ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY

Audits of Financial Statements

December 31, 2015 and 2014

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

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Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2015, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements
The basic financial statements of the Authority as of December 31, 2014, were audited by other auditors whose report dated March 25, 2015, expressed an unmodified opinion on those statements.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 4 through 10, 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to the 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 March 15, 2016, 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 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 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.

LaPorte

A Professional Accounting Corporation

Metairie, LA
March 15, 2016

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, 2015 and 2014. 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 Authority's mission is to plan, finance, construct, and manage a convention and exhibition center in the City of New Orleans. In support of this mission, the following are notable financial results from 2015:

- 2015 saw a 5.7% increase in number of events over 2014, with an 2.2% increase in room nights; the number of total attendees decreased by 8.7% and out of town attendee figures also decreased by 5.4%
- Net position increased by $24.6MM, an increase of 5.1% from prior year
- Cash flows increased by $18MM due to the additional taxes recognized within the year and the bond refinancing
- Tax revenues increased by 10.1%, with all debt covenants having been met

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (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.

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:

- 2015 total assets returned to similar levels as 2013 after the decrease experienced in 2014 due to reduced bond reserve requirement.
- The downward trend of liabilities continues with a 3.2% reduction since 2014 and a 26.8% decrease since 2013 as a result of bond refunding and re-payments.
- The Authority continues to experience an increase in Net Position reaching just over $500MM at December 31, 2015.

Table A-1
Ernest N. Morial New Orleans Exhibition Hall Authority
Condensed Statements of Net Position (in thousands of dollars)
December 31, 2015, 2014, and 2013

	2015	2014	2013
Current Assets	$ 232,448	$ 206,008	$ 205,713
Restricted Assets	35,944	32,620	40,360
Capital Assets	364,279	373,418	385,863
Total Assets	632,671	612,046	631,936
Unamortized Loss on Bond Refinancing	2,512	2,775	4,939
Total Deferred Outflows of Resources	2,512	2,775	4,939
Total Assets and Deferred Outflows of Resources	635,183	614,821	636,875
Current Liabilities	$ 18,998	$ 14,604	$ 21,370
Long-term Liabilities	110,736	119,413	155,925
Total liabilities	129,734	134,017	177,295
Net Position:			
Net Investment in Capital Assets	249,831	251,811	226,617
Restricted	33,337	30,829	36,437
Unrestricted	222,281	198,164	196,526
Total Net Position	505,449	480,804	459,580
Total Liabilities and Net Position	$ 635,183	$ 614,821	$ 636,875

Changes in Net Position

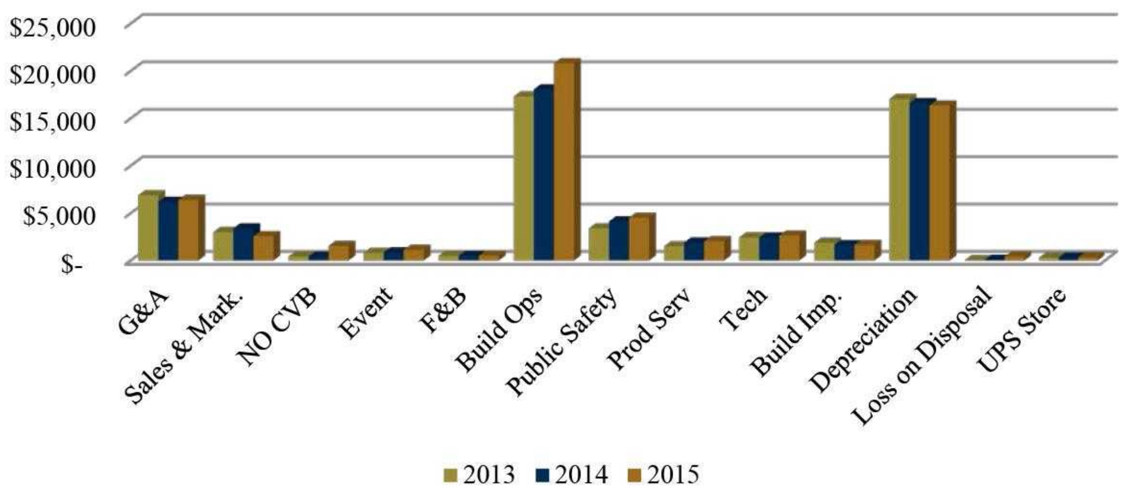
The change in net position, detailed in Table A-2 and Graph B-1, highlights the factors that have contributed to the Authority's change in financial position:

- The operating loss continues to increase year over year with a change of 16.1% from 2014 to 2015 and a 27.8% change since 2013.
  - The workforce expanded to better serve our clients and to maintain the building.
  - The support of French Quarter heightened security was introduced, totaling $1.25MM.
- Tax collections, shown in the non-operating revenues line, continue to increase as a result of the robust tourism industry and offsets the operational loss.
- In 2013 the Authority recorded a capital contribution from the State of Louisiana of $10.0MM which was the reminder of the $20MM the State directed to the Authority as outlined in Act 597 of the 2012 Legislative Session.

