

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

Audits of Financial Statements

December 31, 2025 and 2024

Contents

Independent Auditor's Report	1 - 3
-------------------------------------	--------------

Management's Discussion and Analysis	4 - 9
---	--------------

Basic Financial Statements

Statements of Net Position	10 - 11
Statements of Revenues, Expenses, and Changes in Net Position	12
Statements of Cash Flows	13 - 14
Notes to Financial Statements	15 - 41

Other Supplementary Information

Schedule of Compensation, Benefits, and Other Payments to Agency Head	43
--	----

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44 - 45
--	----------------

Schedule of Findings and Responses	46
---	-----------



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

Opinion

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 year ended December 31, 2025, 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, 2025, and the respective change in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 opinion.

Other Matter

The financial statements of the Authority, as of and for the year ended December 31, 2024, were audited by other auditors, whose report, dated April 24, 2025, expressed an unmodified opinion on those statements.

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 opinion. 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

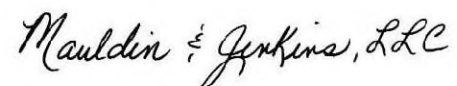
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 4 through 9, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 GAAS, 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 GAAS. 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 May 22, 2026, 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.



Covington, LA
May 22, 2026

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, 2025 and 2024. 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 2025:

- 2025 saw a 4.0% increase in the number of events (130) compared to 2024, with an increase in the out-of-town attendees (665,674) of 23.9%. Total attendance (779,178) saw a 13.9% increase, and the number of room nights (720,613) saw a 1.9% decrease compared to 2024.
- Net position increased by \$13.7MM due to prudent management of expenses and higher investment income.
- Cash decreased by \$4.1MM due to funding of operations and capital outlay. Any cash above this funding was invested.
- Tax revenues decreased \$0.1MM, or 0.1%, compared to 2024, with all 2025 debt covenants having been met and 2022 and 2023 debt covenants having been cured through a material event notice.

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:

- 2025 total assets increased by 24.8% compared to 2024 and liabilities increased 66.0% compared to 2024. Both are the result of the Authority's continued building improvements and issues of additional bonds.

Table A-1
Condensed Statements of Net Position
(in thousands of dollars)
December 31, 2025, 2024, and 2023

	2025	2024	2023
Current Assets	\$ 84,781	\$ 95,335	\$ 55,798
Designated and Restricted Assets	317,439	229,878	280,990
Capital and Other Assets	582,953	464,284	433,253
Total Assets	\$ 985,173	\$ 789,497	\$ 770,041
Current Liabilities	\$ 37,950	\$ 40,983	\$ 30,637
Long-Term Liabilities	269,096	143,966	149,343
Total Liabilities	307,046	184,949	179,980
Deferred Inflows of Resources	78,285	18,438	19,590
Net Position			
Net Investment in Capital Assets	231,918	301,028	263,083
Restricted	310,836	226,746	277,727
Unrestricted	57,088	58,336	29,661
Total Net Position	599,842	586,110	570,471
Total Liabilities and Net Position	\$ 985,173	\$ 789,497	\$ 770,041

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 2.8% from 2024 to 2025 after having increased by 25% from 2023 to 2024.
- Tax collections, shown in the non-operating revenues line, decreased by \$0.1MM, or 0.1%, compared to 2024, and assists in offsetting the operational loss.
- Investment income increased from \$14.4MM in 2024 to \$15.9MM in 2025 as investment returns 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, 2025, 2024, and 2023

	2025	2024	2023
Operating Revenues			
User Fees and Other Revenues	\$ 34,777	\$ 31,077	\$ 31,044
Food and Beverage	7,410	7,659	7,152
Total Operating Revenues	42,187	38,736	38,196
Operating Expenses			
Operating Expenses	74,768	68,466	61,964
Depreciation and Amortization	31,683	32,810	26,339
Total Operating Expenses	106,451	101,276	88,303
Operating Loss	(64,264)	(62,540)	(50,107)
Non-Operating Revenues, Net	77,996	78,179	77,259
Change in Net Position	13,732	15,639	27,152
Net Position, Beginning of the Year	586,110	570,471	543,319
Net Position, End of the Year	\$ 599,842	\$ 586,110	\$ 570,471

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:

- 2025 saw a \$4.1MM decrease in cash flow after showing a \$0.8MM increase in 2024, as tax collections continue to fund operations.
- In 2025, capital and related financing activities accounted for capital asset acquisitions, including \$96MM toward capital Improvements primarily for upgrades to meeting rooms, lobbies, and pre-function areas along with the purchase of the Sugarmill and site development. The capital improvements were funded by the net proceeds from the issuance of bonds and from investment reserves in 2024 and 2025.

