

**ERNEST N. MORIAL NEW ORLEANS
EXHIBITION HALL AUTHORITY**

Audits of Financial Statements

December 31, 2024 and 2023



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Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 4 through 9, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
April 24, 2025

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Management's Discussion and Analysis

The Management's Discussion and Analysis of the Ernest N. Morial New Orleans Exhibition Hall Authority's (the Authority) financial performance presents a narrative overview and analysis of the Authority's financial activities for the years ended December 31, 2024 and 2023. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available). Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Ernest N. Morial New Orleans Exhibition Hall Authority's exclusive mission is to finance, construct, and operate facilities in order to attract and conduct conventions, trade shows, and other events that support and expand the economy of both the State of Louisiana and New Orleans Region. In support of this mission, the following are notable financial results from 2024:

- 2024 saw a 1% decrease in the number of events (125) compared to 2023, with an increase in the out-of-town attendees (537,407) of 7.5%. Total attendance (683,873) saw a 5.6% increase, and the number of room nights (734,684) saw a 29% increase compared to 2023.
- Net position increased by \$15.6MM due to investment income generated from the Authority's investment portfolio coupled with higher interest rates as well as an increase in tax revenues.
- Cash increased by \$0.8MM with excess cash invested to capitalize on the higher investment rate of returns and replenish reserves.
- Tax revenues increased \$2.5MM, or 3.69%, compared to 2023, with all debt covenants having been met.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and the notes to the financial statements. The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Position.

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

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

The net position, detailed in Table A-1, summarizes the value of the Authority as a whole. The following items are of particular interest:

- 2024 total assets increased by 2.5% compared to 2023 and liabilities increased 2.8% compared to 2023. Both are the result of the Authority's continued building improvements.

Table A-1
Condensed Statements of Net Position
(in thousands of dollars)
December 31, 2024, 2023, and 2022

	2024	2023	2022
Current Assets	\$ 95,335	\$ 55,798	\$ 46,019
Designated and Restricted Assets	229,878	280,990	168,705
Capital and Other Assets	464,284	433,253	386,881
Total Assets	789,497	770,041	601,605
Deferred Outflows of Resources	-	-	-
Total Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 789,497	\$ 770,041	\$ 601,605
Current Liabilities	\$ 40,983	\$ 30,637	\$ 19,757
Long-Term Liabilities	143,966	149,343	29,204
Total Liabilities	184,949	179,980	48,961
Deferred Inflows of Resources	18,438	19,590	9,325
Net Position			
Net Investment in Capital Assets	301,028	263,083	348,967
Restricted	226,746	277,727	132,411
Unrestricted	58,336	29,661	61,941
Total Net Position	586,110	570,471	543,319
Total Liabilities and Net Position	\$ 789,497	\$ 770,041	\$ 601,605

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Management's Discussion and Analysis

Changes in Net Position

The change in net position detailed in Table A-2, highlight the factors that have contributed to the Authority's change in financial position:

- The operating loss increased year-over-year by 25% from 2023 to 2024 after having increased by 22% from 2022 to 2023.
- Tax collections, shown in the non-operating revenues line, increased by \$2.5MM, or 3.7%, compared to 2023, and assists in offsetting the operational loss.
- Investment income increased from \$12.8MM in 2023 to \$14.4MM in 2024 as interest rates remained high. This income helped to offset operational losses.

Table A-2
Condensed Statements of Revenues, Expenses,
and Changes in Net Position
(in thousands of dollars)
For the Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Operating Revenues			
User Fees and Other Revenues	\$ 31,077	\$ 31,044	\$ 32,992
Food and Beverage	7,659	7,152	7,219
Total Operating Revenues	38,736	38,196	40,211
Operating Expenses			
Operating Expenses	68,466	61,964	57,998
Depreciation and Amortization	32,810	26,339	23,197
Total Operating Expenses	101,276	88,303	81,195
Operating Loss	(62,540)	(50,107)	(40,984)
Non-Operating Revenues, Net	78,179	77,259	63,014
Change in Net Position	15,639	27,152	22,030
Net Position, Beginning of the Year	570,471	543,319	521,289
Net Position, End of the Year	\$ 586,110	\$ 570,471	\$ 543,319

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Management's Discussion and Analysis

Cash Flows

The Statement of Cash Flows, outlined in Table A-3, shows a summary of all inflow and outflow of cash and cash equivalents and is an indication of the Authority's financial health. Items of note include:

- 2024 saw a \$0.8MM increase in cash flow after showing a \$0.6MM increase in 2023, as tax collections continue to fund operations.
- In 2024, capital and related financing activities accounted for capital asset acquisitions, including \$63MM toward capital Improvements primarily for the roof replacement and upgrades to meeting rooms, lobbies, and pre-function areas. The capital improvements were funded by the net proceeds from the issuance of bonds in 2023.

Table A-3
Condensed Statements of Cash Flows
(in thousands of dollars)
For the Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Cash Flows from:			
Operations	\$ (26,137)	\$ (24,991)	\$ (18,810)
Non-Capital Financing	67,496	64,360	58,895
Capital and Related Financing Activities	(66,129)	57,619	(44,076)
Investing Activities	25,617	(96,358)	6,436
Net Increase in Cash	\$ 847	\$ 630	\$ 2,445

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are various types of property that enable daily operations and contribute to an organization's ability to generate revenue.

- Through December 31, 2024, the Authority has invested approximately \$896MM in property, buildings, and equipment; this figure is comprised of \$140MM not depreciated and \$756MM being depreciated.
- 2024 resulted in a net increase in capital assets of approximately \$30.9MM.
 - \$63.7MM of assets was added during the year.
 - Depreciation and amortization expense was \$32.8MM during the year.
- In 2023, the net increase was \$33.4MM, and in 2022, the net decrease was \$8.4MM.

Construction in progress continues to reflect the work related to ongoing capital improvements including technology, infrastructure work, and upgrades to meeting rooms, lobbies, and pre-function areas.

Debt Administration

The administration and repayment of debt has continued as scheduled:

- In 2024, the Authority made scheduled debt principal payments of \$4.8MM. In 2023 the Authority issued \$112.0MM of Series 2023 Tax Revenue Bonds. In 2022, the Authority refunded the outstanding balance of the Series 2012 and 2014 bonds by issuing \$26.8MM Series 2022 bonds. During 2023 and 2022, \$4.6MM and \$7.6MM, respectively, in bond principal payments were made.
- All debt covenants have been met; Continuing Disclosure reports are maintained in the official municipal repository.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The New Orleans Ernest N. Morial Convention Center (the Convention Center) is one of the greatest economic assets of the City of New Orleans and the State of Louisiana. As such, it is important to point out the overall economic impact the Convention Center produces, as well as highlight the key metrics that illustrate the non-financial performance of the organization.

