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## REPORT

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
(A Corporate and Political Subdivision  
of the State of Louisiana)

DECEMBER 31, 1999

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 APR 26 2000

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY

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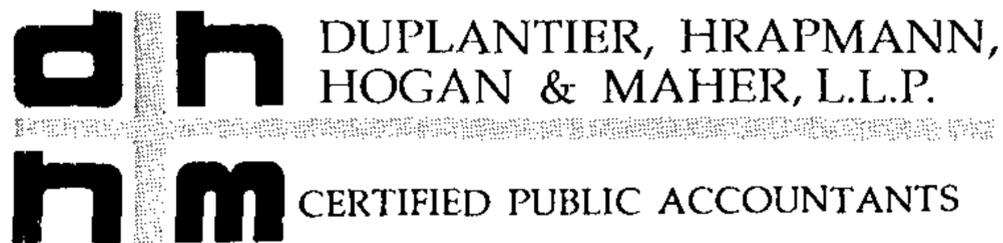
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## INDEPENDENT AUDITOR'S REPORT

February 18, 2000

To the Board of Commissioners  
Ernest N. Morial  
New Orleans Exhibition Hall Authority

We have audited the general purpose financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) as of and for the year ended December 31, 1999 as listed in the index to the report. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ernest N. Morial New Orleans Exhibition Hall Authority as of December 31, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed in the index to the report for the year ended December 31, 1999 as supplemental information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 2000, on our consideration of the Authority's internal control over financial reporting and on its compliance with laws and regulations.

*Duplantier, Hupmann, Hogan & Maher LLP*

**ERNEST N. MORIAL**  
**NEW ORLEANS EXHIBITION HALL AUTHORITY**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998**

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b><u>ASSETS AND OTHER DEBITS:</u></b>				
<b>ASSETS:</b>				
Cash and certificates of deposit (Note 3)	\$ 48,971,572	\$ 1,570,909	\$ 9,932,195	\$ 22,888,881
Investments (Note 3 & 4)	11,839,091	--	14,486,676	--
Accounts receivable (Note 6)	6,946	2,425,609	--	468,267
Taxes receivable (Note 5)	--	3,133,846	--	--
Accrued interest receivable	776,868	--	527,475	44,098
Due from other funds (Note 7)	6,121,561	--	3,133,846	--
Other assets	25,000	--	--	--
Land and leasehold improvements (Note 8)	--	--	--	--
Building and improvements (Note 8)	--	--	--	--
Equipment (Note 8)	--	--	--	--
<b>OTHER DEBITS:</b>				
Amount available in Debt Service Funds:				
Series 1996 and 1998 Bonds (Note 9)	--	--	--	--
Amount to be provided for payment of:				
Series 1996 and 1998 Bonds (Note 9)	--	--	--	--
Amount to be earned in future years (Note 16)	--	--	--	--
Amount to be provided for compensated absences (Note 1)	--	--	--	--
Amount to be provided for retirement benefits (Note 14)	--	--	--	--
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>\$ 67,741,038</u></b>	<b><u>\$ 7,130,364</u></b>	<b><u>\$ 28,080,192</u></b>	<b><u>\$ 23,401,246</u></b>

See accompanying notes.

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>LIABILITIES:</b>				
Accounts payable - trade	\$ 85,347	\$ 872,785	\$ --	\$ 197,561
Accounts payable - other	79,398	--	--	21,397
Other liabilities	4,063	240,913	--	--
Taxes payable	--	--	--	--
Contract retentions	--	--	--	883,200
Due to other funds (Note 7)	--	6,016,666	3,199,966	38,205
<b>Deferred revenues:</b>				
Prepaid fees and commissions (Note 16)	5,272,607	--	--	--
ARA equipment use fees (Note 16)	200,000	--	--	--
Bonds payable Series 1996 and 1998 (Note 9)	--	--	--	--
Compensated absences (Note 1)	--	--	--	--
Due to City of New Orleans	--	--	--	--
Net pension obligation (Note 14)	--	--	--	--
<b>Total liabilities</b>	<u>5,641,415</u>	<u>7,130,364</u>	<u>3,199,966</u>	<u>1,140,363</u>
<b>FUND EQUITY:</b>				
Investment in General Fixed Assets	--	--	--	--
<b>Fund Balances:</b>				
Reserved for encumbrances	111,073	--	--	--
Reserved for future employee benefits	--	--	--	--
<b>Reserved for Debt Service:</b>				
Series 1996 and 1998 Bonds	--	--	24,880,226	--
Reserved for future capital projects	--	--	--	22,260,883
Reserved for financial contingencies	15,000,000	--	--	--
Reserved for asset replacement	10,000,000	--	--	--
Unreserved	36,988,550	--	--	--
<b>Retained earnings:</b>				
Reserved for future employee benefits	--	--	--	--
<b>Total fund equity</b>	<u>62,099,623</u>	<u>--</u>	<u>24,880,226</u>	<u>22,260,883</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 67,741,038</u>	<u>\$ 7,130,364</u>	<u>\$ 28,080,192</u>	<u>\$ 23,401,246</u>

See accompanying notes.

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS	
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY) (NOTE 1)	
INTERNAL SERVICE	TRUST AND AGENCY FUNDS			1999	1998
\$ 374,428	\$ 2,216,707	\$ --	\$ --	\$ 85,954,692	\$ 66,633,244
--	--	--	--	26,325,767	31,929,804
--	--	--	--	2,900,822	5,097,015
--	--	--	--	3,133,846	2,029,613
--	2,345	--	--	1,350,786	1,177,821
--	--	--	--	9,255,407	5,705,572
--	324,284	--	--	349,284	309,455
--	--	20,796,293	--	20,796,293	20,796,293
--	--	449,339,468	--	449,339,468	441,415,846
--	--	19,310,609	--	19,310,609	15,905,844
--	--	--	24,880,226	24,880,226	23,778,071
--	--	--	169,829,774	169,829,774	174,906,929
--	--	--	1,313,379	1,313,379	1,513,379
--	--	--	413,926	413,926	379,147
--	--	--	337,391	337,391	144,729
<u>\$ 374,428</u>	<u>\$ 2,543,336</u>	<u>\$ 489,446,370</u>	<u>\$ 196,774,696</u>	<u>\$ 815,491,670</u>	<u>\$ 791,722,762</u>

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS		
		INTERNAL SERVICE	TRUST AND AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY) (NOTE 1)
					1999	1998
\$ 65,048	\$ --	\$ --	\$ --	\$ --	\$ 1,220,741	\$ 4,747,073
--	--	--	--	--	100,795	784,246
--	--	--	--	--	244,976	23,428
--	--	--	--	--	--	338
--	--	--	--	--	883,200	2,145,962
570	--	--	--	--	9,255,407	5,705,572
--	--	--	--	--	5,272,607	6,658,403
--	--	--	--	1,313,379	1,513,379	1,713,379
--	--	--	--	194,710,000	194,710,000	198,685,000
--	--	--	--	413,926	413,926	379,147
--	35,671	--	--	--	35,671	30,374
--	--	--	--	337,391	337,391	144,729
<u>65,618</u>	<u>35,671</u>	<u>--</u>	<u>196,774,696</u>	<u>--</u>	<u>213,988,093</u>	<u>221,017,651</u>
--	--	489,446,370	--	--	489,446,370	478,117,983
--	--	--	--	--	111,073	123,442
--	2,507,665	--	--	--	2,507,665	2,054,997
--	--	--	--	--	24,880,226	23,778,071
--	--	--	--	--	22,260,883	21,901,784
--	--	--	--	--	15,000,000	15,000,000
--	--	--	--	--	10,000,000	10,000,000
--	--	--	--	--	36,988,550	19,658,758
308,810	--	--	--	--	308,810	70,076
<u>308,810</u>	<u>2,507,665</u>	<u>489,446,370</u>	<u>--</u>	<u>--</u>	<u>601,503,577</u>	<u>570,705,111</u>
<u>\$ 374,428</u>	<u>\$ 2,543,336</u>	<u>\$ 489,446,370</u>	<u>\$ 196,774,696</u>	<u>\$ 815,491,670</u>	<u>\$ 791,722,762</u>	

**ERNEST N. MORIAL**  
**NEW ORLEANS EXHIBITION HALL AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND EQUITY -**  
**ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998**

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>REVENUES: (Note 1)</b>				
Equipment use fee (Note 16)	\$ 500,000	\$ --	\$ --	\$ --
Interest	3,371,541	--	1,183,481	519,346
Hotel taxes (Note 10-12)	--	23,682,192	--	--
Interfund administrative fee (Note 13)	--	23,837,493	--	--
Commissions (Note 15)	5,332,529	--	--	--
User charges	22,325,343	--	--	--
Receipts from other governments	--	--	--	10,827,420
Other	3,175,451	--	--	--
<b>Total revenues</b>	<u>34,704,864</u>	<u>47,519,685</u>	<u>1,183,481</u>	<u>11,346,766</u>
<b>EXPENDITURES: (Note 1)</b>				
Interfund administrative fee (Note 13)	23,837,493	--	--	--
Principal retirements	--	--	3,975,000	--
Interest expense	--	--	10,511,676	--
General and administrative	2,145,411	2,132,938	--	--
Sales and marketing	--	1,105,104	--	--
Event services	--	533,538	--	--
Building operations	--	14,580,352	--	--
Public safety	--	1,588,786	--	--
Technical services	--	2,291,669	--	--
Project administration	--	--	--	--
Consulting services	--	--	--	1,045,237
Site preparation and construction	--	--	--	10,315,479
Other expenditures	--	--	6,876	--
<b>Total expenditures</b>	<u>25,982,904</u>	<u>22,232,387</u>	<u>14,493,552</u>	<u>11,360,716</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>8,721,960</u>	<u>25,287,298</u>	<u>(13,310,071)</u>	<u>(13,950)</u>

See accompanying notes.

PROPRIETARY FUND TYPES		TOTALS	
		(MEMORANDUM ONLY)	
INTERNAL SERVICE		(NOTE 1)	
		1999	1998
\$	--	\$ 500,000	\$ 200,000
	--	5,074,368	4,749,366
	--	23,682,192	21,480,605
	--	23,837,493	18,254,033
	--	5,332,529	4,337,018
	--	22,325,343	14,956,544
	--	10,827,420	30,172,580
	--	3,175,451	2,511,534
	--	<u>94,754,796</u>	<u>96,661,680</u>
	--	23,837,493	18,254,033
	--	3,975,000	3,025,000
	--	10,511,676	9,955,074
	--	4,278,349	4,210,220
	--	1,105,104	515,928
	--	533,538	972,258
	--	14,580,352	10,405,839
	--	1,588,786	1,081,476
	--	2,291,669	1,732,241
	--	--	325
	--	1,045,237	1,392,798
	--	10,315,479	53,422,741
	898,519	<u>905,395</u>	<u>1,053,087</u>
	898,519	<u>74,968,078</u>	<u>106,021,020</u>
	(898,519)	<u>19,786,718</u>	<u>(9,359,340)</u>

**ERNEST N. MORIAL**  
**NEW ORLEANS EXHIBITION HALL AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND EQUITY -**  
**ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998**

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>OTHER FINANCING SOURCES (USES): (Note 1)</b>				
Operating transfers in:				
Hotel Occupancy Tax Fund	\$ --	\$ --	\$ 12,723,642	\$ --
Service Contractor/Tour Tax	--	--	1,789,386	--
Hotel Occupancy Food and Beverage Tax Fund	--	--	9,169,164	--
Debt Service 1996 and 1998 Series	9,269,966	--	787,033	--
Employees' Pension Fund and Benefits Fund	--	--	--	--
Other financing sources - Proceeds				
from bond issue	--	--	--	--
Phase IV - NOEHA Expansion Fund	--	--	--	400,000
Other financing uses - Bond issue cost				
	--	--	--	--
Operating transfers out:				
General Fund	--	--	(9,269,966)	--
Phase IV - NOEHA Expansion Fund	(400,000)	--	--	--
Employees' Pension Fund and Benefits Funds	(74,503)	(1,605,106)	--	(26,951)
1998 Construction Fund	--	--	--	--
Special Tax Bond Series 1996 and 1998	--	(23,682,192)	--	--
Debt Service 1996 and 1998 Series	--	--	(787,033)	--
Total other financing sources (uses)	<u>8,795,463</u>	<u>(25,287,298)</u>	<u>14,412,226</u>	<u>373,049</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>				
	17,517,423	--	1,102,155	359,099
Fund equity balances, beginning of year	44,782,200	--	23,778,071	21,901,784
Other changes in fund equity (Note 2)	<u>(200,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>FUND EQUITY, END OF YEAR</b>	<u>\$ 62,099,623</u>	<u>\$ --</u>	<u>\$ 24,880,226</u>	<u>\$ 22,260,883</u>

See accompanying notes.

PROPRIETARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
	(NOTE 1)	
	1999	1998
INTERNAL SERVICE		
\$ --	\$ 12,723,642	\$ 11,466,195
--	1,789,386	1,554,706
--	9,169,164	8,459,704
--	10,056,999	31,449,705
1,137,253	1,137,253	1,014,143
--	--	25,000,000
--	400,000	
--	--	(1,345,182)
--	(9,269,966)	(9,008,077)
--	(400,000)	--
--	(1,706,560)	(1,517,823)
--	--	(21,654,595)
--	(23,682,192)	(21,480,605)
--	(787,033)	(787,033)
<u>1,137,253</u>	<u>(569,307)</u>	<u>23,151,138</u>
238,734	19,217,411	13,791,798
70,076	90,532,131	76,940,333
--	(200,000)	(200,000)
<u>\$ 308,810</u>	<u>\$ 109,549,542</u>	<u>\$ 90,532,131</u>

**ERNEST N. MORIAL**  
**NEW ORLEANS EXHIBITION HALL AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES -**  
**BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND, SPECIAL REVENUE FUNDS,**  
**AND DEBT SERVICES FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES: (Note 1)</b>			
Equipment use fee (Note 16)	\$ 500,000	\$ 500,000	\$ --
Interest income	3,346,986	3,371,541	24,555
Hotel taxes (Notes 10-12)	--	--	--
Interfund administrative fee (Note 13)	--	--	--
Commissions (Note 15)	5,226,826	5,332,529	105,703
User charges	22,327,836	22,325,343	(2,493)
Other	<u>3,164,986</u>	<u>3,175,451</u>	<u>10,465</u>
<b>Total revenues</b>	<u>34,566,634</u>	<u>34,704,864</u>	<u>138,230</u>
<b>EXPENDITURES:</b>			
Interfund administrative fee (Note 13)	24,137,329	23,837,493	299,836
Principal retirements	--	--	--
Interest expense	--	--	--
General and administrative	2,167,910	2,145,411	22,499
Sales and marketing	--	--	--
Event services	--	--	--
Building operations	--	--	--
Public safety	--	--	--
Technical services	--	--	--
Other expenditures	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total expenditures</b>	<u>26,305,239</u>	<u>25,982,904</u>	<u>322,335</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 8,261,395</u>	<u>\$ 8,721,960</u>	<u>\$ 460,565</u>

See accompanying notes.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	1,221,444	1,183,481	(37,963)
24,056,901	23,682,192	(374,709)	--	--	--
24,137,329	23,837,493	(299,836)	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>48,194,230</u>	<u>47,519,685</u>	<u>(674,545)</u>	<u>1,221,444</u>	<u>1,183,481</u>	<u>(37,963)</u>
--	--	--	--	--	--
--	--	--	3,975,000	3,975,000	--
--	--	--	10,511,676	10,511,676	--
2,385,198	2,132,938	252,260	--	--	--
1,140,510	1,105,104	35,406	--	--	--
555,343	533,538	21,805	--	--	--
14,435,799	14,580,352	(144,553)	--	--	--
1,937,281	1,588,786	348,495	--	--	--
2,210,147	2,291,669	(81,522)	--	--	--
--	--	--	7,096	6,876	220
<u>22,664,278</u>	<u>22,232,387</u>	<u>431,891</u>	<u>14,493,772</u>	<u>14,493,552</u>	<u>220</u>
\$ <u>25,529,952</u>	\$ <u>25,287,298</u>	\$ <u>(242,654)</u>	\$ <u>(13,272,328)</u>	\$ <u>(13,310,071)</u>	\$ <u>(37,743)</u>

**ERNEST N. MORIAL**  
**NEW ORLEANS EXHIBITION HALL AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES -**  
**BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND, SPECIAL REVENUE FUNDS,**  
**AND DEBT SERVICES FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in:			
Hotel Occupancy Tax Fund	\$ --	\$ --	\$ --
Hotel Occupancy and Food and Beverage Tax Fund	--	--	--
Service Contractor/Tour Tax Fund	--	--	--
Debt Service 1996 and 1998 Series	9,269,966	9,269,966	--
Operating transfers out:			
General Fund	--	--	--
Phase IV - NOEHA Expansion Fund	(400,000)	(400,000)	--
Debt Service 1996 and 1998 Series	--	--	--
NOPFM - Employees' Pension Fund and Benefits Fund	(94,633)	(74,503)	20,130
Special Tax Bond Series 1996 and 1998	--	--	--
Total other financing sources (uses)	<u>8,775,333</u>	<u>8,795,463</u>	<u>20,130</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	17,036,728	17,517,423	480,695
Fund balances, beginning of year	44,782,200	44,782,200	--
Other changes in fund balances (Note 2)	<u>(200,000)</u>	<u>(200,000)</u>	<u>--</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 61,618,928</u>	<u>\$ 62,099,623</u>	<u>\$ 480,695</u>

See accompanying notes.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ --	\$ --	\$ --	\$ 13,022,064	\$ 12,723,642	\$ (298,422)
--	--	--	9,229,387	9,169,164	(60,223)
--	--	--	1,805,450	1,789,386	(16,064)
--	--	--	--	787,033	787,033
--	--	--	(10,784,573)	(9,269,966)	1,514,607
--	--	--	--	--	--
--	--	--	--	(787,033)	(787,033)
(1,473,051)	(1,605,106)	(132,055)	--	--	--
(24,056,901)	(23,682,192)	374,709	--	--	--
<u>(25,529,952)</u>	<u>(25,287,298)</u>	<u>242,654</u>	<u>13,272,328</u>	<u>14,412,226</u>	<u>1,139,898</u>
--	--	--	--	1,102,155	1,102,155
--	--	--	23,778,071	23,778,071	--
--	--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 23,778,071</u>	<u>\$ 24,880,226</u>	<u>\$ 1,102,155</u>

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
 STATEMENT OF PLAN NET ASSETS  
 FIDUCIARY FUND TYPE-PENSION TRUST FUND  
 DECEMBER 31, 1999  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	TOTALS	
	1999	1998
<b>ASSETS:</b>		
Cash	\$ 571,455	\$ 236,497
Interest receivable	2,345	33,243
<b>Investments:</b>		
At fair value - certificates of deposit	1,609,582	1,501,140
At contract value - insurance contract cash value	324,284	284,455
Total Assets	2,507,665	2,055,335
 <b>LIABILITIES:</b>		
Taxes payable	--	337
Total Liabilities	--	337
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 2,507,665</b>	<b>\$ 2,054,998</b>

See accompanying notes.

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
 STATEMENT OF CHANGES IN PLAN NET ASSETS  
 FIDUCIARY FUND TYPE-PENSION TRUST FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	TOTALS	
	1999	1998
<b>ADDITIONS:</b>		
Contributions:		
Operating transfers from other funds	\$ 569,307	\$ 503,680
Investment income - interest	150,748	90,297
Other - insurance proceeds	53,097	215,709
Total additions	773,152	809,686
<b>DEDUCTIONS:</b>		
Benefits	229,521	441,514
Insurance premiums	90,964	70,381
Total deductions	320,486	511,895
Net change in plan assets	452,667	297,791
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:</b>		
Beginning of year	2,054,998	1,757,207
<b>END OF YEAR</b>	\$ 2,507,665	\$ 2,054,998

See accompanying notes.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

INTRODUCTION

The New Orleans Exhibition Hall Authority (the Authority) was organized July 10, 1978 by an act of the Louisiana Legislature to plan, finance, construct and manage a convention and exhibition center in the City of New Orleans. The Authority is a corporate and political subdivision of the State of Louisiana, administered by a Board of Commissioners consisting of twelve (12) members appointed by the Governor of Louisiana and the Mayor of New Orleans.

The Authority commenced operation on February 5, 1979. In August of 1983, the Authority established the New Orleans Public Facility Management, Inc. (NOPFM), doing business as the New Orleans Convention Center (NOCC) to manage the operations of the Convention Center. During the 1992 fiscal year, both the Authority and NOCC were dedicated to former New Orleans' Mayor, Ernest N. Morial. In connection therewith, the names of the facility and the Authority were changed. The Authority is now named the Ernest N. Morial New Orleans Exhibition Hall Authority (ENMNOEHA) and the New Orleans Convention Center is now named the Ernest N. Morial Convention Center-New Orleans (ENMCC-NO). Under the present management agreement, NOPFM will neither own assets nor retain revenues generated from operations of the ENMCC-NO. All funds used for the operation of ENMCC-NO by NOPFM are provided by the Authority by means of an interfund administrative fee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following is a summary of certain significant accounting policies.

FINANCIAL REPORTING ENTITY:

This report includes all funds and account groups which are controlled by or dependent upon the Authority. Control by or dependence on the Authority was determined on the basis of budget adoption and general oversight responsibility. The accounts of NOPFM are included within the Authority.

BASIS OF PRESENTATION:

The accompanying financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING:

The Authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds are grouped, in the financial statements in this report, into three fund types and two account groups as follows:

FUND TYPES:

Governmental Funds:

These are the funds through which most governmental functions typically are financed. The following are the Authority's governmental fund types:

General Fund:

The General Fund is the general operating fund of the Authority. 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 that are legally restricted to expenditures for specific 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:

These funds are used to account for financial resources to be used for the acquisition, construction, or improvement of major capital facilities not reported in the other governmental funds.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND TYPES: (Continued)

Proprietary Funds:

Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector.

Internal Service Funds:

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds:

These are the funds used to account for assets held by the Authority in a trustee or agency capacity.

Trust and Agency Funds:

Trust and Agency Funds are used to account for assets held by the Authority in a trustee capacity or as an agent for individuals and/or other funds.

ACCOUNT GROUPS:

General Fixed Assets Account Group:

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes.