Table A-3
Condensed Statements of Cash Flows
(in thousands of dollars)
For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Cash Flows from:			
Operations	\$ (32,522)	\$ (24,183)	\$ (24,991)
Non-Capital Financing	66,045	66,154	64,360
Capital and Related Financing Activities	24,741	(67,041)	57,619
Investing Activities	(62,319)	25,917	(96,358)
Net (Decrease) Increase in Cash	\$ (4,055)	\$ 847	\$ 630

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, 2025, the Authority has invested approximately \$984MM in property, buildings, and equipment; this figure is comprised of \$218MM not depreciated and \$766MM being depreciated.
- 2025 resulted in a net increase in capital assets of approximately \$57.4MM.
 - \$90.2MM of assets was added during the year.
 - Depreciation and amortization expense was \$31.7MM during the year.
- In 2024, the net increase was \$30.9MM, and in 2023, the net increase was \$33.4MM.

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 2025, the Authority issued \$125MM of Series 2025 Bonds and made scheduled debt principal payments on the Series 2022 Bonds of \$5.1MM. In 2024 the Authority made scheduled debt principal payments of \$4.8MM. In 2023, issued \$112.0MM in Series 2023 Bonds and made scheduled debt principal payments of \$4.6MM.
- All debt covenants for the Series 2025 Bonds have been met. The late filing of the Continuing Disclosures for the Series 2022 and 2023 has been cured through a Material Event Notice. 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 31% increase in space availability in the building as a result of the completion of interior capital improvements, 2025 saw an increase of 13.9% event occupancy compared to 2024. Comparing 2025 to 2024, total attendance (779,178) saw a 13.9% boost, out-of-town attendees (665,674) grew 23.9%, and the number of room nights (720,613) decreased 1.9%. The leisure travel market projections continue to be competitive and strong in 2026, as New Orleans remains a top travel destination.
- With continued construction throughout the building, the 2026 budget estimates a 13.1% decrease in number of events (113), a 1.0% decrease in total attendance (771,643), a 4.5% decrease in out-of-town attendees (635,914), and a 3.4% increase in room nights (744,849) compared to 2025. (Note: No assurances can be made that all anticipated conventions will occur; thus, 2026 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, 2025 and 2024

	2025	2024
Assets and Deferred Outflows of Resources		
Current Assets		
Cash	\$ 12,586,002	\$ 16,046,788
Investments	61,539,549	68,710,539
Accounts Receivable, Net	5,896,157	6,350,763
Interest Receivable	3,265,887	2,132,085
Lease Receivable	-	124,105
Prepaid Expenses and Other Assets	1,493,168	1,970,107
Total Current Assets	84,780,763	95,334,387
Designated and Restricted Assets		
Cash, Restricted Primarily for Construction and Debt Service	5,376,896	5,347,773
Cash, Restricted to Satisfy Cooperative Endeavor Agreements	6,641,348	7,265,389
Investment, Restricted for Infrastructure Project	7,740,081	-
Investments, Restricted to Satisfy Cooperative Endeavor Agreements and Other Agreements	146,920,471	144,174,518
Investments, Restricted for Construction and Debt Service	120,081,004	46,414,340
Interest Receivable	-	565,844
Taxes Receivable	30,678,898	26,110,552
Total Designated and Restricted Assets	317,438,698	229,878,416
Capital Assets, Net	504,440,017	447,001,447
Lease Receivable, Non-Current	78,512,736	17,282,503
Total Assets	\$ 985,172,214	\$ 789,496,753

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, 2025 and 2024

	2025	2024
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities (Payable from Current Assets)		
Accounts Payable	\$ 13,894,123	\$ 18,537,099
Other Payables	4,624,408	5,658,735
Unearned Revenue, Current Portion	5,684,798	7,317,698
Current Portion of Lease and SBITA Obligation	226,607	413,534
Compensated Absences, Current Portion	907,564	847,598
Total Current Liabilities (Payable from Current Assets)	25,337,500	32,774,664
Current Liabilities (Payable from Restricted Assets)		
Other Liabilities	52,498	52,590
Accrued Bond Interest	6,549,713	3,080,256
Current Portion of Bonds Payable	6,010,000	5,075,000
Total Current Liabilities (Payable from Restricted Assets)	12,612,211	8,207,846
Total Current Liabilities	37,949,711	40,982,510
Long-Term Liabilities		
Compensated Absences, Less Current Portion	491,185	455,852
Bonds Payable, Less Current Portion, Net	264,848,593	139,234,577
Lease and SBITA Obligation, Less Current Portion	872,419	-
Unearned Revenue, Less Current Portion	1,665,840	2,429,219
Deposits	1,218,228	1,845,893
Total Long-Term Liabilities	269,096,265	143,965,541
Total Liabilities	307,045,976	184,948,051
Deferred Inflows of Resources		
Deferred Inflows - Leases	77,719,284	17,188,426
Unamortized Gain on Bond Refinancing	564,502	1,249,844
Total Deferred Inflows of Resources	78,283,786	18,438,270
Net Position		
Net Investment in Capital Assets	231,917,896	301,028,492
Restricted Primarily for Debt Service, Construction, and CEAs	310,836,487	226,745,570
Unrestricted - Board Restriction and Designation Reserves for Operations, Capital, and Debt Service	57,088,069	58,336,370
Total Net Position	599,842,452	586,110,432
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 985,172,214	\$ 789,496,753