Table A-2
Ernest N. Morial New Orleans Exhibition Hall Authority
Condensed Statements of Revenues, Expenses, and Changes in Net Position
(in thousands of dollars)
December 31, 2015, 2014, and 2013

	2015	2014	2013
Operating Revenues:			
User Fees and Other Revenues	$ 22,087	$ 22,317	$ 23,706
Food and Beverage	6,147	5,616	6,258
Total Operating Revenues	28,233	27,933	29,964
Operating Expenses:			
Operating Expenses	44,451	39,389	38,398
Depreciation	16,357	16,608	17,046
Total Operating Expenses	60,808	55,997	55,444
Operating Income (Loss)	(32,574)	(28,064)	(25,480)
Non-operating Revenues, Net	57,219	49,288	46,844
Capital Contributions	-	-	10,000
Distribution to the State of Louisiana	-	-	(2,832)
Change in Net Position	24,645	21,224	28,532
Net Position, Beginning of the Year	480,804	459,580	431,048
Net Position, End of the Year	$ 505,449	$ 480,804	$ 459,580

Graph B-1: Operating Expenses by Function
(in Thousands of dollars)



Cash Flows

The Condensed Statement of Cash Flows, 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:

- 2015 saw in increase in investing activities due to the amount of excess tax collections transferred within the year which allowed for diversification in the cash position.
- In 2014 Capital and related financing activities accounted for the cost of the bond refunding and re-payment; in 2015 it is scheduled debt payments and capital asset acquisitions.
- In 2013 the lower figure in the Noncapital financing line was a result of the distribution to government agencies that occurred in that year and has not been repeated since.

Table A-3
Ernest N. Morial New Orleans Exhibition Hall Authority
Condensed Statements of Cash Flows (in thousands of dollars)
December 31, 2015, 2014, and 2013

	2015	2014	2013
Cash Flows from:			
Operations	$ (13,750)	$ (10,851)	$ (9,777)
Noncapital Financing	58,974	53,737	28,486
Capital and Related Financing Activities	(17,621)	(50,881)	(8,766)
Investing Activities	(27,508)	(10,079)	(13,324)
Net Increase (Decrease) in Cash	$ 95	$ (18,074)	$ (3,381)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets are various types of property that enable daily operations and contribute to the ability to of an organization to generate revenue.

- Through December 31, 2015, the Authority has invested approximately $630.6MM in property, buildings, and equipment; this figure is comprised of $92.8MM not depreciated and $537.7MM being depreciated.
- 2015 resulted in a net increase in capital assets of approximately $800K.
  - Almost $9MM of assets was added during the year.
  - Approximately $8MM in disposals was also recognized in 2015; roughly $5MM was removed from asset listing due to a change in the capitalization policy.
- In 2014 the net increase was $3.5MM and in 2013 the increase was $7.4MM.
- Construction in progress continues to reflect the work related to the Convention Center Development District and ongoing capital improvements; The Great Hall remodel was the last major project completed and put into service in 2013.

Debt Administration

The administration and repayment of debt has continued as scheduled:

- In 2015, $6.2MM of bond and loan principal payments were made.
- During 2014, $111MM in bond and loan principal payments were made, including the refunding of the 2004 Series bonds and the repayment of the Go Zone loan.
- During 2013, $9.9MM in bond and loan principal payments were made.
- All debt covenants have been met; Continuing Disclosure reports are maintained in the official municipal repository.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

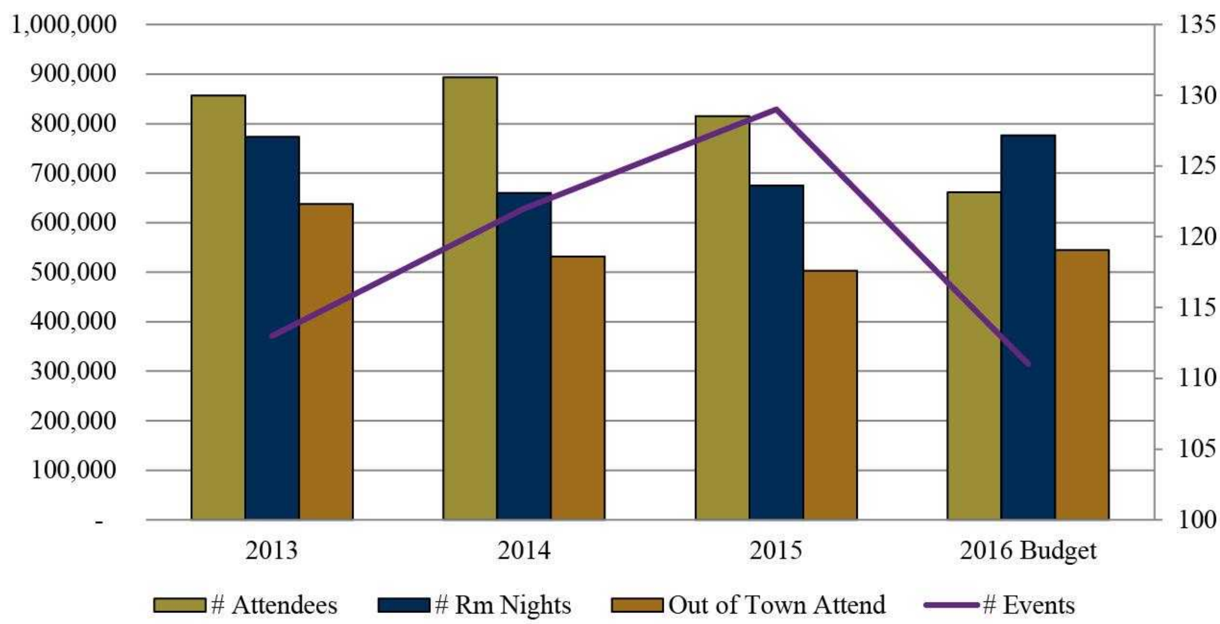
The New Orleans Ernest N. Morial Convention Center (the Center) is one of the greatest economic assets of the City of New Orleans and the State of Louisiana. As such, it is important to point out the overall economic impact the Center produces as well as highlight the key metrics that illustrate the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

