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**FRENCH MARKET CORPORATION, INC.**  
**AN ENTERPRISE FUND OF THE CITY OF NEW ORLEANS**

**FINANCIAL STATEMENTS**  
**TOGETHER WITH**  
**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 1996 AND 1995**

These provisions of state law, this report is a public document. A copy of this report has been submitted to the clerk of court, and the public inspection of the same shall be made. The report is prepared for public inspection at the Mayor's Department of the Louisiana State Auditor, whose headquarters are in the office of the parish clerk of court.

Release Date **SEP 10 1997**

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**INDEPENDENT AUDITOR'S REPORT**

To: The Board of Directors of  
The French Market Corporation, Inc.

We have audited the accompanying balance sheet of the French Market Corporation, Inc. (the Market), an enterprise fund of the City of New Orleans, as of December 31, 1996 and 1995, and the related statement of revenue, expenses and changes in retained earnings and its cash flows for the years then ended. These financial statements are the responsibility of the Market's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in NOTE 1, the financial statements present only the activities of the French Market Corporation and are not intended to present fairly the financial position, results of operations and cash flows of the City of New Orleans in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the French Market Corporation, Inc. as of December 31, 1996 and 1995, and the results of its operations and changes in its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 14 through 23 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
New Orleans, Louisiana  
May 13, 1997

**FRENCH MAPPET CORPORATION, INC.**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 1988**  
**(OVER Consolidated Totals As December 31, 1988)**

<b>ASSETS</b>	<b>1988</b>	<b>1987</b>
<b>CURRENT ASSETS:</b>		
CASH (NOTE 2)	\$ 276,808	\$ 230,807
INVESTMENTS (NOTE 2)	196,498	173,873
RECEIVABLES:		
TRADE (NOTE 3)	128,038	88,834
OTHER	87,383	88,509
TENANT ADVERTISING	13,387	12,532
PREPAID EXPENSES	28,828	28,473
<b>TOTAL CURRENT ASSETS</b>	<b>730,157</b>	<b>640,098</b>
<b>RESTRICTED (BOND FUND INVESTMENTS (NOTE 2))</b>		
DEBT SERVICE	128,214	160,588
OPERATION AND MAINTENANCE	1,602,824	1,473,303
DEBT SERVICE RESERVE	241,808	201,808
MAINTENANCE RESERVE	84,144	95,208
BOND REDEMPTION	84	81
CAPITAL IMPROVEMENTS	888,183	567,528
<b>TOTAL RESTRICTED ASSETS</b>	<b>2,845,056</b>	<b>2,486,178</b>
<b>PROPERTY, PLANT, AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION (NOTE 4)</b>	<b>7,246,187</b>	<b>7,283,858</b>
<b>OTHER ASSETS:</b>		
UTILITY DEPOSITS	8,443	8,478
INVENTORY	4,888	8,781
OTHER	1,887	1,000
<b>TOTAL OTHER ASSETS</b>	<b>15,218</b>	<b>10,267</b>
<b>TOTAL</b>	<b>\$ 10,835,302</b>	<b>\$ 10,425,189</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**FRENCH MARKET CORPORATION, INC.**  
**BALANCE SHEET (CONTINUED)**  
**AS OF DECEMBER 31, 1999**  
 (With Comparative Totals As December 31, 1998)

LIABILITIES AND FUND EQUITY	1999	1998
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
ACCOUNTS PAYABLE	\$ 166,181	\$ 195,112
ACCRUED EXPENSES	183,044	195,471
OTHER LIABILITIES	5,180	11,877
RENTAL DEPOSITS	85,143	58,589
DUE TO CITY AGENCIES-NET	24,487	495,454
DEFERRED REVENUES	75,725	8,287
ACCRUED INTEREST PAYABLE	3,878	4,800
CURRENT PORTION OF REVENUE BONDS PAYABLE (NOTE 5)	<u>195,000</u>	<u>218,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>838,638</u>	<u>1,045,490</u>
<b>LONG-TERM DEBT :</b>		
REVENUE BONDS PAYABLE (NOTE 5)	<u>265,000</u>	<u>795,000</u>
<b>TOTAL LIABILITIES</b>	<u>1,103,638</u>	<u>1,840,490</u>
<b>FUND EQUITY:</b>		
CONTRIBUTED CAPITAL	<u>2,894,241</u>	<u>2,860,750</u>
<b>RETAINED EARNINGS:</b>		
RESERVE FOR BOND MATURITY	<u>2,808,814</u>	<u>2,464,121</u>
RESERVE FOR CAPITAL IMPROVEMENTS	<u>575,612</u>	<u>0</u>
<b>TOTAL RESERVES</b>	<u>3,384,426</u>	<u>2,464,121</u>
UNRESERVED	<u>3,240,484</u>	<u>3,280,448</u>
<b>TOTAL FUND EQUITY</b>	<u>6,129,151</u>	<u>6,600,341</u>
<b>TOTAL</b>	<u>\$ 7,232,789</u>	<u>\$ 8,440,831</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**FRENCHMARKET CORPORATION, INC.**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED**  
**EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(With Comparative Totals At December 31, 2007)**