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, 2025 and 2024

	2025	2024
Operating Revenues		
User Fees	\$ 33,881,321	\$ 30,235,924
Food and Beverage	7,409,606	7,659,484
The UPS Store	459,256	445,799
Rentals	197,147	248,196
Miscellaneous	239,441	146,221
Total Operating Revenues	42,186,771	38,735,624
Operating Expenses		
General and Administrative	14,586,779	14,175,600
Sales and Marketing	4,119,148	4,817,577
New Orleans & Company	505,399	397,656
Event Services	2,777,283	2,607,654
Food Services	1,025,517	1,082,157
Building Operations	29,366,829	28,472,340
Public Safety	6,515,334	5,945,301
Production Services	3,771,106	3,689,064
Technology Services	8,801,218	5,397,717
Non-Capital, One-Time Projects	2,770,628	1,369,615
Depreciation and Amortization	31,683,069	32,810,193
The UPS Store	528,948	511,610
Total Operating Expenses	106,451,258	101,276,484
Operating Loss	(64,264,487)	(62,540,860)
Non-Operating Revenues (Expenses)		
Tax Revenues	69,518,385	69,592,848
Investment Revenue	15,857,835	14,393,126
Interest Expense	(9,049,281)	(5,359,708)
Other Non-Operating Revenue	2,574,810	337,590
Distributions to Others	(905,242)	(784,526)
Total Non-Operating Revenues, Net	77,996,507	78,179,330
Changes in Net Position	13,732,020	15,638,470
Net Position, Beginning of Year	586,110,432	570,471,962
Net Position, End of Year	\$ 599,842,452	\$ 586,110,432

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, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash Received from User Fees	\$ 31,200,934	\$ 33,679,975
Cash Received from Other Sources	8,641,459	9,134,604
Cash Paid to Employees and for Related Expenses	(40,016,783)	(37,429,320)
Cash Paid to Suppliers	(32,348,102)	(29,568,043)
Net Cash Used in Operating Activities	(32,522,492)	(24,182,784)
Cash Flows from Non-Capital Financing Activities		
Cash Received from Taxes	64,950,039	66,938,426
Other Non-Capital Receipts, Net	2,000,000	-
Distributions to Others	(905,242)	(784,526)
Net Cash Provided by Non-Capital Financing Activities	66,044,797	66,153,900
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(96,189,780)	(55,488,404)
Proceeds from Sale of Capital Assets	6,236	-
Lease Revenue	641,170	(128,770)
Insurance Proceeds, Net	-	466,359
Interest Paid	(6,734,200)	(7,060,853)
Proceeds from Issuance of Debt	132,874,477	-
Cash Paid for Bond Issuance Costs	(781,427)	-
Repayment of Bonds	(5,075,000)	(4,830,000)
Net Cash Provided by (Used in) Capital and Related Financing Activities	24,741,476	(67,041,668)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(401,462,576)	(376,976,093)
Proceeds from Sales and Maturities of Investment Securities	325,505,197	391,449,154
Interest Payments Received	13,637,894	11,444,189
Net Cash (Used in) Provided by Investing Activities	(62,319,485)	25,917,250
Net (Decrease) Increase in Cash	(4,055,704)	846,698
Cash, Beginning of Year	28,659,950	27,813,252
Cash, End of Year	\$ 24,604,246	\$ 28,659,950
Reconciliation to Statements of Net Position		
Cash, Current Assets	\$ 12,586,002	\$ 16,046,788
Cash, Restricted Primarily for Construction and Debt Service	5,376,896	5,347,773
Cash, Restricted to Satisfy Cooperative Endeavor Agreements	6,641,348	7,265,389
Total Reconciliation to Statements of Net Position	\$ 24,604,246	\$ 28,659,950

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, 2025 and 2024

	2025	2024
Reconciliation of Operating Loss to Net Cash		
Used in Operating Activities		
Operating Loss	\$ (64,264,487)	\$ (62,540,860)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities		
Depreciation and Amortization	31,683,069	32,810,193
Loss from Disposal of Capital Assets	869,324	-
(Increase) Decrease in:		
Accounts Receivable	51,894	1,825,441
Prepaid and Other Assets	476,939	(72,283)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	1,057,048	1,541,211
Unearned Revenue	(2,396,279)	2,253,514
Net Cash Used in Operating Activities	\$ (32,522,492)	\$ (24,182,784)

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 a President/CEO 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. NOPFM is reported as a blended component unit because the Authority's Board of Commissioners serves as the NOPFM Board of Directors, and management of the Authority has operational responsibility for NOPFM.