General Long-Term Debt Account Group:

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term liabilities.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND DESCRIPTION - SPECIAL REVENUE FUNDS:

New Orleans Public Facility Management, Inc. Operating Fund (NOPFM):

The NOPFM fund is used to account for the management operation expenditures of the ENMCC-NO. The funding is provided by the Authority by an interfund administrative fee. At no point does this fund own assets nor retain revenues.

Hotel Occupancy Tax Fund:

This fund accounts for the hotel taxes levied and collected on the occupancy of hotel and motel rooms within Orleans Parish as established by the 1978 Louisiana legislature regular session. This tax is dedicated to the 1996 and 1998 bond issues and is collected on behalf of the Authority by the Louisiana Department of Revenue and Taxation.

Hotel Occupancy/Food and Beverage Tax Fund:

The taxes accounted for in this fund consist of a hotel occupancy tax and a food and beverage tax which are collected by the Louisiana Department of Revenue and Taxation on behalf of the Authority. These taxes are dedicated to the payment of the 1996 and 1998 bond issues. This occupancy tax was established by the 1987 Louisiana legislative session and is separate and unique from the hotel occupancy tax of 1978.

Service Contractor and Tour Tax Fund:

This fund accounts for the tax collected on the furnishing of goods and services in conjunction with trade shows, conventions, and exhibitions located in Orleans Parish. Additionally, a tax is collected on the sale of sight seeing tickets and tours in that parish. These taxes are dedicated to the payment of the 1996 and 1998 bond issues and are collected on behalf of the Authority by the Louisiana Department of Revenue and Taxation.

FUND DESCRIPTION - DEBT SERVICE FUNDS:

Reserve Fund:

The debt service reserve fund was established by the 1996 and the 1998 bond indentures. The reserve fund balance is the lower of the maximum requirement of \$14,486,676 or 10% of the original principal issued \$205,000,000 (\$20,500,000).

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND DESCRIPTION - DEBT SERVICE FUNDS: (Continued)

Debt Service Fund:

The debt service is funded by the special revenue taxes collected and transferred to this fund as dedicated. It subsequently pays the 1996 and 1998 principal and interest sinking fund requirements as per the 1996 and 1998 bond indentures.

FUND DESCRIPTION - CAPITAL PROJECTS FUNDS:

Land Acquisition:

The land acquisition fund was established to account for the property purchased and legal cost incurred for Phase II and Phase III.

NOEHA Phase III:

This fund was established to account for Phase III expenditures financed by the ENMNOEHA general fund.

State of Louisiana Phase III:

The State dedicated funding to the Phase III expansion project. This fund accounts for the revenues received from the State and the Phase III expenditures related to them.

1996 Construction Fund:

This fund was established based upon the 1996 bond indenture which requires a separate accounting of the Phase III expansion expenditures.

1998 Construction Fund:

This fund was established based upon the 1998 bond indenture which requires a separate accounting of the Phase III expansion expenditures.

City of New Orleans Phase III:

The City dedicated funding to the Phase III expansion project; hence, this fund was established to account for the activity.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND DESCRIPTION - CAPITAL PROJECTS FUNDS: (Continued)

Phase IV Expansion Project:

This fund was established to account for the feasibility study and architectural design of Phase IV.

FUND DESCRIPTION - FIDUCIARY FUNDS:

Nonexpendable Trust - NOPFM Pension Plan Fund:

This fund accounts for the retirement benefits of the NOPFM and Authority employees. The employer funds the plan based upon actuarial computations.

Agency Funds:

The Rouse Lease Clearing Fund and the Venture Lease Escrow Fund account for rental income received and remitted to the City of New Orleans for property the City owns. The City requested that the Authority handle the rental collections.

FUND DESCRIPTION - PROPRIETARY FUNDS:

Internal Service:

The Internal Service Fund is used to record the health insurance costs of the employer and employees.

BASIS OF ACCOUNTING:

All Fund Types and Account Groups are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. Hotel tax collections are considered "measurable" when in the hands of the collecting agency and are recognized as revenue at that time. Anticipated collection fees are recorded as reductions of revenue when they are measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, with the exception of expenditures for debt service and other long-term obligations which are recognized when paid.

The Pension Trust Fund and the Internal Service Fund are accounted for using the accrual basis of accounting. The expenses of this fund are recognized when they are incurred.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

OTHER FINANCING SOURCES (USES):

Proceeds from lease-purchases, bond issuances, compensation for loss or damage to fixed assets, gain (loss) on investments, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These financing sources (uses) are recognized at the time the underlying events occur.

BUDGETARY DATA:

The Authority utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

Each department is required to prepare a budget and submit it to the Board of Commissioners.

Upon review and completion of all actions necessary to finalize and implement the budget, it is then adopted through passage of a Board of Commissioners' motion prior to the commencement of the fiscal year to which the budget applies.

Budgetary amendments involving (a) the transfer of funds from one department, program or function to another, or (b) changes in revenues and/or expenditures require the approval of the Board of Commissioners.

*All budgetary appropriations lapse at the end of each fiscal year.*

Budgets for the General, Special Revenue and Debt Service Funds are prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended from time to time by the Board of Commissioners.

INVESTMENTS:

All investments of the Authority are recorded in the financial statements at fair market value and are furnished by the Authority's investment custodians.

FIXED ASSETS:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased, constructed or donated, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, estimated cost, or fair value if donated.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

COMPENSATED ABSENCES:

Compensated absences which accumulate or vest are described as follows:

Vacation - Full time employees in regular status earn annual leave at the following rate:

6 months to 5 years of continuous service:	10 days
6 to 10 years of continuous service:	15 days
over 10 years of continuous service:	20 days

The maximum annual leave shall be cumulative for not more than the amount to be earned by a regular status employee in two (2) years.

The Authority's liability for accumulated unpaid vacation of \$413,926 has been recorded in the general long-term debt group of accounts.

CASH EQUIVALENTS:

The Authority considers all investments with maturities of three (3) months or less to be cash equivalents.

CAPITALIZED INTEREST:

The Authority records the capital project expenditures in the general fixed asset account group upon completion. Interest cost is charged to operations as incurred. There is no effect on future operations since the capital project cost is recognized upon completion and is not subject to depreciation expense. Interest cost incurred and charged to operations was \$10,511,676.

ENCUMBRANCES:

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 as an extension of formal budgetary procedures in the General Fund. Encumbrances outstanding at year end are reported as a reservation of the General Fund's fund balance since they do not constitute expenditures or liabilities.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

DUE TO/FROM OTHER FUNDS:

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables and short-term interfund loans are classified as due to/from other funds.

LONG-TERM OBLIGATIONS:

Long-term obligations expected to be financed from the Special Revenue Funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the Debt Service Fund when due.

FUND EQUITY:

Reserves:

Reserves represent those portions of fund equity for future expenditures which are legally and/or board segregated for a specific use.

Designated Fund Balances:

Designated fund balances represent tentative plans for future use of financial resources.

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as operating transfers.

ACCOUNTING ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

TOTAL COLUMNS ON COMBINED STATEMENTS - MEMORANDUM ONLY:

Total columns on the combined 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 changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

INCOME TAXES:

The Authority is exempt from taxation under Section 527 of the Internal Revenue Code.

2. OTHER CHANGES IN FUND BALANCES:

Other changes in fund balances consist of \$200,000 which represents the increase in the long-term portion of deferred revenues in the general fund.

3. CASH AND CERTIFICATES OF DEPOSITS:

Louisiana state law allows political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other state or federally insured investment.

As of December 31, 1999, the fair value of the Authority's cash and certificates of deposit was \$17,951,618 and \$68,003,074, respectively, and the related bank balances were \$18,218,550 and \$68,003,074.

State law requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. The uninsured and uncollateralized portion was \$371,888 at December 31, 1999. The remaining balance was insured by Federal Depository Insurance and collateralization.

4. INVESTMENTS:

The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

4. INVESTMENTS: (Continued)

Category 1 - Insured or registered securities held by the Authority or its agent in the Authority's name.

Category 2 - Uninsured and unregistered securities held by the counterparty's trust department or agent in the Authority's name.

Category 3 - Uninsured and unregistered securities held by the counterparty or by its trust department or agent, but not in the Authority's name.

	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Cost</u>	<u>Market</u> <u>Value</u>
Certificates of Deposit	<u>\$26,325,767</u>	\$--	\$--	<u>\$26,325,767</u>	<u>\$26,325,767</u>
	<u>\$26,325,767</u>	\$--	\$--	<u>\$26,325,767</u>	<u>\$26,325,767</u>

5. TAXES RECEIVABLE:

Taxes receivable at December 31, 1999 represent the Hotel Occupancy Tax, the Hotel Occupancy Food and Beverage Tax and the Service Contractors and Tour Tax proceeds which have been collected by the State of Louisiana as follows:

Special Revenue Funds:

Hotel Occupancy Tax Fund:

2% of the Hotel Occupancy Tax for the  
repayment of the Hotel Occupancy Tax  
Refunding Bonds Series 1996 and 1998

\$ 1,970,110

Hotel Occupancy Food and Beverage Fund:

Tax for the repayment of the Bond  
Series 1996 and 1998

997,638

Service Contractors and Tour Tax

166,098

TOTAL

\$ 3,133,846

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

6. ACCOUNTS RECEIVABLE:

Accounts receivable as of December 31, 1999 consist of the following items:

	<u>Customers</u>	<u>Contractors/ Licenses</u>	<u>Other</u>	<u>Totals</u>
Special Revenue Funds:				
NOPFM	\$2,359,846	\$35,497	\$ 30,266	\$2,425,609
Capital Projects Funds:				
Phase III	--	--	468,267	468,267
General Fund	--	--	6,946	6,946
TOTAL	<u>\$2,359,846</u>	<u>\$35,497</u>	<u>\$505,479</u>	<u>\$2,900,822</u>

A. Customers:

These amounts represent funds due to the ENMCC-NO in connection with the use of the building and its facilities. As of December 31, 1999, the management of the ENMCC-NO has determined all receivables to be collectible.

B. Contractors/Licenses:

These amounts represent commissions due to the ENMCC-NO as part of contractual agreements.

C. Other:

These amounts represent miscellaneous amounts due to NOPFM and the General Fund. The Capital Projects amount relates to an insurance claim.