	2008	2007
<b>OPERATING REVENUE:</b>		
RENTAL INCOME	\$ 4,826,650	\$ 4,877,737
OTHER INCOME	<u>283,437</u>	<u>211,888</u>
<b>TOTAL OPERATING REVENUE(S)</b>	<u>5,110,087</u>	<u>5,089,625</u>
<b>OPERATING EXPENSES:</b>		
GENERAL AND ADMINISTRATIVE	773,291	798,087
MARKETING CENTER	1,151,774	1,026,751
PROPERTY TAX MARKET	923,584	977,938
PROPERTY LOSS	787,823	823,703
TRAVEL AND MEALS	496,370	508,089
UTILITIES - OTHER	188,576	148,028
OFFICE SALARIES	871,006	825,816
PROPERTY IMPROV.	<u>178,958</u>	<u>48,878</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>4,750,772</u>	<u>4,578,780</u>
<b>OPERATING INCOME</b>	<u>359,315</u>	<u>510,845</u>
<b>NONOPERATING REVENUE / EXPENSES</b>		
INVESTMENT INCOME	741,740	85,754
BOND INTEREST	<u>28,473</u>	<u>88,783</u>
<b>TOTAL NONOPERATING EXPENSES</b>	<u>32,327</u>	<u>60,117</u>
<b>NET INCOME</b>	<u>1,027,728</u>	<u>1,095,322</u>
<b>DISCONTINUOUS OPERATIONS</b>		
RETIRED EARNINGS FROM DISCONTINUED OPERATIONS	641,843	7,188,178
REVENUE FROM (LOSS) FROM IMPROVEMENTS	<u>(321,422)</u>	<u>0</u>
<b>NET CHANGE IN DISCONTINUED OPERATIONS EARNINGS</b>	<u>320,421</u>	<u>7,188,178</u>
<b>RETIRED EARNINGS - LIQUIDATED, BEGINNING OF YEAR</b>	<u>3,282,442</u>	<u>3,282,242</u>
<b>RETIRED EARNINGS - LIQUIDATED, END OF YEAR</b>	<u>\$ 3,343,491</u>	<u>\$ 3,282,442</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**FRENCH MARKET CORPORATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**  
**(With Comparative Totals At December 31, 1998)**

	1999	1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
OPERATING INCOME	\$ 889,180	\$ 868,888
RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES:		
DEPRECIATION	571,095	571,815
GOODWILL EXPENSE	100,000	
CHANGE IN ASSETS AND LIABILITIES:		
NET RECEIVABLES	(25,112)	26,880
DEFERRED EXPENSES	(23,110)	4,834
PROPERTY IMPROVEMENTS	34	(1,300)
INVENTORY	(3,895)	1,027
OTHER ASSETS	(381)	324
ACCOUNTS PAYABLE	21,644	(194,342)
ACCUMULATED EXPENSES	(1,490)	100
OTHER LIABILITIES	(2,623)	(17)
DEFERRED PAYABLE	0	4,363
NET W. RECEIVABLES	5,005	26,843
DEFERRED PAYABLES	17,338	4,420
SALE TO OTHER AGENCIES	(888,943)	176,166
ACCOUNTS PAYABLE/PAYABLE	(132)	(1,172)
	<u>1,207,171</u>	<u>1,544,841</u>
<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
PAYMENTS FOR CAPITAL ACQUISITIONS	(618,915)	(2,189,023)
INTEREST ON INVESTMENTS	127,188	89,744
PURCHASE OF INVESTMENTS	(1,847,919)	4,567,717
SALE OF INVESTMENTS	9,287,736	(3,212,624)
	<u>(542,910)</u>	<u>(1,164,186)</u>
<b>NET CASH USED PROVIDED IN Investing Activities</b>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
ISSUE PROCEEDS, ADVANCEMENTS	\$ 17,000	\$ 135,000
REPAYMENT PAID	(48,410)	(59,073)
ADVANCED TO OTHER FUNDS	0	(128,786)
	<u>(31,410)</u>	<u>(52,859)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		
	<u>(574,320)</u>	<u>(676,205)</u>
Net Decreased Increase in Cash	(2,948)	(192,850)
Cash, beginning of Year	722,861	915,711
Cash, End of Year	<u>\$ 719,913</u>	<u>\$ 722,861</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**FRENCH MARKET CORPORATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General** - The French Market Corporation, Inc. (the Market) was formed January 3, 1972, by the City of New Orleans to provide for the operation and maintenance of the French Market Properties owned by the City of New Orleans. These properties include five buildings and the Farmers Market. The Market is a non-profit corporation that is owned by the City of New Orleans and administered by a Board of Directors consisting of twelve members appointed by the Mayor of New Orleans.

