4201

REPORT

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY

(A CORPORATE AND POLITICAL SUBDIVISION
OF THE STATE OF LOUISIANA)

DECEMBER 31, 1997

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

February 20, 1998

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

We have audited the general purpose financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) as of and for the year ended December 31, 1997 as listed in the index to the report. The financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority as of December 31, 1996 were audited by other auditors, whose report dated February 24, 1997, expressed an unqualified opinion on those statements. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ernest N. Morial New Orleans Exhibition Hall Authority as of December 31, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed in the index to the report for the year ended December 31, 1997 as supplemental information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

As stated in the first paragraph, the general purpose financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority for the year ended December 31, 1996 were audited by other auditors. Their report on the accompanying financial information, listed as supplemental data, stated that such information had been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued reports dated February 20, 1998, on our consideration of the Authority's internal control structure and on its compliance with laws and regulations.

Duplantier, Hrapmann, Hogan & Maher LLP

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS:				
ASSETS:				
Cash and certificates of deposit (Note 3)	$ 30,801,205	$ 1,573,075	$ 7,707,605	$ 33,691,645
Investments at cost (Note 4)	--	--	14,017,328	--
Accounts receivable (Note 6)	--	730,498	--	--
Taxes receivable (Note 5)	--	2,423,003	--	--
Accrued interest receivable	434,298	--	454,488	610,377
Due from other funds (Note 7)	4,776,312	--	2,423,003	--
Other assets	75,000	3,542	--	--
Property and rights held under Deferred Compensation Plan (Note 18)	--	--	--	--
Land and leasehold improvements (Note 8)	--	--	--	--
Building and improvements (Note 8)	--	--	--	--
Equipment (Note 8)	--	--	--	--
Construction in progress (Note 8)	--	--	--	--
OTHER DEBITS:				
Amount available in Debt Service Funds: Series 1996 Bonds (Note 9)	--	--	--	--
Amount to be provided for payment of: Series 1996 Bonds (Note 9)	--	--	--	--
Amount to be earned in future years (Note 16)	--	--	--	--
Amount to be provided for compensated absences (Note 1)	--	--	--	--
TOTAL ASSETS AND OTHER DEBITS	$ 36,086,815	$ 4,730,118	$ 24,602,424	$ 34,302,022

See accompanying notes.

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY) (NOTE 1)	
INTERNAL SERVICE	TRUST AND AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1997	1996
$ 154,085	$ 1,458,271	$ --	$ --	$ 75,385,886	$ 91,874,984
--	--	--	--	14,017,328	12,661,946
45	--	--	--	730,543	1,025,805
--	--	--	--	2,423,003	1,559,737
--	33,292	--	--	1,532,455	2,369,166
--	--	--	--	7,199,315	10,049,369
--	296,000	--	--	374,542	12,989
--	--	--	--	--	359,043
--	--	20,588,493	--	20,588,493	20,588,493
--	--	207,638,525	--	207,638,525	207,602,587
--	--	15,290,852	--	15,290,852	15,170,215
--	--	179,100,458	--	179,100,458	70,371,355
--	--	--	21,107,438	21,107,438	20,698,632
--	--	--	155,602,562	155,602,562	158,886,368
--	--	--	1,713,379	1,713,379	1,913,379
--	--	--	353,775	353,775	342,150
$ 154,130	$ 1,787,563	$ 422,618,328	$ 178,777,154	$ 703,058,554	$ 615,486,218

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
LIABILITIES AND FUND EQUITY:				
LIABILITIES:				
Accounts payable - trade	$ 24,633	$ 648,853	$ --	$ 9,049,066
Accounts payable - other	104,925	419,093	--	31,501
Other liabilities	--	--	--	--
Taxes payable	--	--	--	--
Contract retentions	--	--	--	1,430,915
Due to other funds (Note 7)	--	3,662,172	3,494,986	42,157
Deferred revenues:				
Prepaid fees and commissions (Note 16)	3,773,488	--	--	--
ARA equipment use fees (Note 16)	200,000	--	--	--
Obligations to employees under Deferred Compensation Plan (Note 18)	--	--	--	--
Bonds payable Series 1996 (Note 9)	--	--	--	--
Compensated absences (Note 1)	--	--	--	--
Due to City of New Orleans	--	--	--	--
Total liabilities	4,103,046	4,730,118	3,494,986	10,553,639
FUND EQUITY:				
Investment in General Fixed Assets	--	--	--	--
Fund Balances:				
Reserved for emcumbrances	63,080	--	--	--
Reserved for future employee benefits	--	--	--	--
Reserved for Debt Service:				
Series 1996 Bonds	--	--	21,107,438	--
Reserved for future capital projects	--	--	--	23,748,383
Reserved for financial contingencies	15,000,000	--	--	--
Reserved for asset replacement	10,000,000	--	--	--
Unreserved	6,920,689	--	--	--
Total fund equity	31,983,769	--	21,107,438	23,748,383
TOTAL LIABILITIES AND FUND EQUITY	$ 36,086,815	$ 4,730,118	$ 24,602,424	$ 34,302,022

See accompanying notes.

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY) (NOTE 1)	
INTERNAL SERVICE	TRUST AND AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1997	1996
$ --	$ --	$ --	$ --	$ 9,722,552	$ 8,440,480
53,387	--	--	--	608,906	187,030
--	--	--	--	--	420,964
--	--	--	--	--	4,240
--	--	--	--	1,430,915	438,370
--	--	--	--	7,199,315	10,049,369
--	--	--	--	3,773,488	3,235,331
--	--	--	1,713,379	1,913,379	2,113,379
--	--	--	--	--	359,043
--	--	--	176,710,000	176,710,000	179,585,000
--	--	--	353,775	353,775	342,150
--	30,357	--	--	30,357	22,089
53,387	30,357	--	178,777,154	201,742,687	205,197,445
--	--	422,618,328	--	422,618,328	313,732,650
--	--	--	--	63,080	24,773
100,743	1,757,206	--	--	1,857,949	1,266,946
--	--	--	--	21,107,438	20,698,632
--	--	--	--	23,748,383	51,897,474
--	--	--	--	15,000,000	--
--	--	--	--	10,000,000	--
--	--	--	--	6,920,689	22,668,298
100,743	1,757,206	422,618,328	--	501,315,867	410,288,773
$ 154,130	$ 1,787,563	$ 422,618,328	$ 178,777,154	$ 703,058,554	$ 615,486,218

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1996

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES: (Note 1)				
Equipment use fee (Note 16)	$ 200,000	$ --	$ --	$ --
Interest	1,620,241	--	1,063,364	2,420,173
Hotel taxes (Note 10-12)	--	21,045,805	--	--
Interfund administrative fee (Note 13)	--	17,377,433	--	--
Commissions (Note 15)	3,082,683	--	--	--
User charges	14,348,972	--	--	--
Receipts from other governments	--	--	--	76,000,000
Other	2,551,621	--	--	--
Total revenues	21,803,517	38,423,238	1,063,364	78,420,173
EXPENDITURES: (Note 1)				
Interfund administrative fee (Note 13)	17,377,433	--	--	--
Principal retirement	--	--	2,875,000	--
Interest expense	--	--	9,609,198	--
General and administrative	1,895,586	2,056,713	--	--
Event services	--	458,620	--	--
Sales and marketing	--	874,979	--	--
Building operations	--	10,124,941	--	--
Public safety	--	1,127,924	--	--
Technical services	--	1,495,763	--	--
Project administration	360	--	--	--
Consulting services	--	--	--	1,833,166
Site preparation and construction	--	--	--	106,895,937
Refunding bond issue costs	--	--	--	--
Bond insurance	--	--	--	--
Other expenditures	--	--	12,399	--
Total expenditures	19,273,379	16,138,940	12,496,597	108,729,103
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,530,138	22,284,298	(11,433,233)	(30,308,930)

See accompanying notes.