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 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. Because the Authority's board constitutes a complete voting majority of the District's board, and the Authority has operational responsibility for the District, it is reported as a blended component unit.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Organization and Reporting Entity (Continued)

The RDNI Subdistrict (the Subdistrict) is a legally separate political subdivision of the State of Louisiana, created by the District to reside within its territorial jurisdiction. The Subdistrict was established to facilitate and support large-scale multi-faceted mixed-use economic development projects (including affordable housing, retail, and commercial spaces). The Subdistrict is governed by the same Board of Commissioners as the District, and its operations are managed by the Authority's executive management. Because it operates under the identical governance and operational control structure as the District, the Subdistrict is also reported as a blended component unit of the Authority.

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.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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, Series 2023, and Series 2025 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.

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)

- 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.
- The Series 2025 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 2025 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.
- 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 and bond issues, 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.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

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 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. There were no capital contributions for the years ended December 31, 2025 and 2024.

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

Effective January 1, 2025, the Authority adopted the provisions of 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 adoption of the statement had no material impact on the Authority's financial statements for the year ended December 31, 2025.

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, 2025 and 2024:

	2025	2024
Cash		
Unrestricted	\$ 12,586,002	\$ 16,046,788
Restricted Primarily for Construction and Debt Service	5,376,896	5,347,773
Restricted to Satisfy Cooperative Endeavor Agreements	6,641,348	7,265,389
Total Cash and Cash Equivalents	\$ 24,604,246	\$ 28,659,950
Investments		
Unrestricted	\$ 61,539,549	\$ 68,710,539
Restricted for Infrastructure Project	7,740,081	-
Restricted to Satisfy Cooperative Endeavor Agreements and Other Agreements	146,920,471	144,174,518
Restricted for Construction and Debt Service	120,081,004	46,414,340
Total Investments	\$ 336,281,105	\$ 259,299,397

The unrestricted investments include \$20MM assigned by the Board for financial contingency, \$14MM assigned by the Board for debt service, and the remaining funds assigned by the Board for capital projects.

Actual cash in banks as of December 31, 2025 and 2024 for restricted and unrestricted bank accounts, before outstanding checks and reconciling items, was \$25,707,566 and \$28,835,334, respectively. Of the total bank balances at December 31, 2025 and 2024, 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, 2025 and 2024:

Investment Type	2025	2024
U.S. Agency	\$ 15,661,787	\$ 9,710,474
U.S. Treasury	215,996,905	131,401,762
Cash and Cash Equivalents	28,707,808	69,233,987
Corporate Debt Instruments	62,510,921	36,269,318
State and Municipal Bonds	1,617,263	1,394,815
Investment Pool	11,786,421	11,289,041
Total	\$ 336,281,105	\$ 259,299,397

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, 2025 are as follows:

Investment Type	U.S. Agency	Corporate	Money Market	Municipal	Total
AAA	\$ 15,661,787	\$ 62,510,921	\$ 28,707,808	\$ 1,617,263	\$ 108,497,779

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

Investment Type	U.S. Agency	Corporate	Money Market	Municipal	Total
AAA	\$ 9,710,474	\$ 36,269,318	\$ 69,233,987	\$ 1,394,815	\$ 116,608,594

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, 2025 and 2024 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, 2025 and 2024, 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, 2025 and 2024, the Authority's investment balances and maturities for those investments subject to interest rate risk were as follows:

Investment Type	December 31, 2025				
	Total	Less than One Year	1 - 5 Years	6 - 10 Years	More than Ten Years
U.S. Agency	\$ 15,661,787	\$ 2,342,054	\$ 12,894,762	\$ 424,971	\$ -
U.S. Treasury	215,996,905	98,054,693	117,942,212	-	-
Corporate Debt Instruments	62,510,921	17,991,127	44,519,794	-	-
Money Market	28,707,808	28,707,808	-	-	-
State and Municipal Bonds	1,617,263	918,528	698,735	-	-
Total	\$ 324,494,684	\$ 148,014,210	\$ 176,055,503	\$ 424,971	\$ -

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	69,233,987	69,233,987	-	-	-
State and Municipal Bonds	1,394,815	477,823	916,992	-	-
Total	\$ 248,010,356	\$ 108,697,777	\$ 138,726,714	\$ 386,105	\$ 199,760

Investment Pool

Investments of \$11,786,421 and \$11,289,041, as of December 31, 2025 and 2024, 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.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Investment Pool (Continued)

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 31 as of December 31, 2025.
- *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.