7. DUE TO/FROM OTHER FUNDS:

The following schedule is a summary of the interfund receivables and payables as shown in the financial statements at December 31, 1999:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 38,205
	Debt Service Fund	3,199,966
	Special Revenue	2,882,820
	Internal Service	<u>570</u>
Subtotal		<u>6,121,561</u>

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

7. DUE TO/FROM OTHER FUNDS: (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund: Refunding Bond Series 1996 and 1998	Special Revenue: Hotel Occupancy Tax Hotel Occupancy/Food and Beverage Tax Service Contractor/Tour Tax	\$1,970,110  997,638 <u>166,098</u>
Subtotal		<u>3,133,846</u>
TOTAL DUE FROM/TO OTHER FUNDS		<u>\$ 9,255,407</u>

8. CHANGES IN GENERAL FIXED ASSETS:

A summary of the changes in general fixed assets is as follows:

<u>Description</u>	<u>January 1 1999</u>	<u>Additions Retirements, Transfers or Adjustments (Net)</u>	<u>December 31, 1999</u>
Land and leasehold improvements	\$ 20,796,293	\$ --	\$ 20,796,293
Building and improvements	441,415,846	7,923,622	449,339,468
Equipment	<u>15,905,844</u>	<u>3,404,766</u>	<u>19,310,609</u>
	<u>\$478,117,983</u>	<u>\$11,328,388</u>	<u>\$489,446,370</u>

9. CHANGES IN GENERAL LONG-TERM DEBT:

The following is a summary of long-term obligation transactions during the year:

	<u>Bond Debt</u>	<u>ARA Equipment Use Fee</u>	<u>Compensated Absences</u>	<u>Pension Obligation</u>	<u>Total</u>
Balance 1/1/99	\$198,685,000	\$1,513,379	\$ 379,147	\$ 144,729	\$200,722,255
Net additions (deductions)	<u>(3,975,000)</u>	<u>(200,000)</u>	<u>34,779</u>	<u>192,662</u>	<u>(3,947,559)</u>
Balance 12/31/99	<u>\$194,710,000</u>	<u>\$1,313,379</u>	<u>\$413,926</u>	<u>\$ 337,391</u>	<u>\$196,774,696</u>

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999

9. CHANGES IN GENERAL LONG-TERM DEBT: (Continued)

Special Tax Bonds Series 1996 and 1998:

The following is a summary of the bond transactions of the Series 1996 and 1998 Bonds for the year ended December 31, 1999:

Special Tax Bonds Series 1996 and 1998:	
Bonds payable, January 1, 1999	\$198,685,000
Principal payment during the year	<u>(3,975,000)</u>
Bonds payable, December 31, 1999	<u>\$194,710,000</u>

On February 13, 1996, the Authority issued the Series 1996 Bonds which comprises three (3) special tax series bonds: (1) Series 1996-A, \$43,035,000; (2) Series 1996-B, \$12,880,000; and (3) Series 1996-C, \$124,085,000. Interest rates on the bonds vary over the life of the bond: (1) Series 1996-A, 4.30% to 5.25%; (2) Series 1996-B, 5.31% to 5.75%; (3) Series 1996-C, 4.30% to 5.40%.

The Series 1996 Bonds were issued in accordance with Act No. 305 of the 1978 Regular Session of the Louisiana Legislature, as amended for the following purposes:

- (i) The Series 1996-A Bonds were issued to advance refund:
  - a. \$28,067,212 (principal and compounded amount) of the Authority's Hotel Occupancy Tax Refunding Bonds, Series 1983, and
  - b. \$3,995,000 of the Authority's Special Tax Bonds, Series 1989A.
- (ii) The Series 1996-B Bonds were issued to advance refund:
  - a. \$12,560,000 of the Authority's Hotel Occupancy Tax Refunding Bonds, Series 1992.
- (iii) The Series 1996-C Bonds were issued to refund:
  - a. \$17,800,000 of the Authority's Special Tax Bonds, Series 1989B, and
  - b. \$5,300,000 of the Authority's Special Tax Bonds, Series 1991.

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9. CHANGES IN GENERAL LONG-TERM DEBT: (Continued)

The Series 1996-C and 1998 Bonds were also issued for financing a portion of the cost of acquiring, constructing, installing and equipping the Phase III expansion project at the Ernest N. Morial Convention Center - New Orleans, and funding a deposit to the reserve fund. A portion of the proceeds of each Series of Series 1996 and 1998 Bonds were used to pay costs of issuance, including the costs incurred in connection with obtaining credit enhancement for the Series 1996 and 1998 Bonds, pursuant to the terms of a Trust Indenture dated as of January 15, 1996 and 1998 between the Authority and Bank One, New Orleans, Louisiana, as trustee.

The Authority previously issued its Hotel Occupancy Tax Bonds, Series 1981 for the purpose of constructing Phase I of the Convention Center. The Hotel Occupancy Tax Bonds, Series 1981 were advance refunded by the Authority's Hotel Occupancy Tax Refunding Bonds, Series 1983, issued in the original principal amount of \$48,135,000. A portion of the Series 1983 Bonds was advance refunded by the Authority's Hotel Occupancy Tax Refunding Bonds, Series 1992, issued in the original principal amount of \$22,045,000, i.e., \$18,895,000 of the Series 1983 Bonds maturing January 15, 1994 through July 15, 1998 was called for optional redemption on January 15, 1993, at a price of 103% plus accrued interest and \$2,400,000 of the Series 1983 Bonds maturing on January 15, 1999 was escrowed to their maturity.

The refunding accomplished by the issuance of the Series 1996-A Bonds was the second advance refunding to date of the un-refunded portion of the Series 1983 Refunding Bonds which refunded the Hotel Occupancy Tax Bonds, Series 1981 and the first advance refunding to date of the Series 1989A Refunded Bonds.

The principal and interest on the Series 1996 and 1998 Bonds are payable from the proceeds of the levy and collection of (i) the two percent (2%) hotel occupancy tax being levied by the Authority within the Parish of Orleans; (ii) special taxes, more specifically (a) a tax on the paid occupancy of hotel rooms within the Parish of Orleans per occupied hotel room per night according to hotel guest room capacity and (b) a tax on food and beverage sales sold by any food service establishment (within certain exclusions) located within the Parish of Orleans or in any airport facility within the Parish or any airport or air transportation facility owned and operated by the City of New Orleans, Louisiana in an amount of one half percent (1/2%) of gross receipts from food and beverage sales; (iii) a special tax levied by the Authority in the Parish on the furnishing of goods and services provided on a contractual basis by service contractors, in conjunction with trade shows, conventions and exhibits in an amount equal to two percent (2%) of the total charges specified in the contract to be paid for such goods and services; and (iv) a \$1.00 tax levied by the Authority on all tickets sold in the Parish for per capita sightseeing tours or tours which include sightseeing in the Parish (with certain exclusions).

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9. CHANGES IN GENERAL LONG-TERM DEBT: (Continued)

The Authority issued Special Tax Bonds, Series 1998, in February 1998 totalling \$25,000,000. The bonds are dated January 15, 1998 and consist of serial bonds of \$2,500,000 maturing over the next three years and term bonds of \$22,500,000 maturing July 15, 2027. The bond interest rates vary from 3.80% to 5.00%. Interest is payable semi-annually each January 15 and July 15. The debt service requirements are combined with the 1996 issue. These bonds were issued to provide the additional funding to complete the Phase III expansion project.

The Bonds and the interest thereon do not constitute a debt of the State of Louisiana or any political subdivision thereof or a charge against the credit or taxing powers of the State or any other political subdivision thereof, other than the Authority.

The remaining debt service on the Series 1996 and 1998 Bonds is as follows:

	<u>1996 Series A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ --	\$ 2,083,093	\$ 2,083,093
2001	3,105,000	2,083,093	5,188,093
2002	3,225,000	1,949,578	5,174,578
2003	3,365,000	1,807,678	5,172,678
2004	3,515,000	1,656,253	5,171,253
2005-2011	<u>29,825,000</u>	<u>6,379,248</u>	<u>36,204,248</u>
<b>TOTAL</b>	<b><u>\$43,035,000</u></b>	<b><u>\$15,958,943</u></b>	<b><u>\$ 58,993,943</u></b>
	<u>1996 Series B</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ <u>3,375,000</u>	\$ <u>194,063</u>	\$ <u>3,569,063</u>
<b>TOTAL</b>	<b><u>\$ 3,375,000</u></b>	<b><u>\$ 194,063</u></b>	<b><u>\$ 3,569,063</u></b>
	<u>1996 Series C</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ --	\$ 6,833,695	\$ 6,833,695
2001	390,000	6,833,695	7,223,695
2002	420,000	6,816,925	7,236,925
2003	440,000	6,798,445	7,238,445
2004	460,000	6,778,645	7,238,645
2005-2011	<u>122,375,000</u>	<u>102,035,005</u>	<u>224,410,005</u>
<b>TOTAL</b>	<b><u>\$124,085,000</u></b>	<b><u>\$136,096,410</u></b>	<b><u>\$260,181,410</u></b>

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9. CHANGES IN GENERAL LONG-TERM DEBT: (Continued)

	<u>Principal</u>	<u>1998 Series Interest</u>	<u>Total</u>
2000	\$ 805,000	\$ 1,191,080	\$ 1,996,080
2001	910,000	1,160,490	2,070,490
2002	--	1,125,000	1,125,000
2003	--	1,125,000	1,125,000
2004	--	1,125,000	1,125,000
2005-2027	<u>22,500,000</u>	<u>25,326,250</u>	<u>47,826,250</u>
<b>TOTAL</b>	<u>\$24,215,000</u>	<u>\$31,052,820</u>	<u>\$55,267,820</u>

As of December 31, 1999, the amounts available for debt service and to be provided for were \$24,880,226 and \$169,829,774, respectively.

10. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - HOTEL OCCUPANCY TAX:

The Series 1996 and 1998 Bonds are payable from revenues derived by the Authority from the Hotel Occupancy Tax authorized by Act No. 305 of the Regular Session of the Legislature of Louisiana for the year 1978, as amended (the Act) and earnings on certain funds and accounts of the Authority. The Hotel Occupancy Tax is levied and collected on the occupancy of hotel and motel rooms within the Parish of Orleans. Initially established as a 1% tax, the rate (with approval by the legislature and public referendum) was increased to 2%, effective October 1, 1980.

During the year ended December 31, 1999, the Authority received \$12,723,642 (which is net of a 2% collection fee of \$259,666).

There are other taxes on the occupancy of hotel and motel rooms in Orleans Parish. Those taxes are not available for the payment of debt service on the Series 1996 and 1998 Bonds. The Series 1996 and 1998 Bonds are solely the obligation of the Authority and not of the State of Louisiana or any other agency or political subdivision thereof.

This tax is dedicated to the 1996 and 1998 Bond Series (see Note 9) and those taxes are presently being collected within the City and other locations on behalf of the Authority by the Louisiana Department of Revenue and Taxation (the Department).

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11. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - HOTEL OCCUPANCY/FOOD AND BEVERAGE TAX:

Pursuant to Act 390 of the regular session of the Legislature of Louisiana for 1987, the Authority is empowered to levy and collect a Hotel Occupancy Tax (the "1988 Hotel Occupancy Tax") and a Food and Beverage Tax (collectively referred to as the "Tax"), to secure bonds to be issued to finance a portion of the costs of the ENMCC-NO expansion. The 1988 Hotel Occupancy Tax is separate and distinct from the 1978 Hotel Occupancy Tax levied by the Authority and pledged to secure the Series 1983 Bonds. The Tax has additionally been approved by the City Council and was imposed pursuant to a special election held on November 21, 1987.

On February 24, 1988, the Authority adopted a resolution authorizing the actual levy and collection of the Tax to be effective April 1, 1988. The Tax which secures the 1996 Bond Series is presently being collected within the City and other locations on behalf of the Authority pursuant to a Contract of Agency for Collection of Taxes with the Louisiana Department of Revenue and Taxation (the Department). The Department is required to remit tax collections to the Authority, initially net of the \$200,000 annual collections fee retained by the Department at the rate of 3% of monthly collection until the total amount is attained. The collection fee is subject to annual renegotiation.

During the year ended December 31, 1999, the Authority received \$9,169,164 (which is net of a 3% collection fee of \$211,865).

1988 Hotel Occupancy Tax:

The 1988 Hotel Occupancy Tax is levied in the amount of fifty cents (\$0.50) per occupied hotel room per night for hotels containing ten (10) to two hundred ninety-nine (299) rooms, one dollar (\$1.00) per occupied hotel room per night for hotels containing three hundred (300) to nine hundred ninety-nine (999) guest rooms and two dollars (\$2.00) per occupied hotel room for hotels containing one thousand (1,000) or more guest rooms. The 1988 Hotel Occupancy Tax will automatically terminate upon payment in full of all bonds or other obligations of the Authority payable in whole or in part from or secured by the 1988 Hotel Occupancy Tax.