**Basis of Accounting** - The Market falls under the enterprise fund accounting method as described by Governmental Accounting, Auditing and Financial Reporting (GAAPF) principles which utilize the accrual basis of accounting for financial purposes.

The financial statements of the Market are not intended to and do not present either the financial position, or results of operations of the City of New Orleans.

**Restricted Investments** - Pursuant to the official bond indenture, certain special accounts were established to aggregate the receipts, investment and disbursement of funds legally restricted for the specific purpose of each special account.

- **Bond Revenue Fund**

All funds collected by the Market are deposited in the Revenue Fund. The funds on deposit in the Revenue Fund are transferred to the other special accounts as required by the bond indenture.

- **Debt Service Account**

Funds held for the credit of this fund are used for the payment of bond principal and interest on the payment dates established by the Indenture agreement.

- **Operation and Maintenance Account**

Funds held for the credit of the Operation and Maintenance Fund are used to pay the operating expenses of the Market.



- **Debt Service Reserve Account**

Funds held for the credit of the Debt Service Reserve Fund shall be transferred by the Trustee to the Debt Service Fund in such amount as may be necessary to pay the principal and interest on the bonds as the same respectively become due and payable whenever the funds held for the credit of the Debt Service Fund are insufficient.

- **Maintenance Reserve Account**

Funds held for the credit of the Maintenance Reserve Fund shall be held as a reserve for the purpose of paying the cost of emergency or major repairs, renewals and replacements with respect to the Market. Such costs are necessary for the safe or efficient operation of the Market or to prevent loss of revenue.

- **Bond Redemption Account**

Funds held for the credit of the Bond Redemption Fund shall be used for the redemption of bonds.

- **Capital Improvement Account**

Funds held for the credit of the Capital Improvement Fund shall be used to pay the cost of capital improvement projects made to the Market's properties.

**Investments** - All investments, restricted and unrestricted, are stated at cost, which approximates market.

**Tenant Advertising** - The lease agreement with most tenants provides that a sum equal to 1% of gross sales shall be paid by the tenants to the Market for the purpose of providing advertising, publicity and general business promotion of the Market. The Market must place all funds obtained from tenants for advertising in a trust to be used solely for the purpose previously stated.

**Property, Plant and Equipment** - Property, plant and equipment are recorded at cost. Maintenance and repairs are charged to operations as incurred, whereas significant renewals and betterments are capitalized. Deductions are made from property, plant and equipment for retirements.

Property, plant and equipment is depreciated on a straight-line basis over the following estimated useful lives of the assets:

Building and Improvements	10-50 years
Furniture, Fixtures, and Equipment	3-10 years
Vehicles	3 years

**Accounts Receivable** - It is the practice of management to provide an allowance for any amount which in management's opinion may not be collectible based upon a review of the current status of existing receivables.

**Vacation and Sick Leave** - All full-time classified employees of the Market hired prior to January 1, 1979 are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978 may accrue a maximum of 45 days of annual leave and an unlimited number of days of sick leave. Upon termination of employment, an employee is paid for accrued annual leave based upon current hourly rate of pay and for accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting accrued sick leave to additional years of service.

**Income Taxes** - The Market is owned by the City of New Orleans and, as such, no federal or state income taxes are assessed.

**Reclassifications** - Certain amounts have been reclassified for comparative purposes. Such reclassifications had no effect on net income for the respective years.