- The economic impact report for 2015 has not yet been completed.
- The key measurements of the Center's economic impact for 2014 are as follows:
  - Total annual impact of $1.84B; $1.12B of direct spending and $720MM of indirect spending
  - All spending resulted in $169MM in tax revenues collected by the State and local governments
  - Almost 19,000 jobs were supported by the Center and created $662MM in income for local residents

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)

- Graph B-2 illustrates the key internal economic factors that effect the operating revenues and expenses:
  - 2015 saw a 5.7% increase in the number of events hosted and a 2.2% increase in room nights produced, but also recognized an 8.7% decrease in total attendees as well as a 5.4% decrease in out of town attendees.
  - The 2016 budget estimates fewer events and total attendees than 2015, but anticipates a 13% increase in room nights produced and a 7.6% increase in out of town attendees compared to year over year (*Note: no assurances can be made that all anticipated conventions will occur thus increase in room nights and attendees may not be realized*).

Graph B-2 - Economic Factors



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 Vice President of Finance and Administration, Alita Caparotta, at (504) 582-3022.

ERNEST N. MORIAL NEW ORLEANS EXHIBITION HALL AUTHORITY
Statements of Net Position
December 31, 2015 and 2014

	2015	2014
Assets and Deferred Outflows of Resources		
Current Assets		
Cash	**$ 114,474,643**	$ 114,261,824
Investments	**115,256,679**	89,133,426
Accounts Receivable, Net	**1,966,110**	1,908,834
Interest Receivable	**203,582**	153,077
Prepaid Expenses and Other Assets	**547,087**	551,674
Total Current Assets	**232,448,101**	206,008,835
Restricted Assets		
Cash, Designated for Construction	**239,103**	373,044
Cash, Restricted Primarily for Construction and Debt Service	**5,435,094**	5,418,672
Investments, Restricted for Debt Service	**18,532,776**	15,842,437
Interest Receivable	**165,048**	200,544
Taxes Receivable	**11,572,325**	10,785,280
Total Restricted Assets	**35,944,346**	32,619,977
Property, Buildings and Equipment, Net	**364,278,685**	373,417,546
Total Assets	**632,671,132**	612,046,358
Deferred Outflows of Resources		
Unamortized Loss on Bond Refinancing	**2,512,076**	2,774,507
Total Assets and Deferred Outflows of Resources	**$ 635,183,208**	$ 614,820,865

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, 2015 and 2014

	2015	2014
Liabilities and Net Position		
Current Liabilities (Payable from Current Assets)		
Accounts Payable	$ 4,197,437	$ 3,447,761
Other Payables	1,232,109	954,168
Unearned Revenue, Current Portion	2,880,399	2,133,395
Compensated Absences, Current Portion	464,551	450,144
Total Current Liabilities (Payable from Current Assets)	8,774,496	6,985,468
Current Liabilities (Payable from Restricted Assets)		
Other Liabilities	176,787	168,197
Accrued Bond Interest	2,191,501	1,249,689
Current Portion of Bonds Payable	7,855,000	6,200,000
Total Current Liabilities (Payable from Restricted Assets)	10,223,288	7,617,886
Total Current Liabilities	18,997,784	14,603,354
Long-Term Liabilities		
Compensated Absences, Less Current Portion	372,050	400,878
Bonds Payable, Less Current Portion, Net	109,104,566	118,181,182
Unearned Revenue, Less Current Portion	1,259,413	831,139
Total Long-Term Liabilities	110,736,029	119,413,199
Total Liabilities	129,733,813	134,016,553
Net Position		
Net Investment in Capital Assets	249,831,193	251,810,871
Restricted Primarily for Debt Service and Construction	33,336,954	30,829,047
Unrestricted	222,281,248	198,164,394
Total Net Position	505,449,395	480,804,312
Total Liabilities and Net Position	$ 635,183,208	$ 614,820,865