The key internal economic factors that affect the operating revenues and expenses are:

- With a 18% increase in space availability in the building as a result of the completion of interior capital improvements, 2024 saw an increase of 8% event occupancy compared to 2023. Comparing 2024 to 2023, total attendance (683,873) saw a 5.6% boost, out-of-town attendees (537,407) grew 7.5%, and the number of room nights (734,684) increased 29%. The leisure travel market projections continue to be competitive and strong in 2025, as New Orleans remains a top travel destination.
- With continued construction throughout the building, the 2025 budget estimates a minor 4.2% decrease in number of events (113), an 8.4% projected increase in total attendance (845,523), a 13.5% estimated increase in out-of-town attendees (709,229), and a 3.6% decrease in room nights (716,965) compared to 2024. (Note: No assurances can be made that all anticipated conventions will occur; thus, 2025 estimates may not be realized.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Administrative Officer, Alita Caparotta, at (504) 582-3022.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Statements of Net Position
December 31, 2024 and 2023

	2024	2023
Assets and Deferred Outflows of Resources		
Current Assets		
Cash	\$ 16,046,788	\$ 15,028,724
Investments	68,710,539	28,877,369
Accounts Receivable, Net	6,350,763	8,496,118
Interest Receivable	2,132,085	1,274,467
Lease Receivable	124,105	223,630
Prepaid Expenses and Other Assets	1,970,107	1,897,824
Total Current Assets	95,334,387	55,798,132
Designated and Restricted Assets		
Cash, Restricted Primarily for Construction and Debt Service	5,347,773	5,383,794
Cash, Restricted to Satisfy Cooperative Endeavor Agreements	7,265,389	7,400,734
Investments, Restricted to Satisfy Cooperative Endeavor Agreements	144,174,518	137,585,018
Investments, Restricted for Construction and Debt Service	46,414,340	105,372,088
Interest Receivable	565,844	518,236
Taxes Receivable	26,110,552	24,730,060
Total Designated and Restricted Assets	229,878,416	280,989,930
Capital Assets, Net	447,001,447	416,070,564
Lease Receivable, Non-Current	17,282,503	17,182,978
Total Assets	\$ 789,496,753	\$ 770,041,604

The accompanying notes are an integral part of these financial statements.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Statements of Net Position (Continued)
December 31, 2024 and 2023

	2024	2023
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities (Payable from Current Assets)		
Accounts Payable	\$ 18,537,099	\$ 9,660,023
Other Payables	5,658,735	5,568,237
Unearned Revenue, Current Portion	7,317,698	5,904,877
Current Portion of Lease and SBITA Obligation	413,534	595,181
Compensated Absences, Current Portion	847,598	815,900
Total Current Liabilities (Payable from Current Assets)	32,774,664	22,544,218
Current Liabilities (Payable from Restricted Assets)		
Other Liabilities	52,590	70,569
Accrued Bond Interest	3,080,256	3,192,229
Current Portion of Bonds Payable	5,075,000	4,830,000
Total Current Liabilities (Payable from Restricted Assets)	8,207,846	8,092,798
Total Current Liabilities	40,982,510	30,637,016
Long-Term Liabilities		
Compensated Absences, Less Current Portion	455,852	470,619
Bonds Payable, Less Current Portion, Net	139,234,577	144,918,523
Lease and SBITA Obligation, Less Current Portion	-	413,534
Unearned Revenue, Less Current Portion	2,429,219	1,588,526
Deposits	1,845,893	1,951,622
Total Long-Term Liabilities	143,965,541	149,342,824
Total Liabilities	184,948,051	179,979,840
Deferred Inflows of Resources		
Deferred Inflows - Leases	17,188,426	17,359,731
Unamortized Gain on Bond Refinancing	1,249,844	2,230,071
Total Deferred Inflows of Resources	18,438,270	19,589,802
Net Position		
Net Investment in Capital Assets	301,028,492	263,083,255
Restricted Primarily for Debt Service, Construction, and CEAs	226,745,570	277,727,132
Unrestricted - Board Restriction and Designation Reserves for Operations, Capital, and Debt Service	58,336,370	29,661,575
Total Net Position	586,110,432	570,471,962
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 789,496,753	\$ 770,041,604

The accompanying notes are an integral part of these financial statements.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
User Fees	\$ 30,235,924	\$ 30,006,393
Food and Beverage	7,659,484	7,152,181
The UPS Store	445,799	439,098
Rentals	248,196	326,598
Miscellaneous	146,221	271,907
Total Operating Revenues	38,735,624	38,196,177
Operating Expenses		
General and Administrative	14,175,600	13,000,453
Sales and Marketing	4,817,577	4,386,512
New Orleans & Company	397,656	366,687
Event Services	2,607,654	2,414,814
Food Services	1,082,157	867,989
Building Operations	28,472,340	26,177,474
Public Safety	5,945,301	5,574,908
Production Services	3,689,064	3,583,917
Technology Services	5,397,717	4,425,648
Non-Capital, One-Time Projects	1,369,615	708,029
Depreciation and Amortization	32,810,193	26,339,491
The UPS Store	511,610	457,373
Total Operating Expenses	101,276,484	88,303,295
Operating Loss	(62,540,860)	(50,107,118)
Non-Operating Revenues (Expenses)		
Tax Revenues	69,592,848	67,114,610
Investment Revenue	14,393,126	12,811,848
Interest Expense	(5,359,708)	(4,055,530)
Other Non-Operating Revenue	337,590	1,388,756
Distributions to Others	(784,526)	-
Total Non-Operating Revenues, Net	78,179,330	77,259,684
Changes in Net Position	15,638,470	27,152,566
Net Position, Beginning of Year	570,471,962	543,319,396
Net Position, End of Year	\$ 586,110,432	\$ 570,471,962

The accompanying notes are an integral part of these financial statements.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Cash Received from User Fees	\$ 33,612,341	\$ 28,738,701
Cash Received from Other Sources	9,134,604	8,089,988
Cash Paid to Employees and for Related Expenses	(37,429,320)	(34,275,107)
Cash Paid to Suppliers	(31,455,009)	(27,544,173)
Net Cash Used in Operating Activities	(26,137,384)	(24,990,591)
Cash Flows from Non-Capital Financing Activities		
Cash Received from Taxes	67,575,391	64,443,574
Other Non-Capital Receipts, Net	705,298	1,388,753
Distributions to Others	(784,526)	(83,819)
Net Cash Provided by Non-Capital Financing Activities	67,496,163	65,748,508
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(54,238,403)	(53,955,603)
Interest Paid	(7,060,853)	(2,902,102)
Proceeds from Issuance of Debt	-	118,401,351
Cash Paid for Bond Issuance Costs	-	(708,807)
Repayment of Bonds	(4,830,000)	(4,605,000)
Net Cash (Used in) Provided by Capital and Related Financing Activities	(66,129,256)	56,229,839
Cash Flows from Investing Activities		
Purchases of Investment Securities	(376,976,093)	(644,445,108)
Proceeds from Sales and Maturities of Investment Securities	391,149,079	539,299,308
Interest Payments Received	11,444,189	8,787,751
Net Cash Provided by (Used in) Investing Activities	25,617,175	(96,358,049)
Net Increase in Cash	846,698	629,707
Cash, Beginning of Year	27,813,252	27,183,545
Cash, End of Year	\$ 28,659,950	\$ 27,813,252
Reconciliation to Statements of Net Position		
Cash, Current Assets	\$ 16,046,788	\$ 15,028,724
Cash, Restricted Primarily for Construction and Debt Service	5,347,773	5,383,794
Cash, Restricted to Satisfy Cooperative Endeavor Agreements	7,265,389	7,400,734
Total Reconciliation to Statements of Net Position	\$ 28,659,950	\$ 27,813,252