Food And Beverage Tax:

The Food and Beverage Tax is a tax in the amount of one-half of one percent (0.5%) imposed on the gross receipts from the sale of food and beverages in any food service establishment. For purposes of this tax, "food service establishment" means any fixed or mobile restaurant; coffee shop; cafeteria; short order cafe; luncheonette; grill; tearoom; sandwich shop; soda fountain; tavern; bar; cocktail lounge; night club; roadside stand; industrial feeding establishment; private, public or nonprofit establishment routinely serving food; catering

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11. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - HOTEL OCCUPANCY/FOOD AND BEVERAGE TAX: (Continued)

Food And Beverage Tax: (Continued)

kitchen; commissary; delicatessen; convenience store; grocery store; or similar place in which food or drink is prepared for sale for service on the premises or elsewhere; and any other establishment or operation where food or drink is served or provided for the public. The tax is applicable to all such establishments located within the City or in any airport or air transportation facility owned and operated by the City, excluding food service establishments which have annual gross receipts from food and beverage sales of less than \$200,000 from the operation of all such establishments during the calendar year prior to the year in which such tax is assessed. The tax additionally is not applicable to meals furnished to the staff and students of educational institutions; the staff and patients of hospitals; the staff, inmates and patients of mental institutions and the boarders of rooming houses. The Food and Beverage Tax will automatically terminate upon payment in full of all Bonds or other obligations of the Authority payable in whole or in part from or secured by the Food and Beverage Tax.

12. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SERVICE CONTRACTOR AND TOUR TAX:

Service Contractor Tax:

Pursuant to Act 42 of the regular session of the Legislature of Louisiana for 1994 which amended Act 305 of 1978, the Authority is empowered to levy and impose a 2% tax on the furnishing of goods and services in conjunction with trade shows, conventions, and exhibitions located within Orleans Parish. "Goods and services" means merchandise, wares, materials, labor, assistance or benefit provided in connection with the installation and dismantling of exhibits, displays and booths, decorations, electrical supplies, materials handling, drayage, flowers and floral decorations, computers, audio and visual equipment, bands and orchestra, lighting trusses, rigging and associated equipment, furniture, carpets, signs, props, floats, business machines, plumbing, telephones, photography, utilities, balloons, scaffolding, forklifts, high lifts, security, information retrieval system, and any other services or items associated with the above. Specifically, excluded are foods and beverages and the shuttle services of attendees to and from the location of the convention and trade show. The effective date of the service contractor tax was May 1, 1995.

Tour Tax:

Pursuant to Act 42 of the regular session of the Legislature of Louisiana for 1994 which amended Act 305 of 1978, the Authority is empowered to levy and impose a one dollar (\$1.00) tax on the sale of tickets sold in the Parish of Orleans for per capita sight seeing tours in the Parish of Orleans, and for tours a portion of which includes sight-seeing in the Parish of Orleans. The effective date of the tour tax was May 1, 1995.

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12. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SERVICE CONTRACTOR AND TOUR TAX: (Continued)

Tour Tax: (Continued)

This tax is dedicated to the 1996 and 1998 Bond Series (see Note 9) and those taxes are presently being collected within the City and other locations on behalf of the Authority by the Louisiana Department of Revenue and Taxation (the Department).

During the year ended December 31, 1999, the Authority received \$1,789,386 (which is net of a 3% collection fee of \$55,342).

13. INTERFUND ADMINISTRATIVE FEE:

Under the terms of the management agreement between the Authority and New Orleans Public Facility Management, Inc. (NOPFM) all revenues generated by the operations of the ENMCC-NO are forwarded to the Authority. Also, NOPFM does not own any assets or retain any income, and all expenses incurred in the operations of the ENMCC-NO are reimbursed by the Authority.

For the year ended December 31, 1999, the Authority reimbursed NOPFM \$23,837,493 as an Interfund Administrative Fee.

14. NOPFM EMPLOYEES' PENSION PLAN:

Plan Description:

The New Orleans Public Facility Management, Inc. (NOPFM) is the administrator of a single employer defined benefit retirement plan. The Ernest N. Morial New Orleans Exhibition Hall Authority has affiliated itself with the Plan. The Plan was established in accordance with Louisiana Revised Statute 12:207(9) for the purpose of providing retirement benefits for substantially all employees of NOPFM and the Authority.

All full-time employees over the age of twenty-one years and employed over six months as of April 1 of each year are eligible to participate in the Plan. Plan benefits vest after five years of credited service. Employees who retire at or after age 65 are entitled to a monthly benefit based on average compensation. The Plan also provides death and disability benefits. The benefit provision and all other requirements are established by the Plan.

An actuarial valuation was prepared as of January 1, 1999.

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14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Plan Description: (Continued)

At January 1, 1999 and 1998, the actuarial valuations reported employees participating in the plan as follows:

	<u>January 1,</u>	
	<u>1999</u>	<u>1998</u>
Fully vested, partially and nonvested active employees covered	334	277
Employees terminated with deferred vested benefits	<u>24</u>	<u>14</u>
TOTAL PARTICIPANTS AT VALUATION DATE	<u>358</u>	<u>291</u>

Pension Benefits:

The normal retirement benefit is calculated at 2.5% of average compensation multiplied by years of service (not to exceed 20 years) less 50% of the entitled social security benefit under the Social Security Act in effect at retirement.

At retirement, the participant may choose a single lump sum payment, monthly installments, insurance or annuity policies or an annuity contract.

Death Benefits:

If a vested participant dies, the surviving spouse or beneficiary is entitled to receive a benefit.

Funding Status and Progress:

The Plan has obtained life insurance to provide the pre-retirement death benefits and has established a trust fund to accumulate assets for future employee benefits.

The contribution requirement is determined annually by actuarial valuation. Contributions are made on a monthly basis as a percent of compensation.

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14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Annual Pension Cost and Net Pension Obligation:

The Authority's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$765,944
Interest on net pension obligation	10,131
Adjustment to annual required contribution	<u>(14,106)</u>
Annual pension cost	761,969
Less: contributions made	<u>569,307</u>
Change in net pension obligation	192,662
Net pension obligation beginning of year	<u>144,729</u>
Net pension obligation end of year	<u>\$337,391</u>

The annual required contribution for the current year was determined as part of the January 1, 1999 actuarial valuation using the aggregate cost method. The actuarial assumptions included a preretirement interest rate of 7.25% and a post-retirement rate of 7.5%. The salary increase assumption was 4.0% per year. For valuation purposes, assets were valued at market value. Under the aggregate actuarial method, there is no separate unfunded actuarial liability to be funded.

<u>Year</u> <u>Ending</u>	<u>Fund Information</u>		<u>Net</u> <u>Pension</u> <u>Obligation</u>
	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	
12-31-98	\$648,409	77.68%	\$144,729
12-31-99	761,969	74.72	337,391

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14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Annual Pension Cost and Net Pension Obligation: (Continued)

The Plan investments as of December 31, 1999 are reported at approximate fair market values as furnished and consist of:

	<u>Amount</u>	<u>Term</u>	<u>Rate</u>
Cash - Liberty Bank	\$ 571,455 (1)	N/A	N/A
Insurance contract cash value - New England	324,284 (1)	N/A	N/A
Certificate of deposit: Hibernia	<u>1,609,581 (1)</u>	60 - 180 days	5.28 - 5.35%
Total	<u>\$2,505,320</u>		

(1) investments exceeding 5% of net asset value.

The Entry Age Normal Cost Method was used to calculate funding requirements of the Fund. Certain actuarial assumptions are used to determine the actuarial accrued liability. There were no changes in actuarial assumptions or benefit assumptions that affected the valuation of the actuarial accrued liability as of the actuarial valuation performed as of January 1, 1999.

As of January 1, 1999, the actuarial accrued liabilities - entry age applicable to the Authority's current and terminated employees was calculated as follows:

Vested accrued benefits	\$ 1,975,927
Non-vested benefits	<u>2,421,031</u>
Actuarial accrued liability - entry age	<u>\$ 4,396,958</u>

Contributions to the Plan are determined on an actuarial basis using the Entry Age Normal Cost Method. As of the January 1, 1999 actuarial valuation, the recommended minimum contribution to the Plan for normal cost was \$739,150. Contributions to the Plan during 1999 totaled \$569,307.

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14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Historical Trend Information:

The following information was available on the plan as of the last three valuation dates:

	<u>January</u> <u>1999</u>	<u>January</u> <u>1998</u>	<u>April</u> <u>1997</u>
Net assets available for benefits as a percentage of the Actuarial Accrued Liability - Entry Age Normal	46.70%	45.90%	45.80%
Unfunded Actuarial Accrued Liability - Entry Age Normal as a percentage of covered payroll	27.50	29.00	25.50
Contributions required as a percentage of covered payroll	8.67	8.77	8.34

The following schedules of funding progress and contributions are prepared as of the date of the last two actuarial valuations:

<u>Schedule of Funding Progress</u>						
<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>Entry Age</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u>
April 1, 1997	\$1,527,840	\$3,333,677	\$1,805,837	45.8%	\$7,070,343	25.5%
January 1, 1998	1,757,206	3,828,380	2,071,174	45.9	7,141,903	29.0
January 1, 1999	2,054,997	4,396,958	2,341,961	46.7	8,529,944	27.5

<u>Schedule of Contributions</u>			
<u>Year</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u> <u>(APC)</u>	<u>Percent</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
1997	\$589,742	63%	\$ N/A
1998	648,409	78	144,729
1999	761,969	75	337,391

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14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Historical Trend Information: (Continued)

The information presented in the Schedule of Contributions and Schedule of Funding Progress was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 1999
Actuarial Cost/Method	Entry Age Normal
Actuarial Asset Values: Certificates of Deposit and Cash Surrender Value of Life Insurance	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increase	4.00%
Cost of Living Adjustments	None

15. COMMISSIONS:

Under the contractual agreements with vendors allowed to operate within the ENMCC-NO, the Authority receives various commissions. For the year ended December 31, 1999, the Authority received \$5,332,529 in commissions as follows:

Food Service Commissions	\$5,137,293
Telephone Commissions	<u>195,236</u>
Total Commissions	<u>\$5,332,529</u>

16. DEFERRED REVENUE:

A summary of the General Fund deferred revenue is as follows:

Equipment usage fee (current portion)	\$ 200,000
Customer prepayments	<u>5,272,607</u>
Total Deferred Revenue	<u>\$5,472,607</u>

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16. DEFERRED REVENUE: (Continued)

Equipment Usage Fee:

The Authority, under the terms of a food service contract, has granted a contractor exclusive rights to operate all food service areas, bars, refreshment stands and vending operations selling food, beverages and tobacco products within the ENMCC-NO.

The contract required the contractor to pay an equipment usage fee of \$5 million dollars. The current portion of this fee is recorded as deferred revenue of the general fund and the long-term portion of this fee is recorded as a component of the general long-term debt group. For the year ended December 31, 1999 equipment usage fees amounted to \$200,000.

As of December 31, 1999, the balance of the deferred equipment usage fee is as follows:

Current portion	\$ 200,000
Long-term amount to be earned in future years	<u>1,313,379</u>
Total	<u>\$1,513,379</u>

Also, under the terms of the contractual agreement, the contractor is entitled to a refund of the unamortized portion of the equipment usage fee in the event of termination of the contract.