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, 2015 and 2014

	2015	2014
Operating Revenues		
User Fees	$ 21,553,011	$ 21,851,495
Food and Beverage	6,146,661	5,615,928
The UPS Store	340,230	288,480
Rentals	185,392	172,929
Miscellaneous	8,046	4,666
Total Operating Revenues	28,233,340	27,933,498
Operating Expenses		
General and Administrative	6,390,685	6,197,018
Sales and Marketing	2,558,159	2,989,766
New Orleans Convention and Visitors Bureau	1,531,423	400,860
Event Services	1,116,706	844,320
Food Services	503,162	477,074
Building Operations	20,808,904	18,061,797
Public Safety	4,511,574	4,123,416
Production Services	2,036,787	1,892,410
Technology Services	2,625,884	2,424,478
Non-Capital, One-Time Projects	1,636,345	1,608,810
Depreciation	16,356,523	16,608,149
Loss on Disposal of Assets	408,747	73,220
The UPS Store	322,761	295,800
Total Operating Expenses	60,807,660	55,997,118
Operating Loss	(32,574,320)	(28,063,620)
Non-Operating Revenues (Expenses)		
Tax Revenues	59,760,738	54,293,996
Investment Income	1,323,519	1,503,574
Interest Expense	(3,957,459)	(6,509,263)
Insurance Proceeds	92,605	-
Total Non-Operating Revenues, Net	57,219,403	49,288,307
Change in Net Position	24,645,083	21,224,687
Net Position, Beginning of Year	480,804,312	459,579,625
Net Position, End of Year	$ 505,449,395	$ 480,804,312

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, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Cash Received from User Fees	$ 22,737,719	$ 20,868,289
Cash Received from Other Sources	6,613,622	6,740,141
Cash Paid to Employees and for Related Expenses	(24,219,541)	(21,363,325)
Cash Paid to Suppliers	(18,881,490)	(17,096,214)
Net Cash Used in Operating Activities	(13,749,690)	(10,851,109)
Cash Flows from Noncapital Financing Activities		
Cash Received from Taxes	58,973,693	54,843,606
Distributions to Government Agencies	-	(1,106,723)
Net Cash Provided by Noncapital Financing Activities	58,973,693	53,736,883
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(7,541,396)	(4,617,668)
Capital Contributions from the State of Louisiana	-	4,805
Interest Paid	(3,972,050)	(8,364,064)
Insurance Proceeds	92,605	-
Repayment of Bonds and Note Payable	(6,200,000)	(111,718,729)
Proceeds from 2014 Bond Issuance	-	74,136,052
Cash Paid for Bond Issuance Costs	-	(321,651)
Net Cash Used in Capital and Related Financing Activities	(17,620,841)	(50,881,255)
Cash Flows from Investing Activities		
Purchases of Investment Securities	(124,860,786)	(191,593,052)
Investment Sales and Maturities	95,674,246	179,953,124
Interest Payments Received	1,678,678	1,560,469
Net Cash Used in Investing Activities	(27,507,862)	(10,079,459)
Net Increase (Decrease) in Cash	95,300	(18,074,940)
Cash, Beginning of Year	120,053,540	138,128,480
Cash, End of Year	$ 120,148,840	$ 120,053,540
Reconciliation to Statements of Net Position		
Cash - Current Assets	$ 114,474,643	$ 114,261,824
Cash, Designated for Construction	239,103	373,044
Cash, Restricted Primarily for Construction and Debt Service	5,435,094	5,418,672
Total Cash	$ 120,148,840	$ 120,053,540

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, 2015 and 2014

	2015	2014
Reconciliation of Operating Loss to Net Cash		
Used in Operating Activities		
Operating Loss	$ (32,574,320)	$ (28,063,620)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities		
Depreciation	16,356,523	16,608,149
Loss from Disposal of Capital Assets	408,747	73,220
(Increase) Decrease in:		
Accounts Receivable	(57,277)	147,898
Prepaid and Other Assets	4,586	266,567
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	936,773	589,643
Unearned Revenue	1,175,278	(472,966)
Net Cash Used in Operating Activities	$ (13,749,690)	$ (10,851,109)

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

Note 1. Summary of Significant Accounting Policies

Organization and Reporting Entity

The Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) was created in 1978 by Act 305 (subsequently amended) of the Louisiana Legislature to plan, finance, construct, and manage a convention and exhibition center in the City of New Orleans (the City). 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 New Orleans Ernest N. Morial Convention Center. Under the present management agreement between the Authority and NOPFM, the Authority reimburses NOPFM for costs of operating the convention and exhibition center, and NOPFM will neither own assets nor retain revenues. The NOPFM is a blended component unit of the Authority.

The Authority is governed by a twelve member Board of Commissioners composed of nine (9) appointees of the Governor of Louisiana and three (3) appointees of the Mayor of New Orleans. The Board of Commissioners establishes policies, approves the budget, controls appropriations, and appoints an Executive Vice President responsible for administering all the Authority's operations and activities.

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

Basis of Presentation

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, insurance proceeds, and tax revenues are presented as non-operating items.

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Reporting

In accordance with Governmental Accounting Standards Board (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 restricted assets. Restricted assets are held as follows:

- Debt service reserve was established by the Authority's bond indentures. The required reserve is the lesser of (i) ten percent of the original principal issued, (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 bonds, and (iii) 125% of average annual principal and interest requirement on the bonds, calculated on a fiscal year basis.

- Debt service, funded by the special revenue taxes, 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) portion of principal accruing until the next principal payment date.

- Capital projects, funded by the proceeds of taxes, restricted for building expansion and improvements.

- Venture Lease Escrows, which include rental income received by the Authority on behalf of and remitted to the City of New Orleans for property owned by the City. In addition to the amounts collected on behalf of the City of New Orleans, the Authority also collects certain funds related to a third-party cell site. The amounts payable are included in other liabilities in the balance sheet.