PROPRIETARY FUND TYPES	TOTALS (MEMORANDUM ONLY) (NOTE 1)	
INTERNAL SERVICE	1997	1996
$ --	$ 200,000	$ 200,000
2,392	5,106,170	5,782,204
--	21,045,805	19,268,629
--	17,377,433	15,487,637
--	3,082,683	2,544,024
--	14,348,972	12,078,737
--	76,000,000	--
--	2,551,621	2,720,025
2,392	139,712,684	58,081,256
--	17,377,433	15,487,637
--	2,875,000	29,425,000
--	9,609,198	6,170,254
--	3,952,299	3,903,387
--	458,620	449,243
--	874,979	713,159
--	10,124,941	8,897,553
--	1,127,924	1,024,101
--	1,495,763	1,365,866
--	360	1,606
--	1,833,166	1,752,179
--	106,895,937	45,540,152
--	--	418,297
--	--	2,007,000
899,865	912,264	2,362,887
899,865	157,537,884	119,518,321
(897,473)	(17,825,200)	(61,437,065)

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1996

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
OTHER FINANCING SOURCES (USES): (Note 1)				
Operating transfers in:				
General Fund	$ --	$ --	$ --	$ 2,066,000
City Bond Fund	--	--	--	--
Hotel Occupancy Tax Fund	--	--	11,194,336	--
Debt Service 1983 and 1992 Series	--	--	--	--
Debt Service 1989 and 1991 Series	--	--	--	--
Debt Service 1996 Series	9,109,927	--	717,611	93,839
Service Contractor/Tour Tax	--	--	1,530,535	--
Hotel Occupancy and Food and Beverage Tax Fund	--	--	8,320,934	--
Insurance proceeds	--	--	--	--
Other financing sources - proceeds from refunding bonds	--	--	--	--
Operating transfers out:				
General Fund	--	--	(9,109,927)	--
Phase III - NOEHA Expansion Fund	(2,066,000)	--	--	--
NOPFM - Employees' Pension Fund and Benefits Funds	(83,367)	(1,238,493)	--	--
1996 Construction Fund	--	--	(93,839)	--
1996 Debt Service	--	--	--	--
Special Tax Bond Series 1996	--	(21,045,805)	(717,611)	--
Total other financing sources (uses)	6,960,560	(22,284,298)	11,842,039	2,159,839
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	9,490,698	--	408,806	(28,149,091)
Fund balances, beginning of year	22,693,071	--	20,698,632	51,897,474
Other changes in fund balances (Note 2)	(200,000)	--	--	--
FUND BALANCES, END OF YEAR	$ 31,983,769	$ --	$ 21,107,438	$ 23,748,383

See accompanying notes.

PROPRIETARY FUND TYPES INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1997	1996
$ --	$ 2,066,000	$ 5,147
--	--	852,423
--	11,194,336	10,272,782
--	--	5,333,797
--	--	50,830
--	9,921,377	8,038,364
--	1,530,535	970,779
--	8,320,934	7,962,546
947,966	947,966	850,660
--	--	128,271,114
--	(9,109,927)	(7,900,719)
--	(2,066,000)	5,147
--	(1,321,860)	(1,143,676)
--	(93,839)	(1,369,935)
--	--	(5,004,761)
--	(21,763,416)	(19,206,106)
947,966	(373,894)	127,988,392
50,493	(18,199,094)	66,551,327
50,250	95,339,427	28,988,100
--	(200,000)	(200,000)
$ 100,743	$ 76,940,333	$ 95,339,427

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND, SPECIAL REVENUE FUNDS,
AND DEBT SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 1997

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES: (Note 1)			
Equipment use fee (Note 16)	$ 200,000	$ 200,000	$ --
Interest income	1,528,246	1,620,241	91,995
Hotel taxes (Notes 10-12)	--	--	--
Interfund administrative fee (Note 13)	--	--	--
Commissions (Note 15)	3,065,138	3,082,683	17,545
Usher charges	14,224,356	14,348,972	124,616
Other	2,582,818	2,551,621	(31,197)
Total revenues	21,600,558	21,803,517	202,959
EXPENDITURES:			
Interfund administrative fee (Note 13)	17,095,913	17,377,433	(281,520)
Principal retirement	--	--	--
Interest expense	--	--	--
General and administrative	2,020,588	1,895,586	125,002
Event services	--	--	--
Sales and marketing	--	--	--
Building operations	--	--	--
Public safety	--	--	--
Technical services	--	--	--
Project administration	--	360	(360)
Other expenditures	--	--	--
Total expenditures	19,116,501	19,273,379	(156,878)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,484,057	2,530,138	46,081

See accompanying notes.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	1,000,000	1,063,364	63,364
19,440,949	21,045,805	1,604,856	--	--	--
17,095,913	17,377,433	281,520	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
36,536,862	38,423,238	1,886,376	1,000,000	1,063,364	63,364
--	--	--	2,875,000	2,875,000	--
--	--	--	9,609,198	9,609,198	--
--	--	--	--	--	--
2,244,461	2,056,713	187,748	--	--	--
491,620	458,620	33,000	--	--	--
845,194	874,979	(29,785)	--	--	--
9,592,280	10,124,941	(532,661)	--	--	--
1,192,435	1,127,924	64,511	--	--	--
1,566,682	1,495,763	70,919	--	--	--
--	--	--	--	--	--
--	--	--	--	12,399	(12,399)
15,932,672	16,138,940	(206,268)	12,484,198	12,496,597	(12,399)
20,604,190	22,284,298	1,680,108	(11,484,198)	(11,433,233)	50,965

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND, SPECIAL REVENUE FUNDS,
AND DEBT SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 1997

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Operating transfers in:			
Hotel Occupancy Tax Fund	$ --	$ --	$ --
Hotel Occupancy and Food and Beverage Tax Fund	--	--	--
Service Contractor/Tour Tax Fund	--	--	--
Debt Service 1996 Series	9,109,927	9,109,927	--
Operating transfers out:			
General Fund	--	--	--
Phase III - NOEHA Expansion Fund	(2,066,000)	(2,066,000)	--
1996 Construction Fund	--	--	--
NOPFM - Employees' Pension Fund and Benefits Fund	(83,367)	(83,367)	--
Special Tax Bond Series 1996	--	--	--
Total other financing sources (uses)	6,960,560	6,960,560	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	9,444,617	9,490,698	46,081
Fund balances, beginning of year	22,693,071	22,693,071	--
Other changes in fund balances (Note 2)	(200,000)	(200,000)	--
FUND BALANCES, END OF YEAR	$ 31,937,688	$ 31,983,769	$ 46,081

See accompanying notes.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ --	$ --	$ --	$ 10,396,249	$ 11,194,336	$ 798,087
--	--	--	7,961,700	8,320,934	359,234
--	--	--	1,083,000	1,530,535	447,535
--	--	--	--	--	--
--	--	--	(9,109,927)	(9,109,927)	--
--	--	--	--	--	--
--	--	--	(93,839)	(93,839)	--
(1,163,241)	(1,238,493)	(75,252)	--	--	--
(19,440,949)	(21,045,805)	(1,604,856)	--	--	--
(20,604,190)	(22,284,298)	(1,680,108)	10,237,183	11,842,039	1,604,856
--	--	--	(1,247,015)	408,806	1,655,821
--	--	--	20,698,632	20,698,632	--
--	--	--	--	--	--
$ --	$ --	$ --	$ 19,451,617	$ 21,107,438	$ 1,655,821