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.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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, 2025 is as follows:

	Level 1	Level 2	Level 3	Total
Investments Reported at Fair Value				
Cash and Cash Equivalents	\$ 28,707,808	\$ -	\$ -	\$ 28,707,808
Fixed Income Securities				
U.S. Treasury Obligations	215,996,905	-	-	215,996,905
U.S. Agency Obligations	-	15,661,787	-	15,661,787
Corporate Debt Instruments	27,319,017	35,191,904	-	62,510,921
State and Municipal Bonds	-	1,617,263	-	1,617,263
Total Investments Reported at Fair Value	\$ 272,023,730	\$ 52,470,954	\$ -	324,494,684
Investments Not Reported at Fair Value				
Investment Pool				11,786,421
Total Investments				\$ 336,281,105

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, 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	<u>\$ 221,876,851</u>	<u>\$ 26,133,505</u>	<u>\$ -</u>	<u>248,010,356</u>
Investments Not Reported at Fair Value				
Investment Pool				<u>11,289,041</u>
Total Investments				<u>\$ 259,299,397</u>

Note 3. Accounts Receivable

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

	2025	2024
Customers	\$ 6,138,015	\$ 6,090,165
Other	<u>776,239</u>	<u>602,020</u>
	<u>6,914,254</u>	<u>6,692,185</u>
Less: Allowance for Uncollectible Accounts	<u>(1,018,097)</u>	<u>(341,422)</u>
Total	<u>\$ 5,896,157</u>	<u>\$ 6,350,763</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, 2025:

	Balance January 1, 2025	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2025
Capital Assets Not Depreciated					
Land	\$ 79,222,985	\$ -	\$ 15,931,222	\$ -	\$ 95,154,207
Art/Exhibits	796,500	-	25,000	(26,500)	795,000
Construction in Progress	60,099,340	88,837,919	(26,301,096)	(840,533)	121,795,630
Total Capital Assets Not Being Depreciated	140,118,825	88,837,919	(10,344,874)	(867,033)	217,744,837
Capital Assets Being Depreciated					
Building/Building Improvements	673,386,813	450	4,938,743	(1,039,746)	677,286,260
Boulevard Improvements	12,591,864	-	-	-	12,591,864
Equipment	47,517,491	-	5,390,631	(199,466)	52,709,656
Surface Parking	17,187,947	-	15,500	-	17,203,447
Total Capital Assets Being Depreciated	750,684,115	450	10,344,874	(1,238,212)	759,791,227
Capital Assets Being Amortized					
Leased Equipment	229,635	1,245,564	-	(229,635)	1,245,564
Software	3,741,080	-	-	-	3,741,080
IT Subscriptions	1,660,651	-	-	(321,812)	1,338,839
Total Capital Assets Being Amortized	5,631,366	1,245,564	-	(551,447)	6,325,483
Less: Accumulated Depreciation and Amortization	(449,432,859)	(31,683,069)	-	1,694,398	(479,421,530)
Total Capital Assets, Net	\$ 447,001,447	\$ 58,400,864	\$ -	\$ (962,294)	\$ 504,440,017

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, 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)	-	2,746,436	(449,432,859)
Total Capital Assets, Net	\$ 416,070,564	\$ 30,953,686	\$ -	\$ (22,803)	\$ 447,001,447

The construction in progress as of December 31, 2025 and 2024 included both routine capital improvements and several major projects. In 2025, capital outlay included renovation to meeting rooms, lobbies, and pre-function areas with additional expenditures on site development and purchase of the Sugarmill. In 2024, capital outlay included the roof replacement, the meeting rooms, lobbies and pre-function areas.

As of December 31, 2025, the Authority has an outstanding construction commitment of approximately \$73.5MM related to the expansion of the Convention Center property and infrastructure. Cumulative expenditures on this project totaled approximately \$140.8MM as of December 31, 2025. The project and its remaining commitments will be funded through the Authority's reserves, proceeds of the Authority's Series 2022, 2023 and 2025 bond issuances, and proceeds from future bond issuances.

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, 2025	Additions	Reductions	Payable at December 31, 2025	Due Within One Year
Lease Obligation	\$ 31,339	\$ 1,245,564	\$ (177,877)	\$ 1,099,026	\$ 226,607
SBITA Obligation	382,195	-	(382,195)	-	-
Total	\$ 413,534	\$ 1,245,564	\$ (560,072)	\$ 1,099,026	\$ 226,607

	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

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

Year Ending December 31,	Principal	Interest
2026	\$ 226,607	\$ 33,513
2027	226,607	33,513
2028	226,607	33,513
2029	226,607	33,513
2030	192,598	16,757
Total	\$ 1,099,026	\$ 150,809

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, 2025	December 31, 2024
Lease Receivable		
Current	\$ -	\$ 124,105
Non-Current	78,512,736	17,282,503
Total Lease Receivable	\$ 78,512,736	\$ 17,406,608
Deferred Inflows - Leases	\$ 77,719,284	\$ 17,188,426

For the years ended December 31, 2025 and 2024, the Authority recognized lease revenue of \$0.6MM and interest revenue from leases of \$2.0MM.