## 2. CASH

As of December 31, 1986, the Market had the following cash accounts and related FDIC insurance or other types of collateral to secure the Market's accounts:

INSTITUTION AND ACCOUNT	BOOK BALANCE	BANK BALANCE	AMOUNT OF DEPOSITORY INSURANCE OR COLLATERAL
ENFC			
8048-03-874	\$ 803,397	\$ 81,834	\$ 81,834
8048-04-848	106,502	519,819	313,009
CASH ON HAND	1,800	-	-
TOTAL	\$ 273,800	\$ 384,053	\$ 394,843

## 3. INVESTMENTS

The investments of the Market at December 31, 1986 consist of the following:

General Fund Investments	\$ 180,496
Restricted Bond Fund Investments	<u>2,892,814</u>
TOTAL	\$ <u>3,892,310</u>

State statutes authorizing the City of New Orleans and all subdivisions, except for the Pension Trust Fund, to invest in U.S. bonds, treasury notes, and other federally-insured investments. The City of New Orleans also may invest in repurchase agreements secured by U.S. Government obligations.

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

	CATEGORY			CARRYING VALUE	MARKET VALUE					
	1	2	3							
Fixed Income Government Securities	\$	1,002,218	\$	0	\$	0	\$	1,002,218	\$	1,002,218

#### 4. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following:

	DECEMBER 31,	
	1998	1995
Building and Improvements	\$ 9,125,758	\$ 8,956,504
Market and Staff Equipment	200,654	221,240
Parking Lot	568,887	578,774
Office Equipment	183,895	183,908
Furniture and Fixtures	38,674	60,263
Vehicles	35,002	82,878
Visitor's Center Equipment	51,313	54,513
Useful Fibershed Gate	472,398	472,398
Construction in Progress	308,000	40,674
Sub-total	11,180,981	10,780,026
Accumulated Depreciation	(7,885,746)	(7,809,176)
Net Property, Plant, and Equipment	\$ 3,295,235	\$ 2,970,850

Depreciation charged to expense was \$ 571,075 and \$ 521,813 for 1998 and 1995 respectively.

5. REVERSE BONDS PAYABLE

Reverse Bond Payable consists of the following at December 31:

	1990		1995	
	Current	Long-Term	Current	Long-Term
4 1/2% First Inland mortgage reverse bonds, dated June 1, 1977, due in annual principal installments ranging from \$90,000 to \$200,000 beginning June 1, 1977, final payment due June 1, 2000	\$ 180,000	\$ 515,000	\$ 170,000	\$ 735,000

The principal payments due on the Reverse Bonds are as follows:

YEARS ENDING DECEMBER 31,	PRINCIPAL AMOUNT OF BONDS TO BE LIQUIDATED
1987	180,000
1988	170,000
1989	180,000
2000	185,000
 TOTAL	 \$ 735,000

The indenture, under which the reverse bonds were issued, provides for the establishment of certain restricted accounts. (See NOTE 1.)

The interest expense necessary to meet the above bond obligation is \$ 48,875 for the year ending December 31, 1986.

The bond indenture agreement requires that funds be deposited into the Debt Service Account monthly to cover bond principal and interest payments as they become due.

6. **MINIMUM FUTURE RENTALS**

The Master has entered into rental agreements which require the tenant to pay the market minimum monthly rental payments plus contingent rentals. These operating leases expire in various years through the year 2000.

Minimum future rentals to be received under the various operating leases as of December 31, 1996 for each of the next five (5) years and the sum of all leases expiring subsequent to 2000 in the aggregate are:

YEARS ENDING DECEMBER 31,	AMOUNT
1996	\$ 718,814
1997	652,109
1998	513,725
1999	171,149
2000	<u>39,876</u>
TOTAL	\$ 2,095,680

Minimum future rentals do not include the service of any options that may be available to the various tenants.

Minimum future rentals also do not include any contingent rentals that may be received under the lease agreements or other rentals. Contingent rentals received in 1996 and 1997 were \$ 368,082 and \$ 374,216, respectively.

7. **TRADE RECEIVABLES (NET)**

Trade receivables are presented net of allowance for doubtful accounts, which total \$ 323,590 for 1986. The Motor's accounts are assessed penalties for various instances of non-compliance with their respective lease terms, including late payments. The allowance for doubtful accounts is substantially comprised of these penalty balances. Due to the age of these balances, collection of the full amounts owed are doubtful.