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
FIDUCIARY FUND TYPE-PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	TOTALS 1997	TOTALS 1996
OPERATING REVENUES:		
Interest income	$ 73,818	$ 56,653
Other income	67,001	--
Total operating revenues	140,819	56,653
OPERATING EXPENSE:		
Insurance premiums	85,884	77,348
General expenses	178,319	152,830
Total operating expenses	264,203	230,178
NET LOSS BEFORE OPERATING TRANSFERS	(123,384)	(173,525)
OTHER FINANCING SOURCES:		
Operating transfers-in:		
General fund	33,245	31,698
NOPFM Operating Fund	340,649	333,650
Total other financing sources	373,894	365,348
NET INCOME	250,510	191,823
FUND BALANCE - BEGINNING OF YEAR	1,216,696	1,024,873
Prior period adjustment - to record cash surrender value of life insurance policies (Note 27)	290,000	--
FUND BALANCE - BEGINNING OF YEAR AS RESTATED	1,506,696	1,024,873
FUND BALANCE - END OF YEAR	$ 1,757,206	$ 1,216,696

See accompanying notes.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

INTRODUCTION

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following is a summary of certain significant accounting policies.

FINANCIAL REPORTING ENTITY:

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

BASIS OF PRESENTATION:

The accompanying financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

FUND ACCOUNTING:

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

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND TYPES:

Governmental Funds:

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

General Fund:

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds:

Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Capital Projects Funds:

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

Proprietary Funds:

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

Internal Service Funds:

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND TYPES: (Continued)

Fiduciary Funds:

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

Trust and Agency Funds:

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

ACCOUNT GROUPS:

General Fixed Assets Account Group:

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

General Long-Term Debt Account Group:

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

FUND DESCRIPTION - SPECIAL REVENUE FUNDS:

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

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

Hotel Occupancy Tax Fund:

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

Hotel Occupancy/Food and Beverage Tax Fund:

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND DESCRIPTION - SPECIAL REVENUE FUNDS: (Continued)

Service Contractor and Tour Tax Fund:

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

FUND DESCRIPTION - DEBT SERVICE FUNDS:

Reserve Fund:

The debt service reserve fund was established by the 1996 bond indenture. The reserve fund balance is the lower of the maximum requirement of $12,485,850 or 10% of the original principal issued $180,000,000 ($18,000,000).

Debt Service Fund:

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

FUND DESCRIPTION - CAPITAL PROJECTS FUNDS:

Land Acquisition:

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

NOEHA Phase III:

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

State of Louisiana Phase III:

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

1996 Construction Fund:

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND DESCRIPTION - CAPITAL PROJECTS FUNDS: (Continued)

City of New Orleans Phase III:

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

FUND DESCRIPTION - FIDUCIARY FUNDS:

Nonexpendable Trust - NOPFM Pension Plan Fund:

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

Agency Funds:

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

FUND DESCRIPTION - PROPRIETARY FUNDS:

Internal Service:

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

BASIS OF ACCOUNTING:

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

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

OTHER FINANCING SOURCES (USES):

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BUDGETARY DATA:

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

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

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

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

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

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

INVESTMENTS:

All investments of the Authority are recorded in the financial statements at cost which approximates market.

FIXED ASSETS:

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

COMPENSATED ABSENCES:

Compensated absences which accumulate or vest are described as follows:

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

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

COMPENSATED ABSENCES: (Continued)

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

The Authority's liability for accumulated unpaid vacation of $353,775 has been recorded in the general long-term debt group of accounts.

CASH EQUIVALENTS:

For purposes of the Statement of Cash Flows, the Authority considers all investments with original maturities of six (6) months or less to be cash equivalents.

ENCUMBRANCES:

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary procedures in the General Fund. Encumbrances outstanding at year end are reported as a reservation of the General Fund's fund balance since they do not constitute expenditures or liabilities.

DUE TO/FROM OTHER FUNDS:

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

LONG-TERM OBLIGATIONS:

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

FUND EQUITY:

Reserves:

Reserves represent those portions of fund equity not appropriable for expenditures or legally or board segregated for a specific future use.

Designated Fund Balances:

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

INTERFUND TRANSACTIONS:

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

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

ACCOUNTING ESTIMATES:

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

TOTAL COLUMNS ON COMBINED STATEMENTS - MEMORANDUM ONLY:

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

INCOME TAXES:

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

2. OTHER CHANGES IN FUND BALANCES:

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

3. CASH AND CERTIFICATES OF DEPOSITS:

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

As of December 31, 1997, the carrying amount of the Authority's cash and certificates of deposit was $6,885,925 and $82,517,289, respectively, and the related bank balances were $7,398,088 and $82,517,289.

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3. CASH AND CERTIFICATES OF DEPOSITS: (Continued)

State law requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. All bank deposits as of December 31, 1997 are insured or collateralized with securities held by a third party in the Authority's name.

4. INVESTMENTS:

The investment of the Authority at December 31, 1997 represents the Special Tax Bonds Series 1996 Fund totaling $176,710,000.

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

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

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

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

	CATEGORY				MARKET
	1	2	3	Cost	Value
U.S. Government and Agency Issues	$14,017,328	$ --	$ --	$14,017,328	$14,017,328
Cash in-hand of investment trustee	7,707,605	--	--	7,707,605	7,707,605
	$21,724,933	$ --	$ --	$21,724,933	$21,724,933

5. TAXES RECEIVABLE:

Taxes receivable at December 31, 1997 represent the Hotel Occupancy Tax and Hotel Occupancy Food and Beverage Tax and Service Contractors and Tour Tax proceeds which have been collected by the State of Louisiana as follows:

Special Revenue Funds:	
Hotel Occupancy Tax Fund:	
2% of the Hotel Occupancy Tax for the repayment of the Hotel Occupancy Tax Refunding Bonds Series 1983 and 1992	$1,266,600
Hotel Occupancy Food and Beverage Fund:	
Tax to provide funds to expand and improve the existing convention and tourist facilities	1,050,251
Service Contractors and Tour Tax	106,152
TOTAL	$2,423,003

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6. ACCOUNTS RECEIVABLE:

Accounts receivable as of December 31, 1997 consist of the following items:

	CUSTOMERS	CONTRACTORS/ LICENSES	OTHER	TOTALS
Special Revenue Funds:				
NOPFM	$570,517	$144,552	$15,429	$730,498
TOTAL	$570,517	$144,552	$15,429	$730,498

A. Customers:

These amounts represent funds due to the ENMCC-NO in connection with the use of the building and its facilities. As of December 31, 1997, the management of the ENMCC-NO has determined all receivables to be collectible.

B. Contractors/Licenses:

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

C. Other:

These amounts represent miscellaneous amounts due to NOPFM.