Note 1. Summary of Significant Accounting Policies (Continued)

Designated and Restricted Assets (Continued)
Designated assets are held as follows:

- Capital projects, funded by the operating assets for which contracts have been awarded and underway.

Cash and Cash Equivalents
Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include investments with an original maturity of three months or less at time of purchase. 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, 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 is determined using the straight-line method. The estimated useful lives used in computing depreciation and amortization are as follows:

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

Property, Building and Equipment (Continued)
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.

Taxes
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 No. 305 of the Regular Session of the Legislature of Louisiana for the year 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.

This tax is legally pledged to secure the Authority's Series 2012 and 2014 bonds and will expire on the date such tax no longer secures outstanding indebtedness of the Authority.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

Taxes (Continued)

Hotel Occupancy/Food and Beverage Tax (Continued)
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 Series 2012 and 2014 bonds and will automatically terminate upon payment in full of all bonds or other obligations of the Authority payable in whole or in part from or secured by the 1988 Hotel Occupancy Tax.

Food and Beverage Tax
The Food and Beverage Tax is a tax in the amount of one half of one percent (0.5%) imposed on the gross receipts from the sale of food and beverages in any food service establishment. 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.

Effective July 1, 2002, an additional one quarter of one percent (¼%) 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 Series 2012 and 2014 bonds and will automatically terminate upon payment in full of all bonds or other obligations of the Authority payable in whole or in part from or secured by the Food and Beverage Tax.

Note 1. Summary of Significant Accounting Policies (Continued)

Taxes (Continued)

Service Contractor 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 contractor tax was May 1, 1995. "Goods and services" means merchandise, wares, materials, labor, assistance, or benefit provided in connection with the installation and dismantling of exhibits, displays and booths, decorations, electrical supplies, materials handling, drayage, flowers and floral decorations, computers, audio and visual equipment, bands and 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.

This tax is legally pledged to secure the Authority's Series 2012 and 2014 bonds and will automatically terminate upon payment in full of all bonds or other obligations of the Authority payable in whole or in part from or secured by the Service Contractor and Tour Tax.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Taxes (Continued)

RTA Tax (Continued)
This tax is legally pledged to secure the Authority's Series 2012 and 2014 bonds and will expire on the date such tax no longer secures outstanding indebtedness of the Authority.

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 remits $2 million of the remaining funds on an annual basis to the Authority.

These funds are legally pledged to secure the Authority's Series 2012 and 2014 bonds.

Capital Contributions
Contributions from State 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, 2015 and 2014.

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 calendar year to the next. Any unused PTO that exceeds 200 hours is forfeited.

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.

Risk Management
The Authority provides for losses, up to the per employee maximum amount, resulting from health insurance claims. 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.).

Note 1. Summary of Significant Accounting Policies (Continued)

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 accounting principles generally accepted in the United States of America. 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 these estimates.

Adoption of Recently Issued Accounting Principles
Beginning January 1, 2015, the Authority adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The adoption of this Statement did not have an impact on the financial statements of the Authority.

Note 2. Cash and Investments

The Authority's cash and investments consisted of the following as of December 31, 2015 and 2014:

	2015	2014
Cash		
Unrestricted	**$ 114,474,643**	$ 114,261,824
Designated for Construction	**239,103**	373,044
Restricted Primarily for Debt Service and Construction	**5,435,094**	5,418,672
Total Cash	**$ 120,148,840**	$ 120,053,540
Investments		
Unrestricted	**$ 115,256,679**	$ 89,133,426
Restricted for Debt Service	**18,532,776**	15,842,437
Total Investments	**$ 133,789,455**	$ 104,975,863

Note 2. Cash and Investments (Continued)

Actual cash in banks as of December 31, 2015 and 2014, for restricted and unrestricted bank accounts, before outstanding checks and reconciling items, was $120,299,843 and $120,254,129, respectively. Of the total bank balances at December 31, 2015 and 2014, 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.

State of Louisiana Revised Statutes authorize 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.

At December 31, 2015 and 2014, investment balances were as follows:

Investment Type	2015	2014
U.S. Agency	$ 69,308,488	$ 51,790,183
U.S. Treasury	45,948,191	37,343,243
Cash equivalents	11,141,476	8,451,137
Repurchase Agreements	7,391,300	7,391,300
Total	$ 133,789,455	$ 104,975,863

Credit Quality Risk - Credit 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 long-term debt securities as of December 31, 2015, are as follows:

Investment Type	U.S. Agency	U.S. Treasury	Total
AAA	$ 69,308,488	$ 45,948,191	$ 115,256,679

Credit ratings of the Authority's investments in long-term debt securities as of December 31, 2014, are as follows:

Investment Type	U.S. Agency	U.S. Treasury	Total
AAA	$ 51,790,183	$ 37,343,243	$ 89,133,426

Note 2. Cash and Investments (Continued)

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the 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, 2015 and 2014 were not subject to custodial credit risk.

Concentration of Credit Risk - The Authority's investment policy only allows investments in U.S. Treasury bills and notes, U.S. government agency securities, municipal bonds, certificates of deposits, and mutual and trust funds. As of December 31, 2015 and 2014, the Authority was in compliance with this policy. Investment in mutual or trust funds are limited to 25% of monies considered available for investment.