FRENCH MARKET CORPORATION, INC.  
 SCHEDULE OF FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1959 AND 1958

DESCRIPTION	1959		1958	
	REVENUE	PERCENTAGE	TOTAL	PERCENTAGE
<b>BUILDING - "A" -</b>				
AVANT GALLY	\$ 60,812	\$	186,881	\$
CAPE DU MOINE	46,292	208,137	291,369	66,880
CAPRIEL SHOP	20,000	3,612	33,612	66,283
COCKNEY R' OYLEBAYS STYLE	73,680	17,324	21,314	11,300
MINNY CHRISTMAS / ALL THAT JAZZ	16,000	18,283	24,853	10,566
REVENUE	40,488	149	48,837	10,000
CASH/SALES EXPENSE	22,000	0	22,000	37,261
OLD CRAFT COTTAGE	25,552	0	25,552	19,582
<b>TOTAL BUILDING "A"</b>	<b>240,862</b>	<b>383,294</b>	<b>824,726</b>	<b>198,426</b>
<b>BUILDING - "B" -</b>				
ICE CREAM MACHINES	2,287	0	2,287	5,440
BOUTIQUE	14,816	1,824	16,640	8,048
LITTLE TOP SHOP	22,287	12,548	26,218	26,218
CARIBBEAN CORNER	15,000	1,248	16,248	12,500
IT'S OUR SECRET	18,262	88	18,262	10,162
BEAD TO TON	8,208	10,083	18,279	2,292
ART TO NEGAR	12,111	0	12,111	12,208
TRICKED UP	12,080	268	12,348	212
LATINA HOUSE	0	0	0	14,828
COTTON CARRERA CLUB	16,750	33,413	40,163	36,750
<b>TOTAL BUILDING "B"</b>	<b>120,851</b>	<b>48,481</b>	<b>177,840</b>	<b>110,408</b>
<b>TOTAL</b>	<b>361,713</b>	<b>431,775</b>	<b>1,002,566</b>	<b>308,834</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



FRANCH MARKET CORPORATION, INC.  
 SCHEDULE OF REAL ESTATE INCOME, CONTINUED  
 FOR THE YEAR ENDED DECEMBER 31, 1998 AND 1999

DESCRIPTION	1998		1999		TOTAL	MAXIMUM RECEIVABLE	1998 PERCENTAGE	TOTAL
	REVENUE	EXPENSES	REVENUE	EXPENSES				
<b>BUILDING "C"</b>								
NATIONAL PARK SERVICE	\$ 48,487	\$ 0	\$ 48,487	\$ 0	\$ 48,487	\$ 48,488	0%	\$ 48,488
BELLA LUNA	\$ 1,852	\$ 128,253	\$ 182,346	\$ 81,892	\$ 100,454	\$ 81,892	100%	\$ 182,112
<b>TOTAL BUILDING "C"</b>	<b>\$ 50,339</b>	<b>\$ 128,253</b>	<b>\$ 230,833</b>	<b>\$ 81,892</b>	<b>\$ 148,941</b>	<b>\$ 110,390</b>	<b>100%</b>	<b>\$ 211,519</b>
<b>BUILDING "D"</b>								
QUICKS	\$ 84,720	\$ 0	\$ 84,720	\$ 0	\$ 84,720	\$ 84,720	0%	\$ 84,720
CRAYT'S BAZAR	\$ 26,000	\$ 22,000	\$ 47,700	\$ 16,000	\$ 31,700	\$ 16,000	60%	\$ 33,148
MCDONALD'S CAFE	\$ 74,000	\$ 11,000	\$ 85,000	\$ 35,710	\$ 49,290	\$ 4,782	4.78%	\$ 44,508
SHOPPING CARTS	\$ 3,780	\$ 0	\$ 3,780	\$ 0	\$ 3,780	\$ 3,780	0%	\$ 3,930
<b>TOTAL BUILDING "D"</b>	<b>\$ 188,500</b>	<b>\$ 33,000</b>	<b>\$ 217,100</b>	<b>\$ 51,710</b>	<b>\$ 165,390</b>	<b>\$ 65,502</b>	<b>11.68%</b>	<b>\$ 198,842</b>
<b>BUILDING "E"</b>								
ORCINO'S RESTAURANT	\$ 50,000	\$ 400	\$ 49,600	\$ 0	\$ 49,600	\$ 0	0%	\$ 0
CAFE SUBSQUARA	\$ 10,750	\$ 0	\$ 10,750	\$ 0	\$ 10,750	\$ 0	0%	\$ 0
PINK MONKEY RESTAURANT	\$ 0	\$ 0	\$ 0	\$ 64,382	\$ 64,382	\$ 13,442	13.44%	\$ 77,824
GRAND HOTEL	\$ 14,000	\$ 0	\$ 14,000	\$ 14,000	\$ 0	\$ 14,000	0%	\$ 14,000
<b>TOTAL BUILDING "E"</b>	<b>\$ 74,750</b>	<b>\$ 400</b>	<b>\$ 74,350</b>	<b>\$ 78,382</b>	<b>\$ 148,732</b>	<b>\$ 27,442</b>	<b>13.44%</b>	<b>\$ 176,174</b>