7. DUE TO/FROM OTHER FUNDS:

The following schedule is a summary of the interfund receivables and payables as shown in the financial statements at December 31, 1997:

RECEIVABLE FUND	PAYABLE FUND	AMOUNT
General Fund	1996 Construction	$ 42,157
	Refunding Bond Series 1996	3,494,986
	NOPFM Operating	1,239,169
Subtotal		4,776,312
Refunding Bond Series 1996	Hotel Occupancy Tax	$1,266,600
	Hotel Occupancy/Food and Beverage Tax	1,050,251
	Service Contractor/ Tour Tax	106,153
Subtotal		2,423,004
TOTAL DUE FROM/TO OTHER FUNDS		$7,199,316

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8. CHANGES IN GENERAL FIXED ASSETS:

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

DESCRIPTION	JANUARY 1, 1997	ADDITIONS RETIREMENTS, TRANSFERS OR ADJUSTMENTS (NET)	DECEMBER 31, 1997
Land and leasehold improvements	$ 20,588,493	$ --	$ 20,588,493
Building and improvements	207,602,587	35,938	207,638,525
Equipment	15,170,215	120,637	15,290,852
Construction in progress-expansion design, planning and construction	70,371,355	108,729,103	179,100,458
	$313,732,650	$108,885,678	$422,618,328

9. CHANGES IN GENERAL LONG-TERM DEBT:

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

	BOND DEBT	ARA EQUIPMENT USE FEE	COMPENSATED ABSENCES	TOTAL
Balance 1/1/97	$179,585,000	$1,913,379	$342,150	$181,840,529
Net additions (deductions)	(2,875,000)	(200,000)	11,625	(3,063,375)
Balance 12/31/97	$176,710,000	$1,713,379	$353,775	$178,777,154

Special Tax Bonds Series 1996:

The following is a summary of the bond transactions of the Series 1996 Bonds for the year ended December 31, 1997:

Special Tax Bonds Series 1996:	
Bonds payable, January 1, 1997	$179,585,000
Principal payment during the year	(2,875,000)
Bonds payable, December 31, 1997	$176,710,000

On February 13, 1996, the Authority issued the Series 1996 Bonds which comprises three (3) special tax series bonds: (1) Series 1996-A, $43,035,000; (2) Series 1996-B, $12,880,000; and (3) Series 1996-C, $124,085,000.

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

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

(i) The Series 1996-A Bonds were issued to advance refund:

a. $28,067,212 (principal and compounded amount) of the Authority's Hotel Occupancy Tax Refunding Bonds, Series 1983, and

b. $3,995,000 of the Authority's Special Tax Bonds, Series 1989A.

(ii) The Series 1996-B Bonds were issued to advance refund:

a. $12,560,000 of the Authority's Hotel Occupancy Tax Refunding Bonds, Series 1992.

(iii) The Series 1996-C Bonds were issued to refund:

a. $17,800,000 of the Authority's Special Tax Bonds, Series 1989B, and

b. $5,300,000 of the Authority's Special Tax Bonds, Series 1991.

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

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

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

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

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

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

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

	1996 SERIES A		
	PRINCIPAL	INTEREST	TOTAL
1998	$ --	$ 2,083,093	$ 2,083,093
1999	--	2,083,093	2,083,093
2000	--	2,083,093	2,083,093
2001	3,105,000	2,083,093	5,188,093
2002	3,225,000	1,949,578	5,174,578
2003-2011	36,705,000	9,843,175	46,548,175
TOTAL	$ 43,035,000	$ 20,125,125	$ 63,160,125

	1996 SERIES B		
	PRINCIPAL	INTEREST	TOTAL
1998	$ 3,025,000	$ 539,749	$ 3,564,749
1999	3,190,000	373,979	3,563,979
2000	3,375,000	194,063	3,569,063
TOTAL	$ 9,590,000	$ 1,107,791	$ 10,697,791

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NOTES TO FINANCIAL STATEMENTS
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9. CHANGES IN GENERAL LONG-TERM DEBT: (Continued)

	1996 SERIES C		
	PRINCIPAL	INTEREST	TOTAL
1998	$ --	$ 6,833,695	$ 6,833,695
1999	--	6,833,695	6,833,695
2000	--	6,833,695	6,833,695
2001	390,000	6,833,665	7,223,695
2002	420,000	6,816,925	7,236,925
2003-2011	123,275,000	115,612,095	238,887,095
TOTAL	$124,085,000	$149,763,800	$273,848,800

As of December 31, 1997, the amounts available for debt service and to be provided for were $21,107,438 and $155,602,562, respectively.

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

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

During the year ended December 31, 1997, the Authority received $11,194,336 (net of a 2% collection fee of $228,456).

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

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

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

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

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

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

During the year ended December 31, 1997, the Authority received $8,320,934 (net of a 3% collection fee of $200,813).

1988 Hotel Occupancy Tax:

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

Food And Beverage Tax:

The Food and Beverage Tax is a tax in the amount of one-half of one percent (0.5%) imposed on the gross receipts from the sale of food and beverages in any food service establishment. For purposes of this tax, "food service establishment" means any fixed or mobile restaurant; coffee shop; cafeteria; short order cafe; luncheonette; grill; tearoom; sandwich shop; soda fountain; tavern; bar; cocktail lounge; night club; roadside stand; industrial feeding establishment; private, public or nonprofit establishment routinely serving food; catering kitchen; commissary; delicatessen; convenience store; grocery store; or similar place in which food or drink is prepared for sale for service on the premises or elsewhere; and any other establishment or operation where food or drink is served or provided for the public. The tax is applicable to all such establishments located within the City or in any airport or air transportation facility owned and operated by the City, excluding food service establishments which have annual gross receipts from food and beverage sales of less than $200,000 from the operation of all such establishments during the calendar year prior to the year in which such tax is assessed. The tax additionally is not applicable to meals furnished to the staff and students of educational institutions; the staff and patients of hospitals; the staff, inmates and patients of mental institutions and the boarders of rooming houses. The Food and Beverage Tax will automatically terminate upon payment in full of all Bonds or other obligations of the Authority payable in whole or in part from or secured by the Food and Beverage Tax.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

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

Service Contractor Tax:

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

Tour Tax:

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

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

During the year ended December 31, 1997, the Authority received $1,530,535 (net of a 3% collection fee of $47,336).

13. INTERFUND ADMINISTRATIVE FEE:

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

For the year ended December 31, 1997, the Authority reimbursed NOPFM $17,377,433 as an Interfund Administrative Fee.

ERNEST N. MORIAL
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

14. NOPFM EMPLOYEES' PENSION PLAN:

Plan Description:

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

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

At April 1, 1997 and 1995 employees participating in the plan consists of:

	APRIL 1,	
	1997	1995
Fully vested, partially and nonvested active employees covered	286	286
Employees terminated with deferred vested benefits	13	6
TOTAL PARTICIPANTS AT VALUATION DATE	299	292

Pension Benefits:

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

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

Death Benefits:

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

Funding Status and Progress:

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

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Funding Status and Progress: (Continued)

The Plan investments as of December 31, 1997 consist of:

	AMOUNT	TERM	RATE
Cash	$ 403,146	N/A	N/A
Cash surrender value of life insurance	296,000	N/A	N/A
Certificate of deposit	1,024,768	1 Year	5.55-6.08%
	$1,723,914		

The Entry Age Normal Cost Method was used to calculate funding requirements of the Fund. Certain actuarial assumptions are used to determine the actuarial accrued liability. There were no changes in actuarial assumptions or benefit assumptions that affected the valuation of the actuarial accrued liability as of the actuarial valuation performed as of April 1, 1997.