The Authority requires users of ENMCC-NO to prepay certain items (i.e. facility rental) as part of the rental agreement. As of December 31, 1999, the Authority was in receipt of \$5,250,282 that related to such prepaid items.

17. COMMITMENTS:

The Authority has entered into a long-term contract with a construction company for the construction of the Phase III expansion of the Convention Center. As of December 31, 1999, \$192,464,845 has been disbursed from a total contract amount of \$193,351,045 resulting in a remaining contractual obligation totaling \$886,200. The construction has been completed; however, the Organization is still working through "punch list" items.

18. SUMMARY OF CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS:

A summary of changes in agency fund deposits due others follows:

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18. SUMMARY OF CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS: (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Rouse Lease Clearing Fund	\$30,000	\$ 228,464	\$228,464	\$ 30,000
Venture Lease Escrow Fund	<u>374</u>	<u>60,369</u>	<u>55,072</u>	<u>5,671</u>
TOTAL	<u>\$30,374</u>	<u>\$ 288,833</u>	<u>\$283,536</u>	<u>\$ 35,671</u>

19. RESERVED AND DESIGNATED FUND BALANCES:

Reserved for Encumbrances:

The amount of \$111,073 has been reserved to pay for outstanding requisitions and purchase orders as of December 31, 1999.

Reserved for Debt Service:

Monies are reserved in the Debt Service Fund to pay the principal and interest maturing in future years on bonded debt. At December 31, 1999, the balance of the reserve is \$24,880,226.

Reserved For Capital Improvements:

Monies are reserved in the Capital Projects Fund for building construction. At December 31, 1999, the balance of the Reserve is \$22,260,883.

Reserved For Future Employee Benefits:

Monies are reserved in the Internal Service Fund and the Fiduciary Fund to provide for future health insurance and claims costs and future pension and death benefits for employees. At December 31, 1999, the balance of the reserves was \$2,816,475.

Reserved For Financial Contingencies:

The reserve has been established to provide a contingency in the event tax collections were to fall below required debt service. At December 31, 1999, the balance of the reserve was \$15,000,000.

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19. RESERVED AND DESIGNATED FUND BALANCES: (Continued)

Reserved For Asset Replacement:

The reserve has been established by the Board of Commissioners to provide for the repair and replacement of assets as they become older. At December 31, 1999, the balance of the reserve was \$10,000,000.

20. SELF INSURANCE - INTERNAL SERVICE FUND:

The Authority is self insured for hospitalization claims up to \$35,000 per employee or an aggregate of approximately \$955,000 for total claims per year. The excess is insured under an insurance policy. The fund is administered by an independent insurance service company.

The estimated claims liability is computed based on information received from the administrator of the plan. The following represents a reconciliation of total claims liability:

Liability balance, January 1	\$ 84,199
Claims and changes in estimates	670,500
Claims payments	<u>(689,651)</u>
LIABILITY BALANCE, DECEMBER 31	<u>\$ 65,048</u>

21. OPERATING LEASES:

The Authority is the lessor of ATM space under an operating lease expiring in 2002. The ATM space rental is based on a percentage of the surcharge of each withdrawal transaction from deposit accounts with institutions other than the lessee. The income generated during 1999 from this rental was \$25,205.

22. LITIGATION AND CLAIMS:

At December 31, 1999, the Ernest N. Morial Exhibition Hall Authority and New Orleans Public Facility Management, Inc. are defendants in several law suits seeking damages. These lawsuits are in various stages of resolution and since these cases are characterized by conditions and complexities, estimation of the ultimate liability is extremely difficult.

Claims against the Ernest N. Morial Exhibition Hall Authority range from a minimum of \$-0- to a maximum of \$3,315,000. No provision for a claims liability is included in the financial statements.

23. RECLASSIFICATIONS:

Certain reclassifications have been made to the prior year's financial statement amounts. These reclassifications had no effect on prior year excess (deficiency) of revenues and other sources over expenditures and other uses.

## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

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	New Orleans Public Facility Management, Inc. Operating Fund	Hotel Occupancy Tax Fund	Hotel Occupancy/ Food and Beverage Tax Fund
<b>ASSETS:</b>			
Cash	\$ 1,570,909	\$ --	\$ --
Accounts receivable	2,425,609	--	--
Taxes receivable	--	1,970,110	997,638
Other assets	--	--	--
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,996,518</u></b>	<b><u>\$ 1,970,110</u></b>	<b><u>\$ 997,638</u></b>
<b>LIABILITIES:</b>			
Accounts payable - trade	\$ 872,785	\$ --	\$ --
Other liabilities	240,913	--	--
Due to other funds	2,882,820	1,970,110	997,638
Total liabilities	<u>3,996,518</u>	<u>1,970,110</u>	<u>997,638</u>
<b>FUND BALANCES:</b>			
Designated for subsequent year's expenditures	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 3,996,518</u></b>	<b><u>\$ 1,970,110</u></b>	<b><u>\$ 997,638</u></b>

Service Contractor and Tour Tax Fund	Totals (Memorandum Only) (Note 1)	
	<u>1999</u>	<u>1998</u>
\$ --	\$ 1,570,909	\$ 257,163
--	2,425,609	946,041
166,098	3,133,846	2,029,613
--	--	--
<u>\$ 166,098</u>	<u>\$ 7,130,364</u>	<u>\$ 3,232,817</u>
\$ --	\$ 872,785	\$ 715,911
--	240,913	233,576
166,098	6,016,666	2,283,330
<u>166,098</u>	<u>7,130,364</u>	<u>3,232,817</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 166,098</u>	<u>\$ 7,130,364</u>	<u>\$ 3,232,817</u>

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	New Orleans Public Facility Management, Inc. <u>Operating Fund</u>	Hotel Occupancy <u>Tax Fund</u>	Hotel Occupancy/ Food and Beverage <u>Tax Fund</u>
<b>REVENUES:</b>			
Hotel, food and beverage, service contractor and tour taxes	\$ --	\$ 12,723,642	\$ 9,169,164
Interfund administrative fees	23,837,493	--	--
Total revenues	<u>23,837,493</u>	<u>12,723,642</u>	<u>9,169,164</u>
<b>EXPENDITURES:</b>			
General and administrative	2,132,938	--	--
Sales and marketing	1,105,104	--	--
Event services	533,538	--	--
Building operations	14,580,352	--	--
Public safety	1,588,786	--	--
Technical services	2,291,669	--	--
Total expenditures	<u>22,232,387</u>	<u>--</u>	<u>--</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,605,106</u>	<u>12,723,642</u>	<u>9,169,164</u>
<b>OTHER FINANCING USES:</b>			
Operating transfers-out:			
NOPFM Employees' Pension and Benefits Fund	(1,605,106)	--	--
Special Tax Bond Series 1996 and 1998	--	(12,723,642)	(9,169,164)
Total other financing uses	<u>(1,605,106)</u>	<u>(12,723,642)</u>	<u>(9,169,164)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	--	--	--
Fund balances - beginning of year	<u>--</u>	<u>--</u>	<u>--</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Service Contractor and Tour Tax Fund	Totals (Memorandum Only) (Note 1)	
	1999	1998
\$ 1,789,386	\$ 23,682,192	\$ 21,480,605
--	23,837,493	18,254,033
<u>1,789,386</u>	<u>47,519,685</u>	<u>39,734,638</u>
--	2,132,938	2,120,499
--	1,105,104	972,258
--	533,538	515,928
--	14,580,352	10,405,839
--	1,588,786	1,081,476
--	2,291,669	1,732,241
<u>--</u>	<u>22,232,387</u>	<u>16,828,241</u>
<u>1,789,386</u>	<u>25,287,298</u>	<u>22,906,397</u>
--	(1,605,106)	(1,425,792)
<u>(1,789,386)</u>	<u>(23,682,192)</u>	<u>(21,480,605)</u>
<u>(1,789,386)</u>	<u>(25,287,298)</u>	<u>(22,906,397)</u>
--	--	--
<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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	New Orleans Public Facility Management, Inc.		
	Operating Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Hotel, food and beverage, service contractor and tour taxes	\$ --	\$ --	\$ --
Interfund administrative fee	24,137,329	23,837,493	(299,836)
Total revenues	<u>24,137,329</u>	<u>23,837,493</u>	<u>(299,836)</u>
<b>EXPENDITURES:</b>			
General and administrative	2,385,198	2,132,938	252,260
Sales and marketing	1,140,510	1,105,104	35,406
Event services	555,343	533,538	21,805
Building operations	14,435,799	14,580,352	(144,553)
Public safety	1,937,281	1,588,786	348,495
Technical services	2,210,147	2,291,669	(81,522)
Total expenditures	<u>22,664,278</u>	<u>22,232,387</u>	<u>431,891</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,473,051</u>	<u>1,605,106</u>	<u>132,055</u>
<b>OTHER FINANCING USES:</b>			
Operating transfers out:			
NOPFM Employees' Pension and Benefits Fund	(1,473,051)	(1,605,106)	(132,055)
Special Tax Bond Series 1996 and 1998	--	--	--
Total other financing uses	<u>(1,473,051)</u>	<u>(1,605,106)</u>	<u>(132,055)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	--	--	--
Fund balances, beginning of year	--	--	--
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



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	Service Contractor and Tour Tax Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>REVENUES:</b>			
Hotel, food and beverage, service contractor and tour taxes	\$ 1,805,450	\$ 1,789,386	\$ (16,064)
Interfund administrative fee	--	--	--
<b>Total revenues</b>	<b>1,805,450</b>	<b>1,789,386</b>	<b>(16,064)</b>
<b>EXPENDITURES:</b>			
General and administrative	--	--	--
Sales and marketing	--	--	--
Event services	--	--	--
Building operations	--	--	--
Public safety	--	--	--
Technical services	--	--	--
<b>Total expenditures</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,805,450</b>	<b>1,789,386</b>	<b>(16,064)</b>
<b>OTHER FINANCING USES:</b>			
Operating transfers out:			
NOPFM Employees' Pension and Benefits Fund	--	--	--
Special Tax Bond Series 1996 and 1998	(1,805,450)	(1,789,386)	16,064
<b>Total other financing uses</b>	<b>(1,805,450)</b>	<b>(1,789,386)</b>	<b>16,064</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>--</b>	<b>--</b>	<b>--</b>
Fund balances, beginning of year	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>



## DEBT SERVICE FUNDS

Debt Service Funds are used to account for the payment of interest and principal on all general obligation debt.