SEE COMPANY'S ACCOUNTING REPORT ON SUBSIDIARY'S FINANCIAL STATEMENTS

FRENCH REFRIGERATOR CORPORATION, INC.  
 SCHEDULE OF RENTAL INCOME, CURRENT YEAR  
 FOR THE YEAR ENDED DECEMBER 31, 1968 AND 1967

DESCRIPTION	1968		1967		1966		TOTAL
	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	
GRAND TOTALS:							
RENTAL INCOME:	\$ 1,888,858	9	\$ 1,888,858	9	\$ 1,876,897	9	\$ 5,654,613
PROPERTY COSTS	21,678	0	21,678	0	248,048	0	291,304
PROPERTY TAXES	1,827,481	9	1,827,481	9	1,884,849	9	5,539,811
TOTAL OTHER RENTALS	2,117,958	9	2,117,958	9	2,154,914	9	6,390,830
TOTAL RENTAL INCOME	\$ 4,026,894	9	\$ 4,026,894	9	\$ 3,920,661	9	\$ 11,974,249

TOTAL RENTAL INCOME DOES NOT INCLUDE DELINQUENT FEES FOR LATE RENTALS, MANAGEMENT

REQUIREMENT FEES, TITLES

\$ 128,880

AMOUNT COLLECTED

\$ 1,888

AMOUNT CONTRACTING BROKERAGE

\$ 1,118,888

FRENCH MARKET CORPORATION, INC.  
SCHEDULE OF OTHER INCOME  
FOR THE YEAR ENDED DECEMBER 31, 1994 AND 1995

DESCRIPTION	1995	1994
COMMON AREA ASSESSMENTS	\$ 301,584	\$ 296,371
TENANT ADVERTISING CHARGES	180,748	158,284
SEDE	24,500	24,500
VISITORS CENTER SALES	33,880	33,880
MISCELLANEOUS	<u>63,812</u>	<u>63,884</u>
TOTAL OTHER INCOME	<u>\$ 604,524</u>	<u>\$ 576,919</u>

SEE ACCOMPANYING INDEPENDENT AUDITORS REPORT ON SUPPLEMENTARY INCOME

**FRENCH MARKET CORPORATION, INC.**  
**SCHEDULE OF OPERATING EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 1994 AND 1993**

DESCRIPTION	1994	1993
<b>GENERAL AND ADMINISTRATIVE:</b>		
PERSONAL SERVICES	\$ 307,000	\$ 370,000
CONTRACTUAL SERVICES	307,000	400,300
SUPPLIES AND MATERIALS	<u>43,271</u>	<u>77,400</u>
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<u>657,271</u>	<u>847,700</u>
<b>SHOPPING CENTER:</b>		
PERSONAL SERVICES	658,451	574,700
CONTRACTUAL SERVICES	418,800	348,200
SUPPLIES AND MATERIALS	<u>78,860</u>	<u>104,200</u>
<b>TOTAL SHOPPING CENTER</b>	<u>1,155,111</u>	<u>1,027,100</u>
<b>FARMERS / FLEA MARKET:</b>		
PERSONAL SERVICES	404,870	338,200
CONTRACTUAL SERVICES	180,870	224,000
SUPPLIES AND MATERIALS	<u>21,200</u>	<u>20,600</u>
<b>TOTAL FARMERS / FLEA MARKET</b>	<u>606,940</u>	<u>582,800</u>
<b>MOONBARK / ELSBORN FIELD PARKING LOTS:</b>		
CONTRACTUAL SERVICES	<u>707,000</u>	<u>670,777</u>
<b>TOTAL PARKING LOTS</b>	<u>707,000</u>	<u>670,777</u>
<b>TENANT ADVERTISING:</b>		
PERSONAL SERVICES	0	51,600
CONTRACTUAL SERVICES	<u>648,670</u>	<u>648,717</u>
<b>TOTAL TENANT ADVERTISING</b>	<u>648,670</u>	<u>600,317</u>
<b>VISITOR CENTER:</b>		
PERSONAL SERVICES	85,801	0
CONTRACTUAL SERVICES	44,077	182,307
SUPPLIES AND MATERIALS	<u>797</u>	<u>43,307</u>
<b>TOTAL VISITOR CENTER</b>	<u>130,675</u>	<u>225,614</u>
<b>DEPRECIATION</b>	<u>671,076</u>	<u>671,815</u>
<b>BAD DEBT EXPENSE</b>	<u>100,000</u>	<u>44,678</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,730,718</b>	<b>\$ 4,520,708</b>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INCOME