As of April 1, 1997, the actuarial accrued liabilities - entry age applicable to the Authority's current and terminated employees was calculated as follows:

Vested accrued benefits	$1,456,409
Non-vested benefits	1,877,268
Actuarial accrued liability - entry age	$3,333,677

Contributions to the Plan are determined on an actuarial basis using the Entry Age Normal Cost Method. As of the April 1, 1997 actuarial valuation, the recommended minimum contribution to the Plan for normal cost was $589,742. Contributions to the Plan during 1997 totaled $373,887.

Historical Trend Information:

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

	APRIL	
	1997	1995
Net assets available for benefits as a percentage of the Actuarial Accrued Liability - Entry Age Normal	45.80%	40.20%
Unfunded Actuarial Accrued Liability - Entry Age Normal as a percentage of covered payroll	25.50	27.30
Contributions required as a percentage of covered payroll	8.34	7.92

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Historical Trend Information: (Continued)

The following schedules of funding progress and contributions are prepared as of the date of the latest actuarial valuation:

SCHEDULE OF FUNDING PROGRESS

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE	UNFUNDED AAL (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
April 1, 1997	$1,527,840	$3,333,677	$1,805,837	45.8%	$7,070,343	25.5%

SCHEDULE OF CONTRIBUTIONS

YEAR	ACTUARIAL REQUIRED CONTRIBUTIONS EMPLOYER	PERCENT CONTRIBUTED EMPLOYER
1997	$589,742	63%

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

Valuation date	April 1, 1997
Actuarial Cost/Method	Entry Age Normal
Actuarial Asset Values:	
Certificates of Deposit and Cash Surrender Value of Life Insurance	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Projected Salary Increase	4.50%
Cost of Living Adjustments	None

Information was not available to compute and disclose the pension benefit obligation in accordance with GASB 5.

15. COMMISSIONS:

Under the contractual agreements with vendors allowed to operate within the ENMCC-NO, the Authority receives various commissions. For the year ended December 31, 1997, the Authority received $3,082,682 in commissions as follows:

Food Service Commissions	$2,935,139
Telephone Commissions	147,544
Total Commissions	$3,082,683

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

16. DEFERRED REVENUE:

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

Equipment usage fee (current portion)	$ 200,000
Customer prepayments	3,773,488
Total Deferred Revenue	$3,973,488

Equipment Usage Fee:

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

The contract required the contractor to pay an equipment usage fee of $5 million dollars. The current portion of this fee is recorded as deferred revenue of the general fund and the long-term portion of this fee is recorded as a component of the general long-term debt group. For the year ended December 31, 1997 equipment usage fees amounted to $200,000.

As of December 31, 1997, the balance of the deferred equipment usage fee is as follows:

Current portion	$ 200,000
Long-term amount to be earned in future years	1,713,379
Total	$1,913,379

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

Customer Prepayments:

The Authority requires users of ENMCC-NO to prepay certain items (i.e. facility rental) as part of the rental agreement. As of December 31, 1997, the Authority was in receipt of $3,773,488 that related to such prepaid items.

17. COMMITMENTS:

The Authority has entered into a long-term contract with a construction company for the construction of the Phase III expansion of the Convention Center. As of December 31, 1997, $142,392,167 has been disbursed from a total contract amount of $188,993,290 resulting in a remaining contractual obligation totaling $46,601,123. The construction is expected to be completed in February 1999.

18. DEFERRED COMPENSATION PLAN:

Employees of the Authority may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

18. DEFERRED COMPENSATION PLAN: (Continued)

The deferred compensation plan is available to all employees of the Authority. Under the plan, participants may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Authority has no obligation to contribute to this plan.

The deferred compensation plan is administered by an unrelated financial institution that holds the assets for the exclusive benefit of participants and beneficiaries of the Plan. Prior to January 1, 1997, under the terms of the IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, were the property of the Authority subject only to the claims of the Authority's general creditors. In addition, the participants in the plan had rights equal to those of the general creditors of the Authority, and each participant's rights are equal to his or her share of the fair market value of the plan assets.

The Authority no longer has a fiduciary responsibility for plan assets of the 457 deferred compensation plan and the deferred compensation plan was not subject to the claims of the Authority's creditors.

As required by generally accepted accounting principles, the cumulative effect resulting from the changes in reporting responsibility for the deferred compensation plan assets is reflected in the financial statements as a restatement of the beginning fund balance.

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

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

	BALANCE BEGINNING OF YEAR	RESTATEMENT OF BEGINNING BALANCE (NOTE 18)	BALANCE BEGINNING OF YEAR RESTATED	ADDITIONS	REDUCTIONS	BALANCE AT END OF YEAR
Rouse Lease Clearing Fund	$ 21,787	$ --	$ 21,787	$119,084	$110,871	$30,000
Venture Lease Escrow Fund	302	--	302	41,338	41,328	357
Section 457 Deferred Compensation Plan	359,043	(359,043)	--	--	--	--
TOTAL	$ 381,132	$(359,043)	$ 22,089	$160,422	$152,199	$30,357

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

20. RESERVED AND DESIGNATED FUND BALANCES:

Reserved for Encumbrances:

The amount of $63,080 has been reserved to pay for outstanding requisitions and purchase orders as of December 31, 1997.

Reserved for Debt Service:

Monies are reserved in the Debt Service Fund to pay the principal and interest maturing in future years on bonded debt. At December 31, 1997, the balance of the reserve is $21,107,438.

Reserved For Capital Improvements:

Monies are reserved in the Capital Projects Fund for building construction. At December 31, 1997, the balance of the Reserve is $23,748,383.

Reserved For Future Employee Benefits:

Monies are reserved in the Internal Service Fund to provide for future health insurance and claims costs and future pension and death benefits for employees. At December 31, 1997, the balance of the reserve was $1,857,949.

Reserved For Financial Contingencies:

The reserve has been established to provide a contingency in the event tax collections were to fall below required debt service. At December 31, 1997, the balance of the reserve was $15,000,000.

Reserved For Asset Replacement:

The reserve has been established by the Board of Commissioners to provide for the repair and replacement of assets as they become older. At December 31, 1997, the balance of the reserve was $10,000,000.

21. SELF INSURANCE - INTERNAL SERVICE FUND:

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

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

Liability balance, January 1	$ 14,780
Claims and changes in estimates	793,668
Claims payments	(755,061)
LIABILITY BALANCE, DECEMBER 31	$ 53,387

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

22. SUBSEQUENT EVENT:

The Authority issued Special Tax Bonds, Series 1998, in February, 1998 totaling $25,000,000. The bonds are dated January 15, 1998 and consist of serial bonds of $2,500,000 maturing over the next three years and term bonds of $22,500,000 maturing July 15, 2027. The bond interest rate is 5.162%. Interest is payable semi annually on each January 15 and July 15. The debt service requirements are being combined with the 1996 bond issue and are funded by the tax revenues described in previous notes to financial statements. These bonds were issued to provide additional funding for the Phase III expansion project.

23. PRIOR YEARS' DEBT DEFEASANCE:

In prior years, the Authority has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities and certificates of deposit that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's General Long-Term Debt Account Group. As of December 31, 1997, the amount of defeased debt outstanding but removed from the General Long-Term Debt Account Group amounted to $50,118,797.

24. OPERATING LEASES:

The Authority is the lessor of ATM space and property under operating leases expiring in various years through 1999. The ATM space rental is $1,400 per month for the two machines ($700 each) and the property leased to a local business is $2,400 per month.