The accompanying notes are an integral part of these financial statements.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Statements of Cash Flows (Continued)
For the Years Ended December 31, 2024 and 2023

	2024	2023
Reconciliation of Operating Loss to Net Cash		
Used in Operating Activities		
Operating Loss	\$ (62,540,860)	\$ (50,107,118)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities		
Depreciation and Amortization	32,810,193	26,339,491
(Increase) Decrease in:		
Accounts Receivable	1,757,807	(1,454,799)
Prepaid and Other Assets	(72,283)	(511,563)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(345,755)	656,087
Unearned Revenue	2,253,514	87,311
Net Cash Used in Operating Activities	<u>\$ (26,137,384)</u>	<u>\$ (24,990,591)</u>

The accompanying notes are an integral part of these financial statements.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization and Reporting Entity

The Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) is a body politic and corporate and political subdivision of the State of Louisiana (the State) created pursuant to the provisions of Act 305 of the 1978 Regular Legislative Session of the Louisiana Legislature and now governed by Act 172 of the 2019 Regular Session of the Louisiana Legislature (R.S. 33:4710.11-4710.30) (the Act). The Act provides that the Authority shall plan, finance, construct, and manage a convention and exhibition center in the City of New Orleans (the City). The Act authorizes the Authority to issue bonds and to use the proceeds thereof to acquire, construct, re-construct, extend, improve, maintain, and operate projects located or to be located in Orleans Parish, including the New Orleans Ernest N. Morial Convention Center (the Convention Center). The Act further authorizes the Authority to levy and collect taxes and to pledge for the payment of its bonds and the interest thereon, the proceeds of such taxes, and other revenues of the Authority.

The Authority is governed by a thirteen-member Board of Commissioners composed of ten (10) appointees of the Governor of Louisiana and three (3) appointees of the Mayor of New Orleans. The Board of Commissioners establishes policies, approves the budget, controls appropriations, and appoints an Executive Vice President responsible for administering all the Authority's operations and activities.

The operations of the convention and exhibition center are through the New Orleans Public Facility Management, Inc. (NOPFM), a separately incorporated organization, doing business as the Convention Center. Under the present management agreement between the Authority and NOPFM, the Authority reimburses NOPFM for costs of operating the convention and exhibition center, and NOPFM will neither own assets nor retain revenues. The NOPFM is a blended component unit of the Authority.

The New Orleans Exhibition Hall Authority Economic Growth and Development District (the District) is a body politic and corporate and political subdivision of the State of Louisiana (the State) created pursuant to the provisions of Act 420 of the 2015 Regular Legislative Session of the Louisiana Legislature (R.S. 33:130.862 et seq) (the Act). The District comprises the property on which the Convention Center sits as well as land in the immediate vicinity. The purpose of the District is to provide for cooperative economic and community development among the district, the city, the state, and the owners of property in the district, to enhance the development of and improvement to the property within the area of the district, and to promote economic growth, safety, and development. The District is governed by a board of commissioners composed of those members and officers duly appointed to and serving on the board of commissioners of the Authority, the president of the New Orleans City Council, and the city council member in whose council district the District is located. The District has all powers of a political subdivision necessary or convenient for carrying out its objects and purposes. The District is a blended component unit of the Authority. At December 31, 2024, the District had minor legal expenses which were paid by the Authority. This will continue until the District is activated.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

No other potential component units meet the criteria for inclusion in the financial statements of the Authority.

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its pronouncements (statements and interpretations). Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statements of revenues, expenses, and changes in net position. All assets and liabilities associated with the operation of the Authority are included in the statements of net position.

The proprietary fund is used to account for the Authority's ongoing operations and activities which are similar to those in the private sector. Proprietary funds are accounted for using a flow of economic resource measurement focus under which assets and liabilities associated with the operation of these funds are included in the statements of net position. The statements of revenues, expenses, and changes in net position present increases (revenues) and decreases (expenses) in net position.

The Authority maintains one proprietary fund type - the enterprise fund. The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance.

Operating revenues include all charges for service and related fees associated with operating expenses. Interest income, interest expense, distributions to and from government agencies, and tax revenues are presented as non-operating items.

Basis of Reporting

In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended, net position is classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital position, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources related to those assets.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Reporting (Continued)

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

The Authority utilizes available restricted assets before utilizing unrestricted assets.

Designated and Restricted Assets

Certain assets, consisting of cash, investments, and receivables, are segregated and classified as designated or restricted assets.

Restricted assets are held as follows:

- Debt service reserves were established and are funded as required by the Authority's original and supplemental bond indentures. Money in the reserve funds is to be retained solely for the purposes of paying the principal of, premium, if any, and interest on reserve secured bonds as to which there would otherwise be an event of default and to pay reimbursement obligations owed to the issuers of applicable credit facilities with respect to any reserve secured bonds, without preference or priority. Reserve funds were established and shall be maintained for the Series 2022 Bonds and for the Series 2023 Bonds with the following requirements:
 - The Series 2022 Reserve Fund Requirement shall mean, as of any date of calculation, an amount equal to the lesser of: (i) ten percent of the original principal amount of the Series 2022 Bonds, (ii) the maximum amount of principal installments and interest maturing and becoming due in the fiscal year in which such calculation is made or in any single succeeding fiscal year on all outstanding Series 2022 Bonds, and (iii) 125% of the average annual principal and interest requirement on the Series 2022 Bonds, calculated on a fiscal year basis, provided that, as set forth in Section 8.5 of the indenture, such amount may be reduced.
 - The Series 2023 Reserve Fund Requirement shall mean, as of any date of calculation, an amount equal to the maximum amount of principal installments and interest maturing and becoming due in the fiscal year in which such calculation is made or in any single succeeding fiscal year on all outstanding Series 2023 Bonds. The reserve fund requirement is subject to reduction to the revised amounts under the conditions set forth in Section 8.5 of the original indenture.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Designated and Restricted Assets (Continued)

- Debt service, funded by the various tax revenues, was established by the Authority's bond indentures. The required accumulated debt service is equal to the sum of (i) interest accruing during the period of bonds outstanding and (ii) the portion of principal accruing until the next principal payment date.
- Capital projects, funded by the proceeds of taxes, restricted for building expansion and improvements.
- Amounts collected related to certain third-party cell sites as well as on behalf of the City of New Orleans. The amounts payable are included in other liabilities on the statements of net position.
- Cooperative Endeavor Agreement (CEA) with the State of Louisiana, Office of Facility Planning and Control of the Division of Administration, to undertake enhancement of the Convention Center and installation of basic infrastructure to facilitate establishment and development of the Convention Center District.
- Cooperative Endeavor Agreement with the City of New Orleans for the development of Convention Center Boulevard and to enhance public safety for residents, employees, and visitors.
- Cooperative Endeavor Agreement with the Louisiana Restaurant Association and the Greater New Orleans Hotel and Lodging Association in which the Authority obligates to fund a general operating reserve equal to 150% of the annual operating budget of the Authority. The general operating reserve monies obligated by the CEA, if available, may be used for debt service in the unlikely event that Tax Revenues, as defined by the CEA, are insufficient to pay debt service.