**FRENCH MARKET CORPORATION, INC.**  
**SCHEDULE OF ACCOUNTS RECEIVABLE - TRADE**  
**AS OF DECEMBER 31, 1998 AND 1999**

TENANT	RENTALS	COMMON AREA	TOTALS	
			1998	1999
ART TO WEAR	0	0	1,426	0
AUNT SALLY'S FRUITRY	8,288	2,478	11,766	32,846
CAFE DU MONDE	18,178	8,738	21,916	21,916
FRENCH MARKET CANDLE SHOP	461	3,483	3,943	2,465
COCKEY W ORLEANS-STYLE	573	1,088	1,661	1,847
LITTLE TOY SHOP	888	1,843	2,731	2,521
BELLA LUNA RESTAURANT	18,438	2,819	24,258	21,004
GAZARD	0	4,088	4,011	3,346
EVYAN'S CHOCOLATE CANDY	0	4,280	4,280	3,857
MERRY CHRISTMAS / ALL THAT JAZZ	535	1,412	1,947	4,541
FISHMARKET RESTAURANT	0	0	0	3,783
TICKLED PINK	0	1,488	1,488	0
CARRISMAN CORNER	83	1,389	1,472	4,844
MEDITERRANEAN CAFE	788	3,738	4,526	3,177
HEAD TO TOE	177	883	1,060	1,454
IT'S OUR SECRET	0	311	713	838
OLD CRAFT COTTAGE	0	3,887	2,867	1,767
BAOULTESE	0	1,544	1,544	898
NATIONAL TYRE SERVICE	4,038	0	4,038	4,978
BIKINI YOGI	2,444	6,000	7,514	1,728
FARMER'S MARKET	0	0	0	0
LATIN HANDS	1,088	281	1,467	738
ICE CREAM MACHINE	0	0	0	883
COTTON CABANA CLUB	538	1,441	1,979	1,813
ART ATTACK	0	287	287	181
M.D. CRAFTS	0	191	191	0
CAFE SAMBOYALA	0	4,488	4,488	0
CAJUN EXPRESS	0	2,784	2,164	0
AFTERMIDN FLOWERS	214	234	448	0
TIM STEEL	337	0	337	0
AFRICAN ART	0	470	470	104

TOTAL ACCOUNTS RECEIVABLE -  
 TRADE

0      53,013      58,885      112,728      156,024  
 TOTAL ARE OVER 90 DAY DELINQUENCY PER PAYMENTS  
 RECEIVED FROM TENANTS SUBSEQUENT TO YEAR END.

FRENCH MARKET CORPORATION, INC.  
 SCHEDULE OF ACCOUNTS RECEIVABLE - OTHER  
 AS OF DECEMBER 31, 1990 AND 1989

DESCRIPTION	1990	1989
FARMING LOT	\$ 68,523	\$ 87,411
BOOK	0	0
TELEPHONE	437	55
FRENCH QUARTER FESTIVAL	0	0
FARMERS MARKET	188	837
DEPOSITED BALANCE	0	0
MISCELLANEOUS	<u>228</u>	<u>1,187</u>
TOTAL ACCOUNTS RECEIVABLE-OTHER	\$ <u>72,376</u>	\$ <u>90,580</u>

FRENCH MARKET CORPORATION, INC.  
 SCHEDULE OF ACCOUNTS RECEIVABLE - TENANT ADVERTISING  
 AS OF DECEMBER 31, 1999 AND 1998

TENANT		1999		1998
AUNT SALLY'S PANINIS	\$	1,791	\$	1,274
CAFE DU MONDE		2,158		2,210
FRENCH MARKET CANDLE SHOP		583		490
COFFRY N' OREANS STYLE		208		59
LITTLE BOY SHOP		350		340
BELLA LUNA RESTAURANT		3,601		2,349
BAZARO		213		189
DWAYN'S CREOLE DANDY		485		287
MERRY CHRISTMAS FALL THAT JAZZ		278		38
RISK MARROIT RESTAURANT				277
CARIBBEAN CORNER		287		504
MEDITERRANEAN CAFE		687		357
HEAD TO TOE		189		153
IT'S OUR SECRET		144		240
OLD CRAFT COTTAGE		186		241
ART TO WEAR		169		159
BAJOUTERE		120		207
LATE HANDS		189		0
ICE CREAM MACHINE		0		81
COTTON CABANA CLUB		149		205
CADRAUC EXPRESS		149		0
JAZZ AND THINGS		147		0
CAFE GAMBOLAYA		489		0
ATTEMU FLOWERS		22		0
ART ATTACKS		53		0
NEW ORLEANS CRAFTS		52		0
AFRICAN ART		32		0
		<u>13,887</u>		<u>13,527</u>
TOTAL ACCOUNTS RECEIVABLE - TENANT ADVERTISING	\$		\$	