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 in accordance with their investment policy.

At December 31, 2015, the Authority's investment balances and maturities for those investments subject to interest rate risk were as follows:

Investment Type	Total	Less than One Year	1 - 5 Years
U.S. Agency	$ 69,308,488	$ 14,002,345	$ 55,306,143
U.S. Treasury	45,948,191	25,988,941	19,959,250
	$ 115,256,679	$ 39,991,286	$ 75,265,393

At December 31, 2014, the Authority's investment balances and maturities for those investments subject to interest rate risk were as follows:

Investment Type	Total	Less than One Year	1 - 5 Years
U.S. Agency	$ 51,790,183	$ -	$ 51,790,183
U.S. Treasury	37,343,243	2,174,093	35,169,150
	$ 89,133,426	$ 2,174,093	$ 86,959,333

Note 2. Cash and Investments (Continued)

Repurchase Agreements

As of December 31, 2015 and 2014, the Authority had $7,391,300 of repurchase agreements with fixed rates of interest through the terms of the agreements. These investments are held under the terms of the bond indenture agreements as reserve funds. The repurchase agreements were supported by collateral requirements varying from 104% to 105% of the account balance. Collateral is held in the name of the trustees of the bond issue for the benefit of the Authority and consists of U.S. government and agency securities. Custodians are independent of the counterparties to the agreements. Under the terms of the repurchase agreements, the trustees may make deposits and withdrawals for these accounts in accordance with certain terms of the trust indenture agreements. The investments are subject to custodial credit risk upon default of the custodian. The Authority's repurchase agreements were as follows as of December 31:

2015

Bond Issue	Interest Rate	Termination Date	Amount
2012 and 2014 Refunding	4.785%	July 2033	$ 7,391,300

2014

Bond Issue	Interest Rate	Termination Date	Amount
2012 and 2014 Refunding	4.785%	July 2033	$ 7,391,300

Custodial credit risk is managed through the requirements of the counterparty to maintain pledged securities in the name of the Authority held in the counterparty's trust department or by the Federal Reserve Bank of the United States. The Authority's investment in repurchase agreements is a contract and is not rated.

Note 3. Accounts Receivable

Accounts receivable consisted of the following as of December 31:

	2015	2014
Customers	$ 2,246,419	$ 2,194,234
Other	290	1,152
	2,246,709	2,195,386
Less Allowance for Uncollectible Accounts	(280,599)	(286,552)
	$ 1,966,110	$ 1,908,834

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

Note 4. Property, Building and Equipment

Property, building and equipment are summarized as follows at December 31, 2015:

	Balance January 1, 2015	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2015
Capital Assets Not Depreciated					
Land	$ 76,575,515	$ -	$ -	$ -	$ 76,575,515
Art/Exhibits	210,000	-	-	-	210,000
Construction in Progress	12,328,913	5,098,265	-	(1,367,798)	16,059,380
Total Capital Assets Not Depreciated	89,114,428	5,098,265	-	(1,367,798)	92,844,895
Capital Assets Being Depreciated					
Building/Building Improvements	508,066,850	2,863,422	1,996,273	-	512,926,545
Equipment	22,060,868	925,260	(2,053,085)	(6,808,362)	14,124,681
Surface Parking	8,124,244	-	56,812	-	8,181,056
Software	2,378,771	107,260	-	-	2,486,031
Total Capital Assets Being Depreciated	540,630,733	3,895,942	-	(6,808,362)	537,718,313
Less Accumulated Depreciation and Amortization	(256,327,615)	(16,356,523)	-	6,399,615	(266,284,523)
Total Capital Assets, Net	$ 373,417,546	$ (7,362,316)	$ -	$ (1,776,545)	$ 364,278,685

Property, buildings, and equipment are summarized as follows at December 31, 2014:

	Balance January 1, 2014	Additions/ Increases	Transfers	Disposals/ Retirements	Balance December 31, 2014
Capital Assets Not Depreciated					
Land	$ 76,575,515	$ -	$ -	$ -	$ 76,575,515
Art/Exhibits	210,000	-	-	-	210,000
Construction in Progress	10,897,351	4,847,799	-	(3,416,237)	12,328,913
Total Capital Assets Not Depreciated	87,682,866	4,847,799	-	(3,416,237)	89,114,428
Capital Assets Being Depreciated					
Building/Building Improvements	506,872,302	1,323,973	-	(129,425)	508,066,850
Equipment	21,451,184	1,226,158	-	(616,474)	22,060,868
Surface Parking	8,076,238	48,006	-	-	8,124,244
Software	2,172,679	206,092	-	-	2,378,771
Total Capital Assets Being Depreciated	538,572,403	2,804,229	-	(745,899)	540,630,733
Less Accumulated Depreciation and Amortization	(240,392,146)	(16,608,149)	-	672,680	(256,327,615)
Total Capital Assets, Net	$ 385,863,123	$ (8,956,121)	$ -	$ (3,489,456)	$ 373,417,546

Note 4. Property, Building and Equipment (Continued)

The construction in progress as of December 31, 2015 and 2014 includes consulting surveys, architectural and engineering contracts, and related improvements associated with the Convention Center Development District along with routine capital improvements.