The minimum future rentals to be received as of December 31, 1997 for each of the next five years and in the aggregate are:

1998	$16,800
1999	5,600
	$22,400

25. LITIGATION AND CLAIMS:

At December 31, 1997, the Ernest N. Morial Exhibition Hall Authority and New Orleans Public Facility Management, Inc. are defendants in several law suits seeking damages. These lawsuits are in various stages of resolution and since these cases are characterized by conditions and complexities, estimation of the ultimate liability is extremely difficult.

Claims against the Ernest N. Morial Exhibition Hall Authority range from a minimum of $-0- to a maximum of $1,500,000. No provision for a claims liability is included in the financial statements.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

25. LITIGATION AND CLAIMS: (Continued)

Claims against the New Orleans Public Facility Management, Inc. are insured subject to deductibles for defense cost and fees. For the year ended December 31, 1997, $94,035 of defense and legal costs has been incurred. These expenses are recorded as incurred.

26. RECLASSIFICATIONS:

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

27. PRIOR PERIOD ADJUSTMENT:

The beginning fund balance in the pension trust fund has been adjusted to include $290,000 in cash surrender value on employee life insurance policies as of January 1, 1997.

SPECIAL REVENUE FUNDS

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

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	NEW ORLEANS PUBLIC FACILITY MANAGEMENT, INC. OPERATING FUND	HOTEL OCCUPANCY TAX FUND	HOTEL OCCUPANCY/ FOOD AND BEVERAGE TAX FUND
ASSETS:			
Cash	$ 1,573,075	$ --	$ --
Accounts receivable	730,498	--	--
Taxes receivable	--	1,266,600	1,050,251
Other assets	3,542	--	--
TOTAL ASSETS	$ 2,307,115	$ 1,266,600	$ 1,050,251
LIABILITIES:			
Accounts payable - trade	$ 648,853	$ --	$ --
Other liabilities	419,093	--	--
Due to other funds	1,239,169	1,266,600	1,050,251
Total liabilities	2,307,115	1,266,600	1,050,251
FUND BALANCES:			
Designated for subsequent year's expenditures	--	--	--
Total fund balances	--	--	--
TOTAL LIABILITIES AND FUND BALANCES	$ 2,307,115	$ 1,266,600	$ 1,050,251

SERVICE CONTRACTOR AND TOUR TAX FUND	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1997	1996
$ --	$ 1,573,075	$ 822,682
--	730,498	1,025,767
106,152	2,423,003	1,559,737
--	3,542	12,546
$ 106,152	$ 4,730,118	$ 3,420,732
$ --	$ 648,853	$ 578,198
--	419,093	366,813
106,152	3,662,172	2,475,721
106,152	4,730,118	3,420,732
--	--	--
--	--	--
$ 106,152	$ 4,730,118	$ 3,420,732

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	NEW ORLEANS PUBLIC FACILITY MANAGEMENT, INC. OPERATING FUND	HOTEL OCCUPANCY TAX FUND	HOTEL OCCUPANCY/ FOOD AND BEVERAGE TAX FUND
REVENUES:			
Hotel, food and beverage, service contractor and tour taxes	$ --	$ 11,194,336	$ 8,320,934
Interfund administrative fees	17,377,433	--	--
Other revenues	--	--	--
Total revenues	17,377,433	11,194,336	8,320,934
EXPENDITURES:			
General and adminstrative	2,056,713	--	--
Sales and marketing	874,979	--	--
Event services	458,620	--	--
Building operations	10,124,941	--	--
Public safety	1,127,924	--	--
Technical services	1,495,763	--	--
Total expenditures	16,138,940	--	--
EXCESS OF REVENUES OVER EXPENDITURES	1,238,493	11,194,336	8,320,934
OTHER FINANCING USES:			
Operating transfers-out:			
NOPFM Employees' Pension and Benefits Fund	(1,238,493)	--	--
1996 Construction Fund	--	--	--
Special Tax Bond Series 1996	--	(11,194,336)	(8,320,934)
Total other financing uses	(1,238,493)	(11,194,336)	(8,320,934)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	--
Fund balances - beginning of year	--	--	--
FUND BALANCES - END OF YEAR	$ --	$ --	$ --

SERVICE CONTRACTOR AND TOUR TAX FUND	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1997	1996
$ 1,530,535	$ 21,045,805	$ 19,268,629
--	17,377,433	15,487,637
--	--	1,609
1,530,535	38,423,238	34,757,875
--	2,056,713	1,894,039
--	874,979	713,159
--	458,620	449,243
--	10,124,941	8,897,553
--	1,127,924	1,024,101
--	1,495,763	1,365,866
--	16,138,940	14,343,961
1,530,535	22,284,298	20,413,914
--	(1,238,493)	(1,143,676)
--	--	(466,682)
(1,530,535)	(21,045,805)	(19,206,106)
(1,530,535)	(22,284,298)	(20,816,464)
--	--	(402,550)
--	--	402,550
$ --	$ --	$ --

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1997

	NEW ORLEANS PUBLIC FACILITY MANAGEMENT, INC. OPERATING FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Hotel, food and beverage, service contractor and tour taxes	$ --	$ --	$ --
Interfund administrative fee	17,095,913	17,377,433	281,520
Other revenues	--	--	--
Total revenues	17,095,913	17,377,433	281,520
EXPENDITURES:			
General and administrative	2,244,461	2,056,713	187,748
Sales and marketing	845,194	874,979	(29,785)
Event services	491,620	458,620	33,000
Building operations	9,592,280	10,124,941	(532,661)
Public safety	1,192,435	1,127,924	64,511
Technical services	1,566,682	1,495,763	70,919
Total expenditures	15,932,672	16,138,940	(206,268)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,163,241	1,238,493	75,252
OTHER FINANCING USES:			
Operating transfers out:			
NOPFM Employees' Pension and Benefits Fund	(1,163,241)	(1,238,493)	(75,252)
Special Tax Bond Series 1996	--	--	--
1996 Construction Fund	--	--	--
Total other financing uses	(1,163,241)	(1,238,493)	(75,252)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	--
Fund balances, beginning of year	--	--	--
FUND BALANCES, END OF YEAR	$ --	$ --	$ --

HOTEL OCCUPANCY TAX FUND			HOTEL OCCUPANCY FOOD AND BEVERAGE TAX FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 10,396,249	$ 11,194,336	$ 798,087	$ 7,961,700	$ 8,320,934	$ 359,234
--	--	--	--	--	--
--	--	--	--	--	--
10,396,249	11,194,336	798,087	7,961,700	8,320,934	359,234
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
10,396,249	11,194,336	798,087	7,961,700	8,320,934	359,234
--	--	--	--	--	--
(10,396,249)	(11,194,336)	(798,087)	(7,961,700)	(8,320,934)	(359,234)
--	--	--	--	--	--
(10,396,249)	(11,194,336)	(798,087)	(7,961,700)	(8,320,934)	(359,234)
--	--	--	--	--	--
--	--	--	--	--	--
$ --	$ --	$ --	$ --	$ --	$ --

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1997

	SERVICE CONTRACTOR AND TOUR TAX FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Hotel, food and beverage, service contractor and tour taxes	$ 1,083,000	$ 1,530,535	$ 447,535
Interfund administrative fee	--	--	--
Other revenues	--	--	--
Total revenues	1,083,000	1,530,535	447,535
EXPENDITURES:			
General and administrative	--	--	--
Sales and marketing	--	--	--
Event services	--	--	--
Building operations	--	--	--
Public safety	--	--	--
Technical services	--	--	--
Total expenditures	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,083,000	1,530,535	447,535
OTHER FINANCING USES:			
Operating transfers out:			
NOPFM Employees' Pension and Benefits Fund	--		--
Special Tax Bond Series 1996	(1,083,000)	(1,530,535)	(447,535)
1996 Construction Fund	--		--
Total other financing uses	(1,083,000)	(1,530,535)	(447,535)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	--
Fund balances, beginning of year	--	--	--
FUND BALANCES, END OF YEAR	$ --	$ --	$ --