Designated assets are held to fund capital projects which are under contract and underway, in the planning stages, or in the acquisition stage.

Cash

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Authority may deposit funds in demand deposits, interest-bearing deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Investments

Investments consist of time deposits, money market mutual funds, certificates of deposits, U.S. Treasury obligations, U.S. government agency securities, bonds, and debentures issued by states of the United States of America that meet the provisions of Louisiana Revised Statute (R.S.) 33:2955(A)(1k), bonds and debentures issued by domestic U.S. corporations that meet the provisions of R.S. 33:2955(A)(1)(I), and repurchase agreements, and are stated at fair value. Fair value is based on quoted market prices, as applicable; if quoted prices are not available, fair value is estimated based on similar securities.

Property, Building, and Equipment

Property, building, and equipment are carried at historical cost. Depreciation and amortization are charged to expense over the estimated useful lives of the assets and are determined using the straight-line method. The estimated useful lives used in computing depreciation and amortization are as follows:

Buildings	40 Years
Building Improvements	20 Years
Equipment, Furniture, and Fixtures	5 - 12 Years

The Authority capitalizes moveable equipment with a value of \$5,000 or greater. The Authority capitalizes building improvements greater than \$50,000. The cost of additions includes contracted work, direct labor, materials, and allocable cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Interest is capitalized on fixed assets acquired and/or constructed with tax-exempt debt. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in revenue for the period. The cost of maintenance and repairs is charged to operations as incurred, and significant renewals and betterments are capitalized. Deductions are made for retirements resulting from renewals or betterments.

The Authority reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset might not be recoverable through future utilization. An impairment charge is recognized when the fair value of an asset is less than its carrying value.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Right-to-Use Assets and Subscription Based Information Technology Arrangement (SBITA) Assets

Right-to-use lease assets and SBITA assets are initially measured at an amount equal to the initial measurement of the related liability plus any payments made prior to the term, less incentives, and plus ancillary charges necessary to place the agreement into service. The right-to-use lease assets and SBITA assets are amortized on a straight-line basis over the life of the related agreement.

Deferred Inflows of Resources

The deferred inflow of resources associated with leases is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow is recognized in a systematic and rational manner over the term of the lease.

Taxes

All taxes received by the Authority, excluding the RTA Tax and the State of Louisiana Department of State Economic Development, are currently levied pursuant to Act No. 172 of the 2019 Regular Session of the Louisiana Legislature and Resolution 2020.1 adopted by the Board of Commissioners on January 22, 2020. The Authority receives dedicated taxes as follows:

Hotel Occupancy Tax

The Authority's bonds are payable from revenues derived by the Authority from the Hotel Occupancy Tax authorized by Act 305 of the Regular Session of the Legislature of Louisiana for 1978, as amended, and earnings on certain funds and accounts of the Authority. The 1978 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. This tax is presently being collected within the City and other locations on behalf of the Authority by the Louisiana Department of Revenue and Taxation.

Effective July 1, 2002, an additional 1% percent was imposed for the purpose of providing funds for the Phase IV Convention Center Expansion Project. These additional taxes were used to fund initial capital expenditures incurred and are currently used to retire all bonds.

The tax is legally pledged to secure the Authority's outstanding debt. The pledge will expire on the date such tax no longer secures outstanding indebtedness of the Authority.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Taxes (Continued)

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 Convention Center expansion. The 1988 Hotel Occupancy Tax is separate and distinct from the 1978 Hotel Occupancy Tax levied by the Authority. 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 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 collections until the total amount is attained. The collection fee is subject to annual renegotiation which is currently \$200,000.

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) guest 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 is legally pledged to secure the Authority's outstanding debt. The pledge will expire on the date such tax no longer secures outstanding indebtedness of the Authority.

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. 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 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.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Taxes (Continued)

Hotel Occupancy/Food and Beverage Tax (Continued)

Effective July 1, 2002, an additional one quarter of one percent (0.25%) on annual gross receipts from food and beverage sales greater than \$500,000 was imposed for the purpose of providing funds for the Phase IV Convention Center Expansion Project. These additional taxes were used to fund initial capital expenditures incurred and are currently used to retire all bonds.

The Food and Beverage Tax is legally pledged to secure the Authority's outstanding debt. The pledge will expire on the date such tax no longer secures outstanding indebtedness of the Authority.

Service Contractors and 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 2% tax on the furnishing of goods and services in conjunction with trade shows, conventions, and exhibitions located within the Parish of Orleans. The effective date of the Service Contractors Tax was May 1, 1995.

"Goods and services" means merchandise, wares, materials, labor, assistance, or benefits 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 orchestras, 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 systems, 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.

In addition to the above, the Authority is also 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 sightseeing tours in the Parish of Orleans, and for tours, a portion of which includes sightseeing in the Parish of Orleans. The effective date of this tax was May 1, 1995 and is presently being collected within the City and other locations on behalf of the Authority by the Louisiana Department of Revenue and Taxation.

The tax is legally pledged to secure the Authority's outstanding debt. The pledge will expire on the date such tax no longer secures outstanding indebtedness of the Authority.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Taxes (Continued)

RTA Tax

In April 2002, the Authority entered into a Cooperative Endeavor Agreement (CEA) with the Regional Transit Authority (RTA) and the New Orleans Tourism Marketing Corporation (NOTMC), creating a transit fund to be separately maintained and funded with taxes collected by the RTA based on a 1% sales tax to be collected from hotels and motels in the City of New Orleans and equal to 50% of the annual fee paid by RTA to NOTMC. In exchange for the funds received, the Authority agreed to utilize the funds for financing or funding of actual physical construction costs (labor and materials) of new capital facilities and/or capital improvements of the Convention Center in connection with the Phase IV Expansion Project, particularly including, but not limited to, facilities and/or improvements that address and recognize the need to access the RTA's Riverfront Streetcar and Shuttle bus services and the transportation needs of the Convention Center attendees and the public, consistent with the needs of the Authority and the legal requirements for the use and/or expenditure of the revenues derived from the RTA tax. In addition, moneys in the transit fund may be used to pay debt service on any bonds issued for construction financing of the Phase IV Expansion Project.