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	Special Tax Bond Series 1996 and 1998		Totals (Memorandum Only) (Note 1)	
	Reserve Fund	Debt Service Fund	1999	1998
<b>ASSETS:</b>				
Cash and certificates of deposit	\$ --	\$ 9,932,195	\$ 9,932,195	\$ 1,230,854
Investments	14,486,676	--	14,486,676	23,438,806
Accrued interest receivable	--	527,475	527,475	468,626
Due from other funds	--	3,133,846	3,133,846	2,029,613
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 14,486,676</u></b>	<b><u>\$ 13,593,516</u></b>	<b><u>\$ 28,080,192</u></b>	<b><u>\$ 27,167,899</u></b>
<b>LIABILITIES:</b>				
Due to other funds	\$ --	\$ 3,199,966	\$ 3,199,966	\$ 3,389,828
Total liabilities	--	3,199,966	3,199,966	3,389,828
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>FUND BALANCES:</b>				
Reserved for Debt Service	14,486,676	10,393,550	24,880,226	23,778,071
Total fund balances	<u>14,486,676</u>	<u>10,393,550</u>	<u>24,880,226</u>	<u>23,778,071</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 14,486,676</u></b>	<b><u>\$ 13,593,516</u></b>	<b><u>\$ 28,080,192</u></b>	<b><u>\$ 27,167,899</u></b>

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	Special Tax Bond Series 1996 and 1998		Totals (Memorandum Only) (Note 1)	
	Reserve Fund	Debt Service Fund	1999	1998
REVENUES:				
Interest income	\$ 787,033	\$ 396,448	\$ 1,183,481	\$ 1,186,233
Total revenues	<u>787,033</u>	<u>396,448</u>	<u>1,183,481</u>	<u>1,186,233</u>
EXPENDITURES:				
Principal retirements	--	3,975,000	3,975,000	3,025,000
Interest expense	--	10,511,676	10,511,676	9,955,074
Other expenditures	--	6,876	6,876	8,277
Total expenditures	<u>--</u>	<u>14,493,552</u>	<u>14,493,552</u>	<u>12,988,351</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>787,033</u>	<u>(14,097,104)</u>	<u>(13,310,071)</u>	<u>(11,802,118)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers-in:				
Hotel Occupancy Tax Fund	--	12,723,642	12,723,642	11,466,195
Hotel Occupancy Food and Beverage Tax Fund	--	9,169,164	9,169,164	8,459,704
Service Contractor/Tour Tax	--	1,789,386	1,789,386	1,554,706
Debt Service 1996 and 1998	--	787,033	787,033	787,033
Other financing sources - Proceeds from bond issue	--	--	--	25,000,000
Operating transfers-out:				
General Fund	--	(9,269,966)	(9,269,966)	(9,008,077)
1998 Construction Fund	--	--	--	(21,654,595)
1996 and 1998 Debt Service Fund	(787,033)	--	(787,033)	(787,033)
Other financing uses - Bond issue cost	--	--	--	(1,345,182)
Total other financing sources (uses)	<u>(787,033)</u>	<u>15,199,259</u>	<u>14,412,226</u>	<u>14,472,751</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>--</u>	<u>1,102,155</u>	<u>1,102,155</u>	<u>2,670,633</u>
Fund balances - beginning of year	<u>14,486,676</u>	<u>9,291,395</u>	<u>23,778,071</u>	<u>21,107,438</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,486,676</u>	<u>\$ 10,393,550</u>	<u>\$ 24,880,226</u>	<u>\$ 23,778,071</u>

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Special Tax Bonds Series 1996 and 1998  
 Debt Service Fund

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Interest income	\$ 1,221,444	\$ 1,183,481	\$ (37,963)
Total revenues	<u>1,221,444</u>	<u>1,183,481</u>	<u>(37,963)</u>
<b>EXPENDITURES:</b>			
Principal retirements	3,975,000	3,975,000	--
Interest expense	10,511,676	10,511,676	--
Other expenditures	7,096	6,876	220
Total expenditures	<u>14,493,772</u>	<u>14,493,552</u>	<u>220</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(13,272,328)</u>	<u>(13,310,071)</u>	<u>(37,743)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in:			
Hotel Occupancy Tax Fund	13,022,064	12,723,642	(298,422)
Hotel Occupancy Food and Beverage Tax Fund	9,229,387	9,169,164	(60,223)
Service Contractor/Tour Tax Fund	1,805,450	1,789,386	(16,064)
1996 and 1998 Debt Service Fund	--	787,033	787,033
Other Financing Sources - Proceeds From Bond Issue	--	--	--
Operating Transfers Out:			
1998 Construction Fund	--	--	--
1996 and 1998 Debt Service Fund	--	(787,033)	(787,033)
General Fund	(10,784,573)	(9,269,966)	1,514,607
Other Financing Uses - Bond Issue Cost	--	--	--
Total other financing sources (uses)	<u>13,272,328</u>	<u>14,412,226</u>	<u>1,139,898</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	--	1,102,155	1,102,155
Fund balances, beginning of year	<u>23,778,071</u>	<u>23,778,071</u>	--
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 23,778,071</u>	<u>\$ 24,880,226</u>	<u>\$ 1,102,155</u>

Totals (Memorandum Only) (Note 1)		
1998		
Budget	Actual	Variance Favorable (Unfavorable)
1,125,000	1,186,233	61,233
<u>1,125,000</u>	<u>1,186,233</u>	<u>61,233</u>
3,025,000	3,025,000	--
9,955,074	9,955,074	--
528	8,277	(7,749)
<u>12,980,602</u>	<u>12,988,351</u>	<u>(7,749)</u>
<u>(11,855,602)</u>	<u>(11,802,118)</u>	<u>53,484</u>
11,299,563	11,466,195	166,632
8,370,562	8,459,704	89,142
1,401,451	1,554,706	153,255
--	787,033	787,033
25,000,000	25,000,000	--
(21,654,595)	(21,654,595)	--
--	(787,033)	(787,033)
(8,216,502)	(9,008,077)	(791,575)
<u>(1,345,182)</u>	<u>(1,345,182)</u>	<u>--</u>
<u>14,855,297</u>	<u>14,472,751</u>	<u>(382,546)</u>
2,999,695	2,670,633	(329,062)
<u>21,107,438</u>	<u>21,107,438</u>	<u>--</u>
<u>24,107,133</u>	<u>23,778,071</u>	<u>(329,062)</u>

## CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital facilities of the Authority.

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	Land Acquisition	NOEHA Phase III	State of Louisiana Phase III	1996 Construction Fund
<b>ASSETS:</b>				
Cash and certificates of deposit	\$ 214,314	\$ 1,122,585	\$ 6,825,474	\$ 1,062,502
Accounts receivable	--	--	--	--
Accrued interest receivable	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b><u>\$ 214,314</u></b>	<b><u>\$ 1,122,585</u></b>	<b><u>\$ 6,825,474</u></b>	<b><u>\$ 1,062,502</u></b>
 <b>LIABILITIES:</b>				
Accounts payable - trade	\$ --	\$ --	\$ 194,785	\$ --
Accounts payable - other	--	--	21,397	--
Contract retentions	--	--	669,357	7,000
Due to other funds	--	--	38,205	--
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>923,744</u></b>	<b><u>7,000</u></b>
 <b>FUND BALANCES:</b>				
Designated for future capital projects	214,314	1,122,585	5,901,730	1,055,502
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total fund balances</b>	<b><u>214,314</u></b>	<b><u>1,122,585</u></b>	<b><u>5,901,730</u></b>	<b><u>1,055,502</u></b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>				
	<b><u>\$ 214,314</u></b>	<b><u>\$ 1,122,585</u></b>	<b><u>\$ 6,825,474</u></b>	<b><u>\$ 1,062,502</u></b>

City of New Orleans Phase III.	1998 Construction Fund	Phase IV Expansion Project	Totals (Memorandum Only) (Note 1)	
			1999	1998
\$ 5,825,660	\$ 7,438,346	\$ 400,000	\$ 22,888,881	\$ 23,931,151
468,267	--	--	468,267	4,143,444
15,884	28,214	--	44,098	23,244
<u>\$ 6,309,811</u>	<u>\$ 7,466,560</u>	<u>\$ 400,000</u>	<u>\$ 23,401,246</u>	<u>\$ 28,097,839</u>
\$ 2,776	\$ --	--	\$ 197,561	\$ 4,017,679
--	--	--	21,397	--
53,971	152,872	--	883,200	2,145,962
--	--	--	38,205	32,414
<u>56,747</u>	<u>152,872</u>	<u>--</u>	<u>1,140,363</u>	<u>6,196,055</u>
<u>6,253,064</u>	<u>7,313,688</u>	<u>400,000</u>	<u>22,260,883</u>	<u>21,901,784</u>
<u>6,253,064</u>	<u>7,313,688</u>	<u>400,000</u>	<u>22,260,883</u>	<u>21,901,784</u>
<u>\$ 6,309,811</u>	<u>\$ 7,466,560</u>	<u>\$ 400,000</u>	<u>\$ 23,401,246</u>	<u>\$ 28,097,839</u>

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**FOR THE YEAR ENDED DECEMBER 31, 1999**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998**

	Land Acquisition	NOEHA Phase III	State of Louisiana Phase III	1996 Construction Fund
<b>REVENUES:</b>				
Interest income	\$ --	\$ --	\$ 33,667	\$ --
Receipts from other governments	--	--	10,827,420	--
Total revenues	<u>--</u>	<u>--</u>	<u>10,861,087</u>	<u>--</u>
<b>EXPENDITURES:</b>				
Consulting services	--	--	1,045,237	--
Site preparation and construction	--	--	10,276,632	--
Total expenditures	<u>--</u>	<u>--</u>	<u>11,321,869</u>	<u>--</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>--</u>	<u>--</u>	<u>(460,782)</u>	<u>--</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in:				
Debt Service 1996 and 1998 Series	--	--	--	--
General fund	--	--	--	--
Operating transfers out:				
Employees Pension Fund and Benefits Fund	--	--	(26,951)	--
Total other financing sources	<u>--</u>	<u>--</u>	<u>(26,951)</u>	<u>--</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>--</u>	<u>--</u>	<u>(487,733)</u>	<u>--</u>
Fund balances - beginning of year	<u>214,314</u>	<u>1,122,585</u>	<u>6,389,463</u>	<u>1,055,502</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 214,314</u>	<u>\$ 1,122,585</u>	<u>\$ 5,901,730</u>	<u>\$ 1,055,502</u>

City of New Orleans Phase III	1998 Construction Fund	Phase IV Expansion Project	Totals (Memorandum Only) (Note 1)	
			1999	1998
\$ 149,283	\$ 336,396	\$ --	\$ 519,346	\$ 1,176,322
--	--	--	10,827,420	30,172,580
<u>149,283</u>	<u>336,396</u>	<u>--</u>	<u>11,346,766</u>	<u>31,348,902</u>
--	--	--	1,045,237	1,392,798
<u>38,847</u>	<u>--</u>	<u>--</u>	<u>10,315,479</u>	<u>53,422,741</u>
<u>38,847</u>	<u>--</u>	<u>--</u>	<u>11,360,716</u>	<u>54,815,539</u>
<u>110,436</u>	<u>336,396</u>	<u>--</u>	<u>(13,950)</u>	<u>(23,466,637)</u>
--	--	--	--	21,654,595
--	--	400,000	400,000	--
--	--	--	(26,951)	(34,557)
--	--	400,000	373,049	21,620,038
110,436	336,396	400,000	359,099	(1,846,599)
<u>6,142,628</u>	<u>6,977,292</u>	<u>--</u>	<u>21,901,784</u>	<u>23,748,383</u>
<u>\$ 6,253,064</u>	<u>\$ 7,313,688</u>	<u>\$ 400,000</u>	<u>\$ 22,260,883</u>	<u>\$ 21,901,784</u>

## FIDUCIARY FUNDS

The Fiduciary Funds account for assets held by the Authority in a trustee capacity, or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include non-expendable trust funds, pension trust funds and agency trust funds.