Note 6. Long-Term Obligations

The following tables summarize the changes in the Authority's long-term obligations for the years ended December 31, 2025 and 2024:

	January 1, 2025	Additions	Deletions	December 31, 2025	Due Within One Year	Over One Year
Bonds Payable	\$ 129,440,000	\$ 125,000,000	\$ (5,075,000)	\$ 249,365,000	\$ 6,010,000	\$ 243,355,000
Adjustments						21,493,593
Premiums						264,848,593
Compensated Absences	1,303,450	95,299	-	1,398,749	907,564	491,185
Total	\$ 130,743,450	\$ 125,095,299	\$ (5,075,000)	\$ 250,763,749	\$ 6,917,564	\$ 265,339,778
	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						14,869,577
Premiums						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

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, 2025 was as follows:

December 31, 2025	Series 2022 Refunding Bonds	Series 2023 Tax Revenue Bonds	Series 2025 Tax Revenue Bonds	Total
Balance January 1, 2025	\$ 17,395,000	\$ 112,045,000	\$ -	\$ 129,440,000
Additions	-	-	125,000,000	125,000,000
Maturities/Refinancing	(5,075,000)	-	-	(5,075,000)
Balance December 31, 2025	\$ 12,320,000	\$ 112,045,000	\$ 125,000,000	\$ 249,365,000
Due Within One Year	\$ 6,010,000	\$ -	\$ -	\$ 6,010,000

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	\$ 17,395,000	\$ 112,045,000	\$ 129,440,000
Due Within One Year	\$ 5,075,000	\$ -	\$ 5,075,000

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

	2025	2024
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.	\$ 12,320,000	\$ 17,395,000
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
2025 Series, Special Tax Revenue Bonds, interest rates from 5% to 5.50%, due in annual principal debt service requirements ranging from \$2,680,000 to \$4,535,000, final payment due July 2054.	125,000,000	-
	249,365,000	129,440,000
Plus: Unamortized Net Premium	21,493,593	14,869,577
Less: Current Maturities	(6,010,000)	(5,075,000)
Long-Term Debt Less Current Maturities	\$ 264,848,593	\$ 139,234,577

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 and Series 2025 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 not in compliance with the Continuing Disclosure requirements related to the Series 2022 and 2023 bonds due to late filing. A Material Event Disclosure was filed to cure the matter. There were no additional compliance matters related to bond covenants as of December 31, 2025 and 2024.

The annual requirements to amortize all bonds as of December 31, 2025 were as follows:

Year Ending December 31,	2022 Bond Series		2023 Bond Series		2025 Bond Series		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 6,010,000	\$ 616,000	\$ -	\$ 5,839,263	\$ -	\$ 7,107,263	\$ 19,572,532
2027	8,310,000	315,500	-	5,839,263	2,880,000	6,510,175	21,555,238
2028	-	-	2,175,000	5,839,263	4,575,000	6,375,175	18,925,738
2029	-	-	2,285,000	5,730,513	1,575,000	6,119,725	18,700,238
2030	-	-	2,160,000	5,616,263	1,530,000	5,922,975	15,169,238
2031-2035	-	-	13,915,000	26,157,315	22,650,000	26,217,375	65,339,690
2036-2040	-	-	17,760,000	22,342,615	22,650,000	26,551,675	69,277,690
2041-2045	-	-	22,670,000	17,395,140	22,650,000	11,779,125	77,454,565
2046-2050	-	-	29,220,000	10,818,113	22,650,000	7,720,250	71,176,363
2051-2054	-	-	21,620,000	2,120,550	13,120,000	2,191,500	41,652,050
Total	\$ 12,320,000	\$ 971,500	\$ 112,015,000	\$ 107,993,799	\$ 125,000,000	\$ 101,830,044	\$ 163,125,312

Note 7. Unearned Revenue

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

	2025	2024
Customer Prepayments	\$ 7,350,638	\$ 9,746,917
Less: Current Portion	5,684,798	7,317,698
Long-Term Portion	\$ 1,665,840	\$ 2,429,219

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:

	2025		2024	
	Receivable	Revenue	Receivable	Revenue
3% Hotel Occupancy Tax	\$ 5,682,836	\$ 39,345,914	\$ 6,297,634	\$ 40,146,277
State Economic Development	2,000,000	2,000,000	-	2,000,000
Hotel Occupancy/Food and Beverage Tax	3,929,568	23,275,273	3,760,621	22,603,098
Service Contractors and Tour Tax	299,726	2,808,434	422,490	2,691,518
RTA Tax	18,766,768	3,137,014	15,629,807	3,215,449
Collection Fees	-	(1,048,250)	-	(1,063,494)
Total	\$ 30,678,898	\$ 69,518,385	\$ 26,110,552	\$ 69,592,848

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, 2025 and 2024, the Authority earned \$7,409,606 and \$7,659,484, 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, 2025 and 2024 was \$111,320,471 and \$108,574,518, 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 original estimated cost of the project is approximately \$142,000,000. In June 2025, the estimated cost was amended to \$162,000,000. 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. During the year ended December 31, 2025, the Authority satisfied its obligation for the matching funds.