State of Louisiana Department of State Economic Development

Pursuant to Act 73, based on the sufficiency of the hotel occupancy tax collections to pay the obligations of related bonds within any fiscal year of the State of Louisiana, the State of Louisiana Department of State Economic Development appropriates \$2 million of the remaining funds on an annual basis to the Authority.

Capital Contributions

Contributions from state capital outlay appropriations are made available to the Authority for capital improvements and are recognized when the expenses have been incurred and approval of the appropriation has been received. These appropriations are included in capital contributions in the statements of revenues, expenses, and changes in net position. Capital contributions for the years ended December 31, 2024 and 2023 were \$-0- and \$-0-, respectively.

Compensated Absences

The Authority's personal time off (PTO) plan provides for the following paid time off:

- 0 to less than 5 years of continuous service - 128 hours/16 days
- 5 years to less than 10 years of continuous service - 168 hours/21 days
- 10 years to less than 20 years of continuous service - 208 hours/26 days
- 20 or more years of continuous service - 248 hours/31 days

Employees may carry over up to a maximum of 200 hours of accrued, unused PTO from one (1) calendar year to the next. Any unused PTO that exceeds 200 hours is forfeited.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Bond Issuance Costs and Refunding

Costs related to issuing bonds are expensed when incurred. Gains and losses associated with refunding and advance refunding are being deferred and amortized based upon the methods used to approximate the interest method over the life of the new bonds or the remaining term on any refunded bond, whichever is shorter.

Deposits

Deposits received in advance, as part of the Authority's lease arrangements, are initially recorded at fair value, and are disclosed in the financial statements separately from other liabilities, such as accounts payable and accrued expenses.

Risk Management

The Authority provides for losses, up to the per employee maximum amount, resulting from health insurance claims (see Note 11). The Authority is commercially insured for amounts greater than the annual maximum as well as for other significant risks (e.g., general liability, workers' compensation, building, etc.).

Revenues and Unearned Revenue

Revenues from user fees, food and beverage, the UPS store, and rentals are recognized when earned (when the event/transaction occurs). Revenue collected for events in future years is reported as unearned revenue.

Use of Estimates

The Authority prepares financial statements in accordance with U.S. GAAP. Such principles require 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 reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year balances in order to comply with current year presentation.

Recently Adopted Accounting Pronouncements

The Authority adopted the provision of GASB Statement No. 101, *Compensated Absences* for the fiscal year ended December 31, 2024. The Statement updates the recognition and measurement guidance for compensated absences. Adoption of the standard had no impact on the Authority's financial statements.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 2. Cash and Investments

The Authority's cash and investments consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Cash		
Unrestricted	\$ 16,046,788	\$ 15,028,724
Restricted Primarily for Debt Service and Construction	5,347,773	5,383,794
Restricted to Satisfy Cooperative Endeavor Agreements	7,265,389	7,400,734
Total Cash	\$ 28,659,950	\$ 27,813,252
Investments		
Unrestricted	\$ 68,710,539	\$ 28,877,369
Restricted to Satisfy Cooperative Endeavor Agreements	144,174,518	137,585,018
Restricted for Debt Service	46,414,340	105,372,088
Total Investments	\$ 259,299,397	\$ 271,834,475

Actual cash in banks as of December 31, 2024 and 2023 for restricted and unrestricted bank accounts, before outstanding checks and reconciling items, was \$28,835,334 and \$27,807,125, respectively. Of the total bank balances at December 31, 2024 and 2023, all amounts were covered by federal depository insurance or by collateral held in the Authority's name by its agent. Because the pledged securities are held by the pledging fiscal agent in the Authority's name, the Authority does not have any custodial credit risk. The pledged securities may be released only upon the written authorization of the Authority.

R.S. 33:2955 authorizes the Authority to invest in direct United States Treasury obligations; short-term repurchase agreements; time certificates of deposit at financial institutions, state banks, and national banks; bonds, debentures, notes, or other indebtedness issued or guaranteed by U.S. government instrumentalities which are federally sponsored, or federal agencies that are backed by the full faith and credit of the United States; bonds and debentures issued by states of the United States of America that meet the provisions of R.S. 33:2955(A)(1)(k); bonds and debentures issued by domestic U.S. corporations that meet the provisions of R.S. 33:2955(A)(1)(l); and repurchase agreements.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

The Authority's investments by type consisted of the following as of December 31, 2024 and 2023:

Investment Type	2024	2023
U.S. Agency	\$ 9,710,474	\$ 10,002,204
U.S. Treasury	131,401,762	109,652,658
Cash and Cash Equivalents	69,233,987	118,407,049
Corporate Debt Instruments	36,269,318	20,568,727
State and Municipal Bonds	1,394,815	2,483,444
Investment Pool	11,289,041	10,720,393
Total	\$ 259,299,397	\$ 271,834,475

Credit Quality Risk

Credit quality risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality risk disclosures apply to fixed income investments.

Credit ratings of the Authority's investments in debt securities as of December 31, 2024 are as follows:

Investment Type	U.S. Agency	U.S. Treasury	Corporate	Money Market	Municipal	Total
AAA	\$ 9,710,474	\$131,401,762	\$ 36,269,318	\$ 22,819,646	\$ 1,394,815	\$ 201,596,015

Credit ratings of the Authority's investments in debt securities as of December 31, 2023 are as follows:

Investment Type	U.S. Agency	U.S. Treasury	Corporate	Money Market	Municipal	Total
AAA	\$ 10,002,204	\$109,652,658	\$ 20,568,727	\$ 14,213,376	\$ 2,483,444	\$ 156,920,409

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of failure, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the Authority's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the Authority's name. The investments of the Authority owned at December 31, 2024 and 2023 were not subject to custodial credit risk.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Concentration of Credit Risk

The Authority's investment policy allows for investment in all types of investments as stipulated in R.S. 33:2955 with certain limitations on the type of investment. As of December 31, 2024 and 2023, the Authority was in compliance with its investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in the financial market rates of interest will adversely affect the value of an investment. The Authority manages interest rate risk for investments under the control of the Authority by limiting the maximum maturity of investments to five years, with the exception of agency mortgage-backed securities that have a maximum weighted-average life of five years, in accordance with the Authority's investment policy statement.