**TRIS 2023 OPERATING RESULTS**  
**GENERAL AND OPERATING PERFORMANCE**  
**OF TRIS 2023 COMPARED TO 2022**

2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)	(US\$ MIL)
<b>REVENUE</b>													
Operating revenue	3,283.2	3,223.2	100.0%	100.0%	1.3%								
Operating profit	1,033.4	1,003.3	100.0%	100.0%	3.0%								
<b>Operating expenses</b>													
Cost of sales	2,249.8	2,220.0	100.0%	100.0%	1.3%								
SG&A	1,524.4	1,498.2	100.0%	100.0%	1.7%								
R&D	1,320.1	1,276.4	100.0%	100.0%	3.4%								
Depreciation	204.2	197.8	100.0%	100.0%	3.2%								
Amortization	143.1	140.5	100.0%	100.0%	1.9%								
Goodwill impairment	10.7	10.7	100.0%	100.0%	0.0%								
Restructuring costs	3.1	3.1	100.0%	100.0%	0.0%								
Net income	319.9	312.5	100.0%	100.0%	2.4%								
Net income attributable to common shareholders	319.9	312.5	100.0%	100.0%	2.4%								
Operating profit margin	31.5%	31.1%	100.0%	100.0%	1.3%								
Operating revenue per share	262.8	264.0	100.0%	100.0%	0.4%								
Operating profit per share	86.1	83.7	100.0%	100.0%	2.8%								
Operating profit margin per share	32.4%	31.3%	100.0%	100.0%	3.5%								
Operating revenue per share	262.8	264.0	100.0%	100.0%	0.4%								
Operating profit per share	86.1	83.7	100.0%	100.0%	2.8%								
Operating profit margin per share	32.4%	31.3%	100.0%	100.0%	3.5%								





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To: The Board of Directors of  
The French Market Corporation, Inc.

We have audited the financial statements of the French Market Corporation, Inc. (the Market), as of and for the year ended December 31, 1988, and have issued our report thereon dated May 23, 1993.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Market, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nonetheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

### Accounting Controls:

- Revenue, Accounts Receivable, and Cash Receipts Cycle
- Purchases, Accounts Payable, and Cash Disbursements Cycle
- Property, Plant, and Equipment
- General Ledger and Financial Reporting
- Compliance with Laws and Regulations

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

In planning and performing our audit of the financial statements of the Market, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We did note a matter involving the internal control structure and its operation that we have reported to the management of the French Market Corporation, Inc., in a separate letter dated May 13, 1997.

This report is intended for the information of the Board of Directors, management, and the City of New Orleans. However, this report is matter of public record, and its distribution is not limited.



New Orleans, Louisiana

May 13, 1991



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To The Board of Directors of  
The French Market Corporation, Inc.

We have audited the financial statements of the French Market Corporation, Inc. (the Market), as of and for the year ended December 31, 1996, and have issued our report thereon dated May 13, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the French Market Corporation, Inc., is the responsibility of the Market's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Market's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Directors, management, and the City of New Orleans. However, this report is a matter of public record and its distribution is not limited.

  
Luther C. Speight  
New Orleans, Louisiana  
May 13, 1997

**LUTHER C. SPEIGHT & COMPANY**

A Corporation of Certified Public Accountants  
and Management Consultants

May 13, 1997

Board of Directors  
The French Market Corporation, Inc.  
New Orleans, Louisiana

Dear Members of the Board of Directors:

In planning and performing our audit of the financial statements of the French Market Corporation, Inc. for the year ended December 31, 1996 (on which we have issued our report dated May 13, 1997), we noted the following observation concerning certain matters related to its internal control structure, accounting, administrative, and operating matters:

**OBSERVATION:**

In performing our audit we noted that penalty fees were assessed to tenants for late rent payments, but not recorded in the general ledger.

**SUGGESTION:**

The French Market should reassess the application of tenant penalty fees, if there is no intention of recording and journalizing receipts of those fees.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization.

We will be pleased to discuss this comment with you and, if desired, to assist you in implementing the suggestion.

Yours truly,



Luther C. Speight & Company