TOTALS
(MEMORANDUM ONLY)
(NOTE 1)

1997 BUDGET	1997 ACTUAL	1997 VARIANCE FAVORABLE (UNFAVORABLE)	1996 BUDGET	1996 ACTUAL	1996 VARIANCE FAVORABLE (UNFAVORABLE)
$ 19,440,949	$ 21,045,805	$ 1,604,856	$ 18,586,770	$ 19,268,629	$ 681,859
17,095,913	17,377,433	281,520	15,650,725	15,487,637	(163,088)
--	--	--	2,700	1,609	(1,091)
36,536,862	38,423,238	1,886,376	34,240,195	34,757,875	517,680
2,244,461	2,056,713	187,748	2,042,372	1,894,039	148,333
845,194	874,979	(29,785)	856,943	713,159	143,784
491,620	458,620	33,000	438,686	449,243	(10,557)
9,592,280	10,124,941	(532,661)	8,901,015	8,897,553	3,462
1,192,435	1,127,924	64,511	1,038,658	1,024,101	14,557
1,566,682	1,495,763	70,919	1,324,808	1,365,866	(41,058)
15,932,672	16,138,940	(206,268)	14,602,482	14,343,961	258,521
20,604,190	22,284,298	1,680,108	19,637,713	20,413,914	776,201
(1,163,241)	(1,238,493)	(75,252)	(1,048,243)	(1,143,676)	(95,433)
(19,440,949)	(21,045,805)	(1,604,856)	(18,525,338)	(19,206,106)	(680,768)
--	--	--	(466,682)	(466,682)	--
(20,604,190)	(22,284,298)	(1,680,108)	(20,040,263)	(20,816,464)	(776,201)
--	--	--	(402,550)	(402,550)	--
--	--	--	402,550	402,550	--
$ --	$ --	$ --	$ --	$ --	$ --

DEBT SERVICE FUNDS

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

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET - DEBT SERVICE FUNDS
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	SPECIAL TAX BOND SERIES 1996		TOTALS (MEMORANDUM ONLY) (NOTE 1)	
	RESERVE FUND	DEBT SERVICE FUND	1997	1996
ASSETS:				
Cash and certificates of deposit	$ --	$ 7,707,605	$ 7,707,605	$ 13,448,738
Investments	12,485,850	1,531,478	14,017,328	12,661,946
Accrued interest receivable	--	454,488	454,488	559,404
Due from other funds	--	2,423,003	2,423,003	1,559,737
TOTAL ASSETS	$ 12,485,850	$ 12,116,574	$ 24,602,424	$ 28,229,825
LIABILITIES:				
Due to other funds	$ --	$ 3,494,986	$ 3,494,986	$ 7,531,193
Total liabilities	--	3,494,986	3,494,986	7,531,193
FUND BALANCES:				
Reserved for Debt Service	12,485,850	8,621,588	21,107,438	20,698,632
Total fund balances	12,485,850	8,621,588	21,107,438	20,698,632
TOTAL LIABILITIES AND FUND BALANCES	$ 12,485,850	$ 12,116,574	$ 24,602,424	$ 28,229,825

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	SPECIAL TAX BOND SERIES 1996		TOTALS (MEMORANDUM ONLY) (NOTE 1)	
	RESERVE FUND	DEBT SERVICE FUND	1997	1996
REVENUES:				
Interest income	$ 717,611	$ 345,753	$ 1,063,364	$ 1,025,561
Total revenues	717,611	345,753	1,063,364	1,025,561
EXPENDITURES:				
Principal retirements	--	2,875,000	2,875,000	29,425,000
Interest expense	--	9,609,198	9,609,198	6,170,254
Refunding bond issue costs	--	--	--	418,298
Bond insurance	--	--	--	2,007,000
Other expenditures	--	12,399	12,399	25,301
Total expenditures	--	12,496,597	12,496,597	38,045,853
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	717,611	(12,150,844)	(11,433,233)	(37,020,292)
OTHER FINANCING SOURCES (USES):				
Operating transfers-in:				
Hotel Occupancy Tax Fund	--	11,194,336	11,194,336	10,272,782
Hotel Occupancy Food and Beverage Tax Fund	--	8,320,934	8,320,934	7,962,546
Service Contractor/Tour Tax	--	1,530,535	1,530,535	970,778
Debt Service 1993 and 1992	--	--	--	5,004,761
Debt Service 1996	--	717,611	717,611	--
Other financing sources - proceeds from refunding bonds	--	--	--	35,058,294
Operating transfers-out:				
General Fund	--	(9,109,927)	(9,109,927)	(7,900,718)
1996 Construction Fund	--	(93,839)	(93,839)	(903,253)
1996 Debt Service Fund	(717,611)	--	(717,611)	(5,004,761)
Total other financing sources (uses)	(717,611)	12,559,650	11,842,039	45,460,429
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	--	408,806	408,806	8,440,137
Fund balances - beginning of year	12,485,850	8,212,782	20,698,632	12,258,495
FUND BALANCES - END OF YEAR	$ 12,485,850	$ 8,621,588	$ 21,107,438	$ 20,698,632

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET (GAAP BASIS) AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 1997

	SPECIAL TAX BONDS SERIES 1996 DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Interest income	$ 1,000,000	$ 1,063,364	$ 63,364
Total revenues	1,000,000	1,063,364	63,364
EXPENDITURES:			
Principal retirement	2,875,000	2,875,000	--
Interest expense	9,609,198	9,609,198	--
Refunding bond issue costs	--	--	--
Bond insurance	--	--	--
Other expenditures	--	12,399	(12,399)
Total expenditures	12,484,198	12,496,597	(12,399)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(11,484,198)	(11,433,233)	50,965
OTHER FINANCING SOURCES (USES):			
Operating transfers in:			
Hotel Occupancy Tax Fund	10,396,249	11,194,336	798,087
Hotel Occupancy Food and Beverage Tax Fund	7,961,700	8,320,934	359,234
Service Contractor/Tour Tax Fund	1,083,000	1,530,535	447,535
Debt Service 1983 and 1992	--	--	--
Other Financing Sources - Proceeds From Refunding Bonds	--	--	--
Operating Transfers Out:			
1996 Construction Fund	(93,839)	(93,839)	--
1996 Debt Service Fund	--	--	--
General Fund	(9,109,927)	(9,109,927)	--
Total other financing sources (uses)	10,237,183	11,842,039	1,604,856
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,247,015)	408,806	1,655,821
Fund balances, beginning of year	20,698,632	20,698,632	--
FUND BALANCES, END OF YEAR	$ 19,451,617	$ 21,107,438	$ 1,655,821

TOTALS
(MEMORANDUM ONLY)
(NOTE 1)