Note 5. Long-Term Obligations

The following summarizes the changes in the Authority's long-term obligations for the years ended December 31, 2015 and 2014:

	January 1 2015	Additions	Deletions	December 31 2015	Due Within One Year	Over One Year
Bonds Payable	$ 110,730,000	$ -	$ (6,200,000)	$ 104,530,000	$ 7,855,000	$ 96,675,000
Adjustments:						
Premiums						12,429,566
						109,104,566
Compensated Absences	851,022	-	(14,421)	836,601	464,551	372,050
	$ 111,581,022	$ -	$ (6,214,421)	$ 105,366,601	$ 8,319,551	$ 109,476,616

	January 1 2014	Additions	Deletions	December 31 2014	Due Within One Year	Over One Year
Bonds Payable	$ 130,265,000	$ 65,880,000	$ (85,415,000)	$ 110,730,000	$ 6,200,000	$ 104,530,000
Go Zone Payable	25,528,429	-	(25,528,429)	-	-	-
Adjustments:						
Premiums						13,651,182
						118,181,182
Compensated Absences	843,397	7,625	-	851,022	450,144	400,878
	$ 156,636,826	$ 65,887,625	$ (110,943,429)	$ 111,581,022	$ 6,650,144	$ 118,582,060

Bonds

Long-term debt activity for the years ended December 31, 2015 and 2014, was as follows:

	Series 2004 Bonds	Series 2012 Bonds	Series 2014 Bonds	Total
Balance January 1, 2015	$ -	$ 44,850,000	$ 65,880,000	$ 110,730,000
Additions	-	-	-	-
Maturities/Refinancing	-	(3,260,000)	(2,940,000)	(6,200,000)
Balance December 31, 2015	$ -	$ 41,590,000	$ 62,940,000	$ 104,530,000
Due Within One Year	$ -	$ 3,355,000	$ 4,500,000	$ 7,855,000

	Series 2004 Bonds	Series 2012 Bonds	Series 2014 Bonds	Total
Balance January 1, 2014	$ 82,245,000	$ 48,020,000	$ -	$ 130,265,000
Additions	-	-	65,880,000	65,880,000
Maturities/Refinancing	(82,245,000)	(3,170,000)	-	(85,415,000)
Balance December 31, 2014	$ -	$ 44,850,000	$ 65,880,000	$ 110,730,000
Due Within One Year	$ -	$ 3,260,000	$ 2,940,000	$ 6,200,000

Note 5. Long-Term Obligations (Continued)

Bonds (Continued)

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

	2015	2014
2012 Series, Refunding Bonds, interest rates between 3.0% and 5.0%, due in annual principal debt service requirements ranging from $465,000 to $10,270,000, final payment due July 2027.	**$ 41,590,000**	$ 44,850,000
2014 Series, Refunding Bonds, interest rates between 2.0% and 5.0%, due in annual principal debt service requirements ranging from $1,975,000 to $7,775,000, final payment due July 2025.	**62,940,000**	65,880,000
	104,530,000	110,730,000
Plus Unamortized Net Premium	**12,429,566**	13,651,182
Less Current Maturities	**(7,855,000)**	(6,200,000)
Long-Term Debt Less Current Maturities	**$109,104,566**	$118,181,182

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 2012 and 2014 Bonds are solely the obligation of the Authority and not of the State of Louisiana or any other agency or political subdivision thereof.

During 2014, the Authority refunded the Series 2004 Bonds. The Authority issued $65,880,000 in special tax refunding bonds with a final maturity of July 15, 2025. The bond proceeds, less issuance costs, and investments were used to refund the outstanding principle balance of the 2004 Bonds in the amount of $77,530,000. By refunding these bonds, the Authority estimated $11,576,879 in future savings related to future interest and principal payments. The Authority estimated an economic gain of approximately $9,831,149. The cost of issuance of the Series 2014 bonds totaled $478,976 and the deferred loss on refunding was $2,031,933.

The Authority was in compliance with its bond covenants as of December 31, 2015 and 2014.

Note 5. Long-Term Obligations (Continued)

Bonds (Continued)

The annual requirements to amortize all bonds as of December 31, 2015, were as follows:

	2012 Bond Series		2014 Bond Series		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2016	$ 3,355,000	$ 1,856,950	$ 4,500,000	$ 2,924,500	$ 7,855,000	$ 4,781,450	$ 12,636,450
2017	3,450,000	1,766,300	4,725,000	2,699,500	8,175,000	4,465,800	12,640,800
2018	3,580,000	1,648,300	4,915,000	2,510,500	8,495,000	4,158,800	12,653,800
2019	2,340,000	1,525,100	7,460,000	2,264,750	9,800,000	3,789,850	13,589,850
2020	2,470,000	1,408,100	7,775,000	1,951,000	10,245,000	3,359,100	13,604,100
2021-2025	6,345,000	5,661,050	33,565,000	4,837,700	39,910,000	10,498,750	50,408,750
2026-2027	20,050,000	1,481,000	-	-	20,050,000	1,481,000	21,531,000
Total	$ 41,590,000	$ 15,346,800	$ 62,940,000	$ 17,187,950	$ 104,530,000	$ 32,534,750	$ 137,064,750

Note Payable – Go Zone Obligations

In September 2007, the Authority and the State of Louisiana (the State) entered into a Cooperative Endeavor Agreement whereby the State agreed to lend $28,284,268, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006, to assist in payment of debt service requirements from 2007 through 2008 due to disruption of tax bases and revenue streams caused by Hurricanes Katrina and Rita. The remaining principal balance of $25,528,429 was repaid in full by the Authority in June 2014 without any additional obligation or premium.