At December 31, 2024 and 2023, the Authority's investment balances and maturities for those investments subject to interest rate risk were as follows:

Investment Type	December 31, 2024				
	Total	Less than One Year	1 - 5 Years	6 - 10 Years	More than Ten Years
U.S. Agency	\$ 9,710,474	\$ 850,640	\$ 8,273,969	\$ 386,105	\$ 199,760
U.S. Treasury	131,401,762	35,223,151	96,178,611	-	-
Corporate Debt Instruments	36,269,318	2,912,176	33,357,142	-	-
Money Market	22,819,646	22,819,646	-	-	-
State and Municipal Bonds	1,394,815	477,823	916,992	-	-
Total	<u>\$ 201,596,015</u>	<u>\$ 62,283,436</u>	<u>\$ 138,726,714</u>	<u>\$ 386,105</u>	<u>\$ 199,760</u>

Investment Type	December 31, 2023				
	Total	Less than One Year	1 - 5 Years	6 - 10 Years	More than Ten Years
U.S. Agency	\$ 10,002,204	\$ 3,032,713	\$ 6,171,972	\$ 265,472	\$ 532,047
U.S. Treasury	109,652,658	29,875,446	79,777,212	-	-
Corporate Debt Instruments	20,568,727	1,385,788	19,182,939	-	-
Money Market	14,213,376	14,213,376	-	-	-
State and Municipal Bonds	2,483,444	946,792	1,536,652	-	-
Total	<u>\$ 156,920,409</u>	<u>\$ 49,454,115</u>	<u>\$ 106,668,775</u>	<u>\$ 265,472</u>	<u>\$ 532,047</u>

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Investment Pool

Investments of \$11,289,041 and \$10,720,393, as of December 31, 2024 and 2023, respectively, were invested in Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book-entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- *Credit Risk:* LAMP is rated AAAm by Standard & Poor's.
- *Custodial Credit Risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of Credit Risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest Rate Risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 29 as of December 31, 2024.
- *Foreign Currency Risk:* Not applicable.

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

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Investment Pool (Continued)

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

Fair Value

The Authority's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 Investments reflect prices quoted in active markets.

Level 2 Investments reflect prices that are based on a similar observable asset, either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Investments classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

The valuation of the Authority's investments measured at fair value at December 31, 2024 is as follows:

	Level 1	Level 2	Level 3	Total
Investments Reported at Fair Value				
Cash and Cash Equivalents	\$ 69,233,987	\$ -	\$ -	\$ 69,233,987
Fixed Income Securities				
U.S. Treasury Obligations	131,401,762	-	-	131,401,762
U.S. Agency Obligations	2,012,820	7,697,654	-	9,710,474
Corporate Debt Instruments	19,105,367	17,163,951	-	36,269,318
State and Municipal Bonds	122,915	1,271,900	-	1,394,815
Total Investments				
Reported at Fair Value	\$ 221,876,851	\$ 26,133,505	\$ -	248,010,356
Investments Not Reported at Fair Value				
Investment Pool				11,289,041
Total Investments				
				\$ 259,299,397

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Fair Value (Continued)

The valuation of the Authority's investments measured at fair value at December 31, 2023 is as follows:

	Level 1	Level 2	Level 3	Total
Investments Reported at Fair Value				
Cash and Cash Equivalents	\$ 110,476,249	\$ 7,930,800	\$ -	\$ 118,407,049
Fixed Income Securities				
U.S. Treasury Obligations	109,652,658	-	-	109,652,658
U.S. Agency Obligations	4,513,815	5,488,389	-	10,002,204
Corporate Debt Instruments	11,993,213	8,575,514	-	20,568,727
State and Municipal Bonds	141,928	2,341,516	-	2,483,444
Total Investments Reported at Fair Value	<u>\$ 236,777,863</u>	<u>\$ 24,336,219</u>	<u>\$ -</u>	<u>261,114,082</u>
Investments Not Reported at Fair Value				
Investment Pool				<u>10,720,393</u>
Total Investments				<u>\$ 271,834,475</u>

Note 3. Accounts Receivable

Accounts receivable consisted of the following as of December 31st:

	2024	2023
Customers	\$ 6,090,165	\$ 7,269,646
Other	602,020	1,502,032
	<u>6,692,185</u>	<u>8,771,678</u>
Less: Allowance for Uncollectible Accounts	<u>(341,422)</u>	<u>(275,560)</u>
Total	<u>\$ 6,350,763</u>	<u>\$ 8,496,118</u>

Receivables from customers represent amounts due in connection with the use of facilities.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 4. Property, Building, and Equipment

Property, building, and equipment are summarized as follows at December 31, 2024:

	Balance January 1, 2024	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2024
Capital Assets Not Depreciated					
Land	\$ 79,222,985	\$ -	\$ -	\$ -	\$ 79,222,985
Art/Exhibits	792,000	-	4,500	-	796,500
Construction in Progress	90,663,733	63,333,991	(93,898,384)	-	60,099,340
Total Capital Assets Not Being Depreciated	170,678,718	63,333,991	(93,893,884)	-	140,118,825
Capital Assets Being Depreciated					
Building/Building Improvements	598,696,335	21,440	76,952,918	(2,283,880)	673,386,813
Boulevard Improvements	12,591,864	-	-	-	12,591,864
Equipment	30,703,212	-	16,885,681	(71,402)	47,517,491
Surface Parking	17,178,372	-	9,575	-	17,187,947
Total Capital Assets Being Depreciated	659,169,783	21,440	93,848,174	(2,355,282)	750,684,115
Capital Assets Being Amortized					
Leased Equipment	229,635	-	-	-	229,635
Software	3,695,370	-	45,710	-	3,741,080
IT Subscriptions	1,666,162	408,448	-	(413,959)	1,660,651
Total Capital Assets Being Amortized	5,591,167	408,448	45,710	(413,959)	5,631,366
Less, Accumulated Depreciation and Amortization	(419,369,104)	(32,810,193)	-	2,746,438	(449,432,859)
Total Capital Assets, Net	\$ 416,070,564	\$ 30,953,686	\$ -	\$ (22,803)	\$ 447,001,447

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 4. Property, Building, and Equipment (Continued)

Property, building, and equipment are summarized as follows at December 31, 2023:

	Balance January 1, 2023	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2023
Capital Assets Not Depreciated					
Land	\$ 79,222,985	\$ -	\$ -	\$ -	\$ 79,222,985
Art/Exhibits	792,000	-	-	-	792,000
Construction in Progress	42,660,728	58,661,200	(10,658,195)	-	90,663,733
Total Capital Assets Not Being Depreciated	122,675,713	58,661,200	(10,658,195)	-	170,678,718
Capital Assets Being Depreciated					
Building/Building Improvements	590,657,343	-	8,038,992	-	598,696,335
Boulevard Improvements	12,591,864	-	-	-	12,591,864
Equipment	28,079,629	-	2,623,583	-	30,703,212
Surface Parking	17,182,752	-	(4,380)	-	17,178,372
Total Capital Assets Being Depreciated	648,511,588	-	10,658,195	-	659,169,783
Capital Assets Being Amortized					
Leased Equipment	463,430	-	-	(233,795)	229,635
Software	3,695,370	-	-	-	3,695,370
IT Subscriptions	1,052,329	1,252,203	-	(638,370)	1,666,162
Total Capital Assets Being Amortized	5,211,129	1,252,203	-	(872,165)	5,591,167
Less: Accumulated Depreciation and Amortization	(394,378,204)	(25,863,065)	-	872,165	(419,369,104)
Total Capital Assets, Net	\$ 382,020,226	\$ 34,050,338	\$ -	\$ -	\$ 416,070,564

The construction in progress as of December 31, 2024 and 2023 included both routine capital improvements and several major projects. In 2023, capital outlay included the roof replacement, the meeting rooms, lobbies and pre-function areas. In 2024, the same capital projects continued with additional expenditures on site development.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 5. Leases and SBITAs

The Authority as Lessee

The Authority, as a lessee, has entered into lease and SBITA agreements for office equipment and software.