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
 SUPPLEMENTARY INFORMATION  
 COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES  
 DECEMBER 31, 1999  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	Non-Expendable Trust	Agency Funds		Totals (Memorandum) (Note 1)	
	New Orleans Public Facility Management, Inc. Employees Pension Plan	Rouse Lease Clearing Fund	Venture Lease Escrow	1999	1998
<b>ASSETS:</b>					
Cash and certificates of deposit	\$ 2,181,036	\$ 30,000	\$ 5,671	\$ 2,216,707	\$ 1,768,011
Accrued interest receivable	2,345	--	--	2,345	33,243
	<u>2,183,381</u>	<u>30,000</u>	<u>5,671</u>	<u>2,219,052</u>	<u>1,801,254</u>
<b>OTHER ASSET:</b>					
Cash surrender value of life insurance	324,284	--	--	324,284	284,455
	<u>324,284</u>	<u>--</u>	<u>--</u>	<u>324,284</u>	<u>284,455</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,507,665</u>	<u>\$ 30,000</u>	<u>\$ 5,671</u>	<u>\$ 2,543,336</u>	<u>\$ 2,085,709</u>
<b>LIABILITIES:</b>					
Due to City of New Orleans	\$ --	\$ 30,000	\$ 5,671	\$ 35,671	\$ 30,374
Taxes payable	--	--	--	--	338
Total liabilities	<u>--</u>	<u>30,000</u>	<u>5,671</u>	<u>35,671</u>	<u>30,712</u>
<b>FUND BALANCES:</b>					
Reserved for future employee benefits	2,507,665	--	--	2,507,665	2,054,997
Total fund balances	<u>2,507,665</u>	<u>--</u>	<u>--</u>	<u>2,507,665</u>	<u>2,054,997</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,507,665</u>	<u>\$ 30,000</u>	<u>\$ 5,671</u>	<u>\$ 2,543,336</u>	<u>\$ 2,085,709</u>

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND - ROUSE LEASE CLEARING FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Balances December 31, 1998	Additions	Deductions	Balances December 31, 1999
<b>ASSETS:</b>				
Cash	\$ <u>30,000</u>	\$ <u>228,464</u>	\$ <u>228,464</u>	\$ <u>30,000</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>30,000</u></b>	<b>\$ <u>228,464</u></b>	<b>\$ <u>228,464</u></b>	<b>\$ <u>30,000</u></b>
<b>LIABILITIES:</b>				
Due to City of New Orleans	\$ <u>30,000</u>	\$ <u>228,464</u>	\$ <u>228,464</u>	\$ <u>30,000</u>
<b>TOTAL LIABILITES</b>	<b>\$ <u>30,000</u></b>	<b>\$ <u>228,464</u></b>	<b>\$ <u>228,464</u></b>	<b>\$ <u>30,000</u></b>

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
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 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND - VENTURE LEASE ESCROW FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Balances December 31, 1998	Additions	Deductions	Balances December 31, 1999
<b>ASSETS:</b>				
Cash	\$ <u>374</u>	\$ <u>60,369</u>	\$ <u>55,072</u>	\$ <u>5,671</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>374</u></b>	<b>\$ <u>60,369</u></b>	<b>\$ <u>55,072</u></b>	<b>\$ <u>5,671</u></b>
<b>LIABILITIES:</b>				
Due to City of New Orleans	\$ <u>374</u>	\$ <u>60,369</u>	\$ <u>55,072</u>	\$ <u>5,671</u>
<b>TOTAL LIABILITES</b>	<b>\$ <u>374</u></b>	<b>\$ <u>60,369</u></b>	<b>\$ <u>55,072</u></b>	<b>\$ <u>5,671</u></b>

## ACCOUNT GROUPS

The General Fixed Assets and Long-Term Debt Account Groups are used to establish accounting control and accountability for the Authority's fixed assets and the unmatured principal of its general long-term debt.

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF GENERAL FIXED ASSETS  
 DECEMBER 31, 1999  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	<u>1999</u>	<u>1998</u>
<b>GENERAL FIXED ASSETS:</b>		
Land and leasehold improvements	\$ 20,796,293	\$ 20,796,293
Building and building improvements	449,339,468	441,415,846
Equipment	<u>19,310,609</u>	<u>15,905,844</u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<b><u>\$489,446,370</u></b>	<b><u>\$478,117,983</u></b>
 <b>INVESTMENT IN GENERAL FIXED ASSETS:</b>		
General Fund Revenues	\$ 65,218,921	\$ 65,191,158
Grants and appropriations:		
State of Louisiana	210,638,156	199,291,744
U.S. Government	17,500,000	17,500,000
City of New Orleans	1,496,463	1,496,464
Downtown Development District	2,000,000	2,000,000
Pre-Issue Construction Fund	4,621,559	4,693,258
Proceeds from bond issues	<u>187,971,271</u>	<u>187,945,359</u>
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b><u>\$489,446,370</u></b>	<b><u>\$478,117,983</u></b>

ERNEST N. MORIAL  
 NEW ORLEANS EXHIBITION HALL AUTHORITY  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF GENERAL LONG-TERM DEBT  
 DECEMBER 31, 1999  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	<u>1999</u>	<u>1998</u>
<b>AMOUNTS AVAILABLE AND AMOUNTS TO BE PROVIDED:</b>		
Amount available in Debt Service Funds:		
Series 1996 and 1998	\$ 24,880,226	\$ 23,778,071
Amount to be provided for payment of:		
Series 1996 and 1998	169,829,774	174,906,929
Amount of deferred revenue to be earned in future years	1,313,379	1,513,379
Amount to be provided for payment of compensated absences	413,926	379,147
Amount to be provided for retirement benefits	<u>337,391</u>	<u>144,729</u>
 <b>TOTAL AMOUNTS AVAILABLE AND   AMOUNTS TO BE PROVIDED</b>	 <b><u>\$196,774,696</u></b>	 <b><u>\$200,722,255</u></b>
 <b>GENERAL LONG-TERM DEBT PAYABLE:</b>		
Bonds payable Series 1996 and 1998	\$194,710,000	\$198,685,000
ARA equipment use fee	1,313,379	1,513,379
Compensated absences	413,926	379,147
Net pension obligation	<u>337,391</u>	<u>144,729</u>
 <b>TOTAL GENERAL LONG-TERM DEBT PAYABLE</b>	 <b><u>\$196,774,696</u></b>	 <b><u>\$200,722,255</u></b>

ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY  
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED  
ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999

February 18, 2000

To the Board of Commissioners  
Ernest N. Morial  
New Orleans Exhibition Hall Authority

We have audited the general purpose financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) as of and for the year ended December 31, 1999, and have issued our report thereon dated February 18, 2000. 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.

COMPLIANCE:

As part of obtaining reasonable assurance about whether the Authority'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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Security for Deposits of Funds: (99-1)

Louisiana Revised Statute 49:321(C) requires that funds held by a depository authority be fully collateralized and insured. At December 31, 1999 the Authority had \$1,103,892 on deposit at Liberty Bank and Trust Company, New Orleans, Louisiana. Collateral and insurance covering the deposits totaled \$732,004. Uninsured and uncollateralized deposits totaled \$371,888.

We recommend that the depository authority noted be required to monitor deposits held to ensure that the appropriate amount of collateral is set aside.

RESPONSE:

Management concurs with your recommendation. This situation has subsequently been rectified. Additional collateral has been pledged for the Authority's accounts and funds have been withdrawn from Liberty Bank and Trust. Our contract with Liberty requires that sufficient collateral be pledged at all times. Furthermore, the Authority's lead Fiscal Agent Bank, Hibernia National Bank, has agreed to assist the Authority in the monitoring of the accounts held at Liberty Bank and Trust. Additionally, the Authority is requesting Liberty Bank and Trust to furnish regular reports on the collateral pledged to the accounts with the balances on deposit in the various accounts.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

In planning and performing our audit, we considered the Authority'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

This report is intended solely for the use of management and Board of Commissioners of the Ernest N. Morial New Orleans Exhibition Hall Authority and the Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

*Duplantier, Chapman, Hogan & Mader LLP*



ERNEST N. MORIAL  
NEW ORLEANS EXHIBITION HALL AUTHORITY

David M. Ohlmeyer, CPA  
*Chief Financial Officer/Controller*

March 14, 2000

William G. Stamm, CPA, Partner  
Duplantier, Hrapmann, Hogan and Maher  
Certified Public Accountants  
1340 Poydras Street, Suite 2000  
New Orleans, Louisiana 70112

Dear Mr. Stamm:

Management of the Ernest N. Morial New Orleans Exhibition Hall Authority offers the following response to your letter addressed to the Board of Commissioners of the Ernest N. Morial New Orleans Exhibition Hall Authority.

*Security for Deposits of Funds: (99-1)*

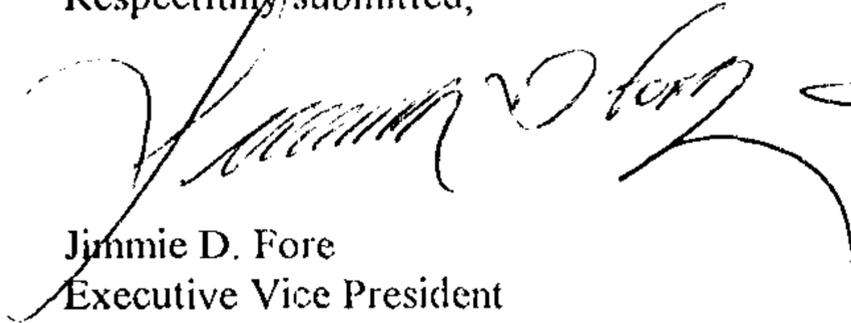
Louisiana Revised Statute 49:321 (c) requires that funds held by a depositing authority be fully collateralized and insured. At December 31, 1999 the Authority had \$1,103,892 on deposit at Liberty Bank and Trust Company, New Orleans, Louisiana. Collateral and insurance covering the deposits totaled \$732,004. Uninsured and uncollateralized deposits totaled \$371,888.

We recommend that the depository authority noted be required to monitor deposits held to ensure that the appropriate amount of collateral is set aside.

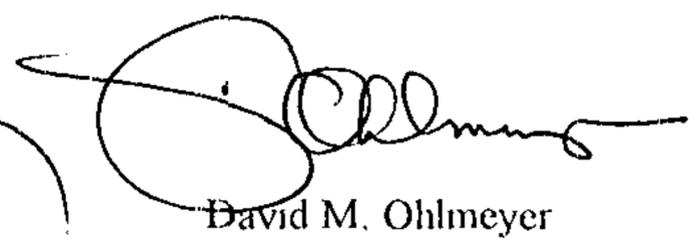
Management concurs with your recommendation. This situation has subsequently been rectified. Additional collateral has been pledged for the Authority's accounts and funds have been withdrawn from Liberty Bank and Trust. Our contract with Liberty requires that sufficient collateral be pledged at all times. Furthermore, the Authority's lead Fiscal Agent Bank, Hibernia National Bank, has agreed to assist the Authority in the monitoring of the accounts held at Liberty Bank and Trust. Additionally, the Authority is requesting Liberty Bank and Trust to furnish regular reports on the collateral pledged to the accounts with the balances on deposit in the various accounts.

We believe that the foregoing fully addresses the comment in your letter to our Board on compliance. We appreciate your observations and suggestions for improving the efficiencies of the operation of our facility.

Respectfully submitted,



Jimmie D. Fore  
Executive Vice President



David M. Ohlmeyer  
CFO/Controller