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. In August 2024, the City amended the agreement to allocate \$4,900,000 to the Subdistrict. The amount of funds remaining to complete the project at December 31, 2025 and 2024 was approximately \$6,640,000 and \$7,260,000, respectively.

In September 2025, the Authority entered into a Cooperative Endeavor Agreement with the City of New Orleans (the City) and River District Neighborhood Investors, LLC (RDNI) to facilitate both public infrastructure improvements and the development of affordable and workforce housing. Pursuant to a pre-existing Master Development Agreement, the Authority had previously established an Infrastructure Escrow Account containing \$25,453,901.54 to fund certain infrastructure improvements within the River District development. Under the terms of the new CEA, the City agreed to deposit \$6,253,652 into this Infrastructure Escrow Account to assist with roadway and street improvements. In exchange for the City's infrastructure investment, the Authority agreed to allocate an identical amount of \$6,253,652 from its existing Infrastructure Escrow Account to support Rivana, an affordable and workforce housing project within the development. The Authority's financial commitment to the housing project will not exceed the amount of funds received from the City under the CEA.

The Authority's affordable housing funds are required to be deposited with Liberty Bank, acting as escrow agent, until the financial closing of the Rivana project. If the project fails to reach financial close by the deadline specified in the CEA, the escrowed funds will be redirected, subject to Authority and City approval, to an alternative workforce housing project or the City's Housing Trust Fund.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 11. Commitments and Contingencies

Self-Insurance

For 2025 and 2024, the Authority was self-insured for medical claims up to \$175,000 per participant. In 2025 and 2024, the aggregate for claims liability was \$4,884,953 and \$5,050,976, 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
2025	\$ 219,369	\$ 3,164,245	\$ (3,076,576)	\$ 307,038
2024	\$ 219,369	\$ 3,161,775	\$ (3,161,775)	\$ 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.

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, 2025 and 2024 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 approximately \$1,384,454 and \$1,258,976 for the years ended December 31, 2025 and 2024, 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 \$1,424,041 and \$1,418,427 for the years ended December 31, 2025 and 2024, respectively.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 13. Tax Abatements and Economic Development Agreements

The RDNI Subdistrict enters into economic development agreements to encourage inclusive economic growth, job creation, and neighborhood revitalization within its territorial jurisdiction. To facilitate these goals, the Subdistrict utilizes tax abatement programs authorized by Louisiana Revised Statutes. For the fiscal year ended December 31, 2025, the Subdistrict's tax abatement agreements consisted of the following:

Payment-in-Lieu of Tax (PILOT) Lease Agreement (Ad Valorem Taxes)

To induce the construction of the regional headquarters of Shell, USA (the Project), the Subdistrict entered into a PILOT Lease Agreement with a private developer (the Developer). Under the terms of the agreement, the Subdistrict holds legal title to the Project, thereby rendering the property public and exempt from standard ad valorem taxes.

The Developer is granted an ad valorem tax exemption for an incentive period of 180 months. In exchange, the Developer is required to make a Base PILOT payment annually to the City of New Orleans. The Base PILOT is currently established at \$-0-, representing the assessed value of the property during the 2022 calendar year.

As part of this lease, the Subdistrict earns a one-time closing cost fee of 1/20th of 1% of the Project's capital cost, an annual rental payment of \$1,000, and an Annual Administrative Fee of 1/10th of 1% of the Project's capital cost.

Construction Purchase Mandatory Agreement (Sales and Use Taxes)

Concurrently with the PILOT Lease, the Subdistrict entered into a Mandatory Agreement to exempt the Project's construction materials, furniture, fixtures, and equipment from state and local sales and use taxes during the construction period.

The Subdistrict officially designated the Developer's contractors as its mandataries (agents), allowing them to purchase construction materials utilizing the Subdistrict's tax-exempt status.

In exchange for this sales and use tax exemption, the Developer is legally required to remit a quarterly River District Community Development Support Payment to the Subdistrict. This payment is exactly equal to the amount of sales and use taxes that would have otherwise been due on the purchases made during the preceding quarter.