The following is a summary of the lease obligation as of December 31st:

	Payable at January 1, 2024	Additions	Reductions	Payable at December 31, 2024	Due Within One Year
Lease Obligation	\$ 98,362	\$ -	\$ (67,023)	\$ 31,339	\$ 31,339
SBITA Obligation	910,353	408,448	(936,606)	382,195	382,195
Total	\$ 1,008,715	\$ 408,448	\$ (1,003,629)	\$ 413,534	\$ 413,534

	Payable at January 1, 2023	Additions	Reductions	Payable at December 31, 2023	Due Within One Year
Lease Obligation	\$ 212,106	\$ -	\$ (113,744)	\$ 98,362	\$ 67,023
SBITA Obligation	545,601	1,252,203	(887,451)	910,353	528,158
Total	\$ 757,707	\$ 1,252,203	\$ (1,001,195)	\$ 1,008,715	\$ 595,181

The future lease payments under the lease agreement are as follows:

Year Ending December 31,	Principal	Interest
2025	\$ 413,534	\$ 12,924
Total	\$ 413,534	\$ 12,924

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 5. Leases and SBITAs (Continued)

The Authority as Lessor

The Authority, as lessor, has entered into lease agreements involving certain cell tower space and certain parcels of land to be used for future developments, expiring at various intervals through 2122. The following is a summary of the balances associated with the lessee transactions at December 31st:

	December 31, 2024	December 31, 2023
Lease Receivable		
Current	\$ 124,105	\$ 223,630
Non-Current	17,282,503	17,182,978
Total Lease Receivable	\$ 17,406,608	\$ 17,406,608
Deferred Inflows - Leases	\$ 17,188,426	\$ 17,359,731

Note 6. Long-Term Obligations

The following tables summarize the changes in the Authority's long-term obligations for the years ended December 31, 2024 and 2023:

	January 1, 2024	Additions	Deletions	December 31, 2024	Due Within One Year	Over One Year
Bonds Payable	\$ 134,270,000	\$ -	\$ (4,830,000)	\$ 129,440,000	\$ 5,075,000	\$ 124,365,000
Adjustments						
Premiums						14,869,577
						139,234,577
Compensated Absences	1,286,519	16,931	-	1,303,450	847,598	455,852
Total	\$ 135,556,519	\$ 16,931	\$ (4,830,000)	\$ 130,743,450	\$ 5,922,598	\$ 139,690,429

	January 1, 2023	Additions	Deletions	December 31, 2023	Due Within One Year	Over One Year
Bonds Payable	\$ 26,830,000	\$ 112,045,000	\$ (4,605,000)	\$ 134,270,000	\$ 4,830,000	\$ 129,440,000
Adjustments						
Premiums						15,478,523
						144,918,523
Compensated Absences	1,305,552	-	(19,033)	1,286,519	815,900	470,619
Total	\$ 28,135,552	\$ 112,045,000	\$ (4,624,033)	\$ 135,556,519	\$ 5,645,900	\$ 145,389,142

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 6. Long-Term Obligations (Continued)

Bonds

Long-term debt activity for the year ended December 31, 2024 was as follows:

December 31, 2024	Series 2022 Refunding Bonds	Series 2023 Tax Revenue Bonds	Total
Balance January 1, 2024	\$ 22,225,000	\$ 112,045,000	\$ 134,270,000
Additions	-	-	-
Maturities/Refinancing	(4,830,000)	-	(4,830,000)
Balance December 31, 2024	<u>\$ 17,395,000</u>	<u>\$ 112,045,000</u>	<u>\$ 129,440,000</u>
Due Within One Year	<u>\$ 5,075,000</u>	<u>\$ -</u>	<u>\$ 5,075,000</u>

Long-term debt activity for the year ended December 31, 2023 was as follows:

December 31, 2023	Series 2022 Refunding Bonds	Series 2023 Tax Revenue Bonds	Total
Balance January 1, 2023	\$ 26,830,000	\$ -	\$ 26,830,000
Additions	-	112,045,000	112,045,000
Maturities/Refinancing	(4,605,000)	-	(4,605,000)
Balance December 31, 2023	<u>\$ 22,225,000</u>	<u>\$ 112,045,000</u>	<u>\$ 134,270,000</u>
Due Within One Year	<u>\$ 4,830,000</u>	<u>\$ -</u>	<u>\$ 4,830,000</u>

The Authority's bond issues outstanding as of December 31st were as follows:

	2024	2023
2022 Series, Refunding Bonds, interest rates of 5.0%, due in annual principal debt service requirements ranging from \$5,075,000 to \$6,310,000, final payment due July 2027.	\$ 17,395,000	\$ 22,225,000
2023 Series, Special Tax Revenue Bonds, interest rates from 5% to 5.50%, due in annual principal debt service requirements ranging from \$2,175,000 to \$7,595,000, final payment due July 2053.	112,045,000	112,045,000
	129,440,000	134,270,000
Plus: Unamortized Net Premium	14,869,577	15,478,523
Less: Current Maturities	(5,075,000)	(4,830,000)
Long-Term Debt Less Current Maturities	<u>\$ 139,234,577</u>	<u>\$ 144,918,523</u>

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 6. Long-Term Obligations (Continued)

Bonds (Continued)

The principal and interest on the Authority's bonds are payable from the proceeds of the levy and collection of legally pledged taxes as described in Note 1. The Series 2022 Refunding Bonds and the Series 2023 Special Tax Revenue Bonds are solely the obligation of the Authority and not of the State of Louisiana or any other agency or political subdivision thereof.

The Authority was in compliance with its bond covenants as of December 31, 2024 and 2023.