Note 6. Unearned Revenue

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

	2015	2014
Customer Prepayments	**$ 4,139,812**	$ 2,964,534
Less Current Portion	**2,880,399**	2,133,395
Long-Term Portion	**$ 1,259,413**	$ 831,139

Note 7. Taxes

The following summarizes tax receivables and revenue as of and for the years ended December 31:

	2015		2014	
	Receivables	**Revenue**	Receivables	Revenue
3% Hotel Occupancy Tax	**$ 4,797,165**	**$ 33,803,579**	$ 4,654,180	$ 31,246,665
State Economic Development	**2,000,000**	**2,000,000**	2,000,000	2,000,000
Hotel Occupancy Food Beverage Tax	**3,076,198**	**19,466,864**	2,990,087	17,813,435
Service Contractors and Tour Tax	**287,797**	**2,350,451**	229,421	2,123,828
RTA Tax	**1,411,165**	**3,079,206**	911,592	1,991,373
Collection Fee	**-**	**(939,362)**	-	(881,305)
	$ 11,572,325	**$ 59,760,738**	$ 10,785,280	$ 54,293,996

Note 8. 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, 2015 and 2014, the Authority earned $6,146,661 and $5,615,928, respectively, in food and beverage revenue.

Note 9. Cooperative Endeavor Agreements

In June 2015, the Authority entered into a cooperative endeavor agreement with the New Orleans Convention and Visitors Bureau to provide additional security for the French Quarter. The Authority is responsible for a sum not to exceed $1,250,000 of expenses incurred through December 31, 2015.

In September 2015, a cooperative endeavor agreement was made between the Authority, the City of New Orleans, the New Orleans Convention and Visitors Bureau, and the Louisiana Department of Public Safety: Public Safety Services, Office of Louisiana State Police (LSP) in order to further enhance public safety for the continued economic development of the historic French Quarter in the City of New Orleans. The agreement was contingent upon the successful levy of a 0.2495% sales tax by the French Quarter Economic Development District, which passed in October 2015. Under the terms of the agreement, the Authority will remit $1,000,000 per year throughout the life of the agreement for the purpose of funding additional full time LSP officers. The term of the agreement shall begin on January 1, 2016 and continue through December 31, 2020.

Note 10. Commitments and Contingencies

Self Insurance
For 2015 and 2014, the Authority is self-insured for medical claims up to $80,000 per participant. In 2015 and 2014, the aggregate for claims liability was $4,049,492 and $3,170,807, 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 31 were as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year End
2014	$ 219,369	2,697,232	(2,697,232)	$ 219,369
2015	$ 219,369	3,116,060	(3,116,060)	$ 219,369

Contingencies
The Authority is obligated under various contracts and initiatives for projects ongoing to 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 11. Pension Plans

The Authority has a defined contribution 401(a) plan and a defined contribution 457(b) plan. The Authority makes contributions to the 401(a) plan and employees make contributions to the 457(b) plan. Full-time employees are eligible for the plans following 30 days of employment. Employee contributions to the 457(b) plan totaled $795,929 and $662,413, for the years ended December 31, 2015 and 2014, respectively. 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 457(b) plan. The Authority's contributions to the 401(a) plan totaled $699,689 and $675,981, for the years ended December 31, 2015 and 2014, respectively.

Note 12. New Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement Application*. The objective of this Statement is to provide guidance for determining a fair value measurement for financial reporting purposes as well as providing guidance for applying fair value to certain investments and disclosure related to all fair value measurements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2015. Management does not anticipate that the adoption of this Statement will have a significant impact on the financial statements of the Authority, but the adoption will affect the footnote disclosure related to the Authority’s investments.

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, 2015

Agency Head Name: Robert L. Johnson

Purpose	Amount
Salary	$ 339,206
Benefits-Insurance	$ 17,100
Benefits-Retirement	$ 18,657
Benefits-(Vision, Dental, LTD, LTC, Life)	$ 2,856
Car Allowance	$ 10,000
Travel	$ 2,814
Registration fees	$ 1,435
Conference travel	$ 2,937
Other (meals, entertainment, parking)	$ 2,594
Cell Phone	$ 1,302

See independent auditor’s report

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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 of
Ernest N. Morial New Orleans Exhibition Hall Authority

We have audited, in accordance with the 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 basic financial statements of Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) which comprise the statement of net position as of and for the year ended December 31, 2015, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2016.

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) to determine the 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 maternal weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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

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

LaPorte

A Professional Accounting Corporation

Metairie, LA
March 15, 2016

Schedule of Findings and Responses
For the Year Ended December 31, 2015

Part I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control Over Financial Reporting:	
• Material Weakness(es) Identified?	No
• Significant Deficiency(ies) Identified?	None Reported
Noncompliance Material to Financial Statements Noted?	No

Part II - Financial Statement Findings

None