion Physical Inspection

Reference Number: Management Letter Comment Number 7

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 4-Management Letter

Program Name(s): Home Investment Partnership

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u>X</u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The management of the City of New Orleans will adhere to established procedures and ensure post-completion physical inspections are performed. It is anticipated that physical inspections will be performed by December 31, 2000.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Programmatic Data Base

Reference Number: Management Letter Comment Number 8

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 4-Management Lette5r

Program Name(s): Home Investment Partnership

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u>X</u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The management of the City of New Orleans is continuing to develop procedures to establish a programmatic database. It is anticipated that the database will be established by December 31, 2000.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Lien Agreements/Second Mortgages

Reference Number: Management Letter Comment Number 9

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 5-Management Letter Comment

Program Name(s): Home Investment Partnership

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected	<u>X</u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Owner Occupied Rehabilitation Program

Reference Number: Management Letter Comment Number 10

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number:

Program Name(s):

Federal Grantor Agency:

CFDA Number(s): \_\_\_\_\_

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____ <u>X</u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable): \_\_\_\_\_

The management of the City of New Orleans is continuing the process to ensure that established Policies and Procedures are adhered to. It is anticipated that the process will be completed by December 31, 2000.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600



# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: First Time Home Buyer Program

Reference Number: Management Letter Comment Number 11

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 5-Management Letter

Program Name(s): Home Investment Partnership

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected	<u>X</u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1998

Finding Title: Programmatic Monitoring of Departmental Federal Activities

Reference Number: Management Letter Comment Number 12

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1990

Page Number: 6-Management Letter

Program Name(s): Community Development Block Grant, Section 108 Loan Program,  
Byrne Formula Grant

Federal Grantor Agency: U.S. Department of Housing and Urban Development; Department of  
Justice

CFDA Number(s): 14.218, 14.248, 16.579

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u>x</u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The management of the City of New Orleans is continuing the process of evaluating and developing procedures to ensure departmental monitoring of activities is performed. It is anticipated that the process will be completed by May, 2001.

Preparer's Signature: Etta Reed Morris

Phone Number: (504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Healthy Start Initiative

Reference Number: Management Letter Comment Number 13

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one)                      Resolved      N/A      Unresolved:    \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 6-Management Letter

Program Name(s): Healthy Start Initiative

Federal Grantor Agency: U.S. Department of Health and Human Services

CFDA Number(s):   93.926  

Status of Finding (check one)

Fully Corrected	<u>  X  </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Preparer's Signature:

*Etta Reed Morris*

Phone Number:

(504) 565-6600

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

---

For the Year Ended: December 31, 1998

Finding Title: Special Purpose Grants

Reference Number: Management Letter Comment Number 14

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1998

Page Number: 6-Management Letter

Program Name(s): Special Purpose Grants

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.227

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	<u>X</u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The City of New Orleans will assure that the Annual Progress Performance Report is submitted timely.

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1997

Finding Title: Federal Audits Performed by Other Independent Auditors

Reference Number: 97-Management Letter-05

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1997

Page Number: 3

Program Name(s): All Federal Programs

Federal Grantor Agency: All Federal Programs

CFDA Number(s): \_\_\_\_\_

Status of Finding (check one)

Fully Corrected	<u>X</u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Preparer's Signature:

Etta Reed Morris

Phone Number:

(504) 565-6600

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 1997

Finding Title: Payroll and Cash Disbursement Transactions

Reference Number: 97 Management Letter -04

Amount of Questioned Costs in Findings: \$0

Status of Questioned Costs (check one) Resolved N/A Unresolved: \_\_\_\_\_

Initial Year of Finding: 1997

Page Number: 3

Program Name(s): Community Development Block Grant

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.227

Status of Finding (check one)

Fully Corrected	<u>  x  </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Preparer's Signature: Etta Reed Harris

Phone Number: (504) 565-6600