The annual requirements to amortize all bonds as of December 31, 2024 were as follows:

Year Ending December 31,	2022 Bond Series		2023 Bond Series		Total
	Principal	Interest	Principal	Interest	
2025	\$ 5,075,000	\$ 869,750	\$ -	\$ 5,839,263	\$ 11,784,013
2026	6,010,000	616,000	-	5,839,263	12,465,263
2027	6,310,000	315,500	-	5,839,263	12,464,763
2028	-	-	2,175,000	5,839,263	8,014,263
2029	-	-	2,285,000	5,730,513	8,015,513
2030-2034	-	-	13,255,000	26,820,065	40,075,065
2035-2039	-	-	16,915,000	23,153,565	40,073,565
2040-2044	-	-	21,580,000	18,486,315	40,066,315
2045-2049	-	-	27,745,000	12,320,051	40,065,051
2050-2053	-	-	28,090,000	3,965,500	32,055,500
Total	\$ 17,395,000	\$ 1,801,250	\$ 112,045,000	\$ 113,838,061	\$ 245,079,311

Note 7. Unearned Revenue

A summary of the unearned revenue, consisting primarily of rental payments, was as follows as of December 31st:

	2024	2023
Customer Prepayments	\$ 9,746,917	\$ 7,493,403
Less: Current Portion	7,317,698	5,904,877
Long-Term Portion	\$ 2,429,219	\$ 1,588,526

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 8. Taxes

The following summarizes taxes receivable and revenue as of and for the years ended December 31st:

	2024		2023	
	Receivable	Revenue	Receivable	Revenue
3% Hotel Occupancy Tax	\$ 6,297,634	\$ 40,146,277	\$ 5,891,670	\$ 37,679,852
State Economic Development	-	2,000,000	2,000,000	2,000,000
Hotel Occupancy/Food and Beverage Tax	3,760,621	22,603,098	3,654,570	21,894,142
Service Contractors and Tour Tax	422,490	2,691,518	769,462	3,255,627
RTA Tax	15,629,807	3,215,449	12,414,358	3,324,770
Collection Fees	-	(1,063,494)	-	(1,039,781)
Total	\$ 26,110,552	\$ 69,592,848	\$ 24,730,060	\$ 67,114,610

Note 9. Food and Beverage Revenue

Under the contractual agreement with the vendor allowed to operate with the Convention Center, the Authority receives various food and beverage revenue. For the years ended December 31, 2024 and 2023, the Authority earned \$7,659,484 and \$7,152,181, respectively, in food and beverage revenue.

Note 10. Cooperative Endeavor Agreements

In March 2002, the Authority entered into a Cooperative Endeavor Agreement with the Louisiana Restaurant Association and the Greater New Orleans Hotel and Lodging Association. The Cooperative Endeavor Agreement obligates the Authority to fund a general operating reserve equal to 150% of its annual operating budget. The general operating reserve monies obligated by the CEA, if available, may be used for debt service in the unlikely event that Tax Revenues, as defined by the CEA, are insufficient to pay debt service. The amount of the operating reserve recognized at December 31, 2024 and 2023 was \$108,574,518 and \$101,985,018, respectively.

In March 2015, subsequently amended in January 2023, the Authority entered into a Cooperative Endeavor Agreement with the State of Louisiana, Office of Facility Planning and Control of the Division of Administration, to undertake enhancement of the Convention Center and installation of basic infrastructure to facilitate establishment and development of the Convention Center District. The estimated cost of the project is approximately \$142,000,000. Under the terms of the agreement, the Authority agrees to provide a match of not less than 25% of the estimated cost of the project.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 10. Cooperative Endeavor Agreements (Continued)

In December 2016, the Authority entered into a Cooperative Endeavor Agreement with the New Orleans Culinary and Hospitality Institute (NOCHI) for the acquisition of immovable property to facilitate the education and training of employees for the local hospitality industry and to provide additional space for the Authority. As part of the agreement, NOCHI entered into a 40-year agreement for use of the building with the Authority.

In October 2016, a Cooperative Endeavor Agreement was made between the Authority and the City of New Orleans in order to redevelop Convention Center Boulevard. During 2017, under the terms of the agreement, the Authority deposited \$12,500,000 into an escrow account to fund traffic relocation and offsite improvements to Convention Center Boulevard. The amount of funds remaining to complete the project at December 31, 2024 and 2023 was approximately \$7,260,000 and \$7,400,000, respectively.

Note 11. Commitments and Contingencies

Self-Insurance

For 2024 and 2023, the Authority was self-insured for medical claims up to \$175,000 per participant. In 2024 and 2023, the aggregate for claims liability was \$5,050,976 and \$5,102,211, respectively. The Authority has commercial insurance to cover any excess. The Authority has an external third-party administrator for health insurance claims. Changes in claims liability during the years ended December 31st were as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year-End
2024	\$ 219,369	\$ 3,161,775	\$ (3,161,775)	\$ 219,369
2023	\$ 219,369	\$ 2,655,424	\$ (2,655,424)	\$ 219,369

Contingencies

The Authority is obligated under various contracts and initiatives for projects ongoing for the improvements and maintenance of the Convention Center and its property.

The Authority's ability to receive the necessary taxes and other cash sources is dependent on other third parties.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 12. Pension Plans

The Authority has a Retirement Plan Fund which is a defined contribution 401(a) plan. The Authority makes contributions to the 401(a). Full-time employees are eligible for the plan following 30 days of employment. The number of participants in the 401(a) plan as of December 31, 2024 and 2023 was approximately 600. Participants in the plan have separate accounts. The Authority contributes 2% of covered employees' annual salaries to the 401(a) plan. In addition, the Authority contributes to the 401(a) plan a 50% match, up to 8% of the employees' contributions to the 401(a) plan. The Authority's contributions to the 401(a) plan totaled \$1,258,976 and \$1,153,458 for the years ended December 31, 2024 and 2023, respectively.

The Authority has a defined contribution 457(b) plan. The Authority's employees make contributions to the 457(b) plan. Full-time employees are eligible for the plan following 30 days of employment. Employee contributions to the 457(b) plan totaled \$1,418,427 and \$1,266,986 for the years ended December 31, 2024 and 2023, respectively.

Note 13. Recently Issued Accounting Standards

As of December 31, 2024, the GASB has issued several statements not yet implemented by the Authority. The Statement, which might impact the Authority, is as follows:

GASB Statement No. 102, *Certain Risk Disclosures*: The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Statement is effective for fiscal years beginning after June 15, 2024. Management is currently evaluating the effects of the new GASB pronouncement scheduled for implementation in future years.

Note 14. Subsequent Event

In April 2025, the Authority approved the issuance of Series 2025 bonds in an amount not to exceed \$125,000,000.

OTHER SUPPLEMENTARY INFORMATION

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head

Michael J. Sawaya, President and CEO

Purpose	Amount
Salary	\$374,267
Benefits - Insurance	\$21,528
Benefits - Retirement	\$22,637
Benefits - Vision, Dental, LTD, LTC, Life	\$1,784
Car Allowance	\$10,780
Travel	\$14,998
Registration Fees	\$2,666
Other (Meals, Entertainment, Parking)	\$4,272
Cell Phone	\$970

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

See independent auditor's report.

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "LaForte".

A Professional Accounting Corporation

Covington, LA
April 24, 2025

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Schedule of Findings and Responses
For the Year Ended December 31, 2024

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Part II - Financial Statement Findings

None.