The operations of the Subdistrict are further governed by a Cooperative Endeavor Agreement entered into by the Subdistrict, the New Orleans Exhibition Hall Authority Economic Growth and Development District, and River District Neighborhood Investors, LLC (the Master Developer).

The CEA mandates that all sales and use tax savings obtained in connection with the PILOT must be dedicated to affordable housing development within the Subdistrict.

For the fiscal year ended December 31, 2025, the Subdistrict's PILOT agreement resulted in ad valorem tax abatements of \$-0-, and the mandatory agreement resulted in sales and use tax abatements of \$-0-.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Notes to Financial Statements

Note 14. Recently Issued Accounting Standards

As of December 31, 2025, the GASB has issued several statements not yet implemented by the Authority. The Statement, which might impact the Authority, is as follows:

Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the effects of the new GASB pronouncement scheduled for implementation in future years.

Note 15. Subsequent Event

On January 28, 2026, the Board of Commissioners of the Authority approved a resolution authorizing the negotiation and execution of amendments and modifications to the Master Development Agreement, originally dated October 26, 2022, as amended, and related ground leases and agreements with RDNI.

The resolution approved a framework of amendment deal points, including, among other matters, (i) changes to site control arrangements, including the termination of certain ground leases and conversion to purchase options, as well as the return of approximately \$1.2 million of lease deposits to RDNI, (ii) the provision of financial support by the Authority for development activities, including an estimated \$4 million commitment to fund certain infrastructure improvements and up to \$6.5 million related to the Rivana affordable housing project, and (iii) other modifications to the parties' respective rights and obligations.

The resolution further authorizes the execution of a letter of intent and the negotiation of definitive amendment documents. As of the date of issuance of these financial statements, the letter of intent has been executed but no such definitive amendments have been executed, and the existing agreements remain in effect.

On March 25, 2026 the District established the Headquarter Hotel Subdistrict. The Headquarter Hotel Subdistrict is created to provide for cooperative economic and community development among the District, the City, the State, and the owners of the 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 governing authority of the Headquarters Hotel Subdistrict shall be the governing authority of the District.

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, 2025

Agency Head

James Cook, President and CEO (August 2025 through December 2025)

Purpose	Amount
Salary	\$147,138
Benefits - Insurance	\$8,467
Benefits - Retirement	\$7,849
Benefits - Vision, Dental, LTD, LTC, Life	\$579
Car Allowance	\$0
Travel	\$0
Registration Fees	\$0
Other (Meals, Entertainment, Parking)	\$0
Cell Phone	\$0

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, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 22, 2026.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 2025-001.

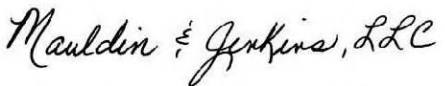
The Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Covington, LA
May 22, 2026

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Schedule of Findings and Responses
For the Year Ended December 31, 2025

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, Compliance, and Other Matters

2025-001 Continuing Disclosure

<i>Criteria:</i>	Louisiana Revised Statue 39:1438 includes a requirement that entities remain in compliance with the continuing disclosure agreements to which the public entity is a party.
<i>Condition:</i>	The Authority did not timely file the continuing disclosure.
<i>Cause:</i>	Oversight
<i>Effect:</i>	Noncompliance with LRS 39:1438
<i>Recommendation:</i>	We recommend that management implement a plan to ensure timely filing.
<i>Management's Response</i>	Management will institute such a plan.



AGREED-UPON PROCEDURES REPORT

Ernest N. Morial New Orleans
Exhibition Hall Authority

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2025 - December 31, 2025

To the Board of Commissioners
Ernest N. Morial New Orleans Exhibition Hall Authority
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the Ernest N. Morial New Orleans Exhibition Hall Authority's (the Authority) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2025 through December 31, 2025. The Authority's management is responsible for those C/C areas identified in the SAUPs.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 1, 2025 through December 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

1) *Written Policies and Procedures*

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
- ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
- iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of these procedures.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of these procedures.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of performing procedure #3A(i). Exceptions were found for procedures #3A(ii) and #3A(iii). None of the bank reconciliations had evidence of management review within one month of the reconciliations' preparation date. For the cash accounts where procedure #3A(iii) was applicable, there was no evidence that management researched the older reconciling items.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits, and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of these procedures.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were found as a result of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results: No exceptions were found as a result of these procedures.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of these procedures.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of these procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of these procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: Exceptions were noted for procedure #10(A)i. For (1) out of the (5) employees tested, there was no evidence to support that the employee completed ethics training.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No exceptions were found as a result of these procedures.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the Legislative Auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: The entity's annual sexual harassment report for the current fiscal period was not dated on or before February 1st. No other exceptions were found as a result of these procedures.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report 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.

Mauldin & Jenkins, LLC

Covington, LA
May 22, 2026