1997			1996		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 1,000,000	$ 1,063,364	$ 63,364	$ 1,053,445	$ 1,025,561	$ (27,884)
1,000,000	1,063,364	63,364	1,053,445	1,025,561	(27,884)
2,875,000	2,875,000	--	2,330,000	29,425,000	(27,095,000)
9,609,198	9,609,198	--	5,513,515	6,170,254	(656,739)
--	--	--	--	418,298	(418,298)
--	--	--	--	2,007,000	(2,007,000)
--	12,399	(12,399)	2,436,687	25,301	2,411,386
12,484,198	12,496,597	(12,399)	10,280,202	38,045,853	(27,765,651)
(11,484,198)	(11,433,233)	50,965	(9,226,757)	(37,020,292)	(27,793,535)
10,396,249	11,194,336	798,087	19,487,688	10,272,782	(9,214,906)
7,961,700	8,320,934	359,234	15,939,852	7,962,546	(7,977,306)
1,083,000	1,530,535	447,535	811,568	970,778	159,210
--	--	--	5,004,761	5,004,761	--
--	--	--	10,834,226	35,058,294	24,224,068
(93,839)	(93,839)	--	--	(903,253)	(903,253)
--	--	--	--	(5,004,761)	(5,004,761)
(9,109,927)	(9,109,927)	--	(11,571,682)	(7,900,718)	3,670,964
10,237,183	11,842,039	1,604,856	40,506,413	45,460,429	4,954,016
(1,247,015)	408,806	1,655,821	31,279,656	8,440,137	(22,839,519)
20,698,632	20,698,632	--	12,258,495	12,258,495	--
19,451,617	$ 21,107,438	$ 1,655,821	$ 43,538,151	$ 20,698,632	$ (22,839,519)

CAPITAL PROJECTS FUNDS

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

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	LAND ACQUISITION	NOEHA PHASE III	STATE OF LOUISIANA PHASE III
ASSETS:			
Cash and certificates of deposit	$ 213,202	$ 2,107,536	$ 17,726,611
Accrued interest receivable	--	600	413,115
TOTAL ASSETS	$ 213,202	$ 2,108,136	$ 18,139,726
LIABILITIES:			
Accounts payable - trade	$ --	$ --	$ 7,109,476
Accounts payable - other	--	--	--
Contract retentions	--	--	521,006
Due to other funds	--	--	42,157
Total liabilities	--	--	7,672,639
FUND BALANCES:			
Designated for future capital projects	213,202	2,108,136	10,467,087
Total fund balances	213,202	2,108,136	10,467,087
TOTAL LIABILITIES AND FUND BALANCES	$ 213,202	$ 2,108,136	$ 18,139,726

1996 CONSTRUCTION FUND	CITY OF NEW ORLEANS PHASE III	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1997	1996
$ 7,644,296	$ 6,000,000	$ 33,691,645	$ 58,769,606
66,496	130,166	610,377	1,470,098
$ 7,710,792	$ 6,130,166	$ 34,302,022	$ 60,239,704
$ 1,939,590	$ --	$ 9,049,066	$ 7,694,469
31,501	--	31,501	172,250
909,909	--	1,430,915	433,056
--	--	42,157	42,455
2,881,000	--	10,553,639	8,342,230
4,829,792	6,130,166	23,748,383	51,897,474
4,829,792	6,130,166	23,748,383	51,897,474
$ 7,710,792	$ 6,130,166	$ 34,302,022	$ 60,239,704

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	LAND ACQUISITION	NOEHA PHASE III	STATE OF LOUISIANA PHASE III
REVENUES:			
Interest income	$ --	$ 29,775	$ 753,583
Receipts from other governments	--	--	70,000,000
Other	--	--	--
Total revenues	--	29,775	70,753,583
EXPENDITURES:			
Consulting services	605	--	683,720
Site preparation and construction	5,000	--	60,081,018
Other expenditures	--	--	--
Total expenditures	5,605	--	60,764,738
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,605)	29,775	9,988,845
OTHER FINANCING SOURCES (USES):			
Operating transfers in:			
City Bond Fund	--	--	--
Debt Service 1983 and 1992 Series	--	--	--
Debt Service 1989 and 1991 Series	--	--	--
Debt Service 1996 Series	--	--	--
Service Contractor and Tour Tax	--	--	--
General fund	--	2,066,000	--
Other financing sources - proceeds from refunding bonds	--	--	--
Operating transfers out:			
Phase III - NOEHA Expansion Fund	--	--	--
Total other financing sources (uses)	--	2,066,000	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(5,605)	2,095,775	9,988,845
Fund balances - beginning of year	218,807	12,361	478,242
FUND BALANCES - END OF YEAR	$ 213,202	$ 2,108,136	$ 10,467,087

1996 CONSTRUCTION FUND	CITY OF NEW ORLEANS PHASE III	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1997	1996
$ 1,506,649	$ 130,166	$ 2,420,173	$ 3,777,971
--	6,000,000	76,000,000	--
--	--	--	1,093,379
1,506,649	6,130,166	78,420,173	4,871,350
1,148,841	--	1,833,166	1,752,179
46,809,919	--	106,895,937	45,540,152
--	--	--	1,533,060
47,958,760	--	108,729,103	48,825,391
(46,452,111)	6,130,166	(30,308,930)	(43,954,041)
--	--	--	5,147
--	--	--	852,423
--	--	--	329,036
93,839	--	93,839	50,830
--	--	--	466,682
--	--	2,066,000	--
--	--	--	93,212,820
--	--	--	(5,147)
93,839	--	2,159,839	94,911,791
(46,358,272)	6,130,166	(28,149,091)	50,957,750
51,188,064	--	51,897,474	939,724
$ 4,829,792	$ 6,130,166	$ 23,748,383	$ 51,897,474

FIDUCIARY FUNDS

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

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	NON-EXPENDABLE TRUST	AGENCY FUNDS		TOTALS (MEMORANDUM) (NOTE 1)	
	NEW ORLEANS PUBLIC FACILITY MANAGEMENT, INC. EMPLOYEES PENSION PLAN	ROUSE LEASE CLEARING FUND	VENTURE LEASE ESCROW	1997	1996
ASSETS:					
Cash and certificates of deposit	$ 1,427,914	$ 30,000	$ 357	$ 1,458,271	$ 1,212,909
Accrued interest receivable	33,292	--	--	33,292	30,106
Accounts receivable	--	--	--	--	10
	1,461,206	30,000	357	1,491,563	1,243,025
OTHER ASSET:					
Cash surrender value of life insurance	296,000	--	--	296,000	--
Property and rights held under Deferred Compensation Plan	--	--	--	--	359,043
	296,000	--	--	296,000	359,043
TOTAL ASSETS	$ 1,757,206	$ 30,000	$ 357	$ 1,787,563	$ 1,602,068
LIABILITIES:					
Due to City of New Orleans	$ --	$ 30,000	$ 357	$ 30,357	$ 22,089
Taxes payable	--	--	--	--	4,240
Obligation to employees under Deferred Compensation Plan	--	--	--	--	359,043
Total liabilities	--	30,000	357	30,357	385,372
FUND BALANCES:					
Reserved for future employee benefits	1,757,206	--	--	1,757,206	1,216,696
Total fund balances	1,757,206	--	--	1,757,206	1,216,696
TOTAL LIABILITIES AND FUND BALANCES	$ 1,757,206	$ 30,000	$ 357	$ 1,787,563	$ 1,602,068

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - ROUSE LEASE CLEARING FUND
FOR THE YEAR ENDED DECEMBER 31, 1997

	BALANCES DECEMBER 31, 1996	ADDITIONS	DEDUCTIONS	BALANCES DECEMBER 31, 1997
ASSETS:				
Cash	$ 21,787	$ 119,084	$ 110,871	$ 30,000
TOTAL ASSETS	$ 21,787	$ 119,084	$ 110,871	$ 30,000
LIABILITIES:				
Due to City of New Orleans	$ 21,787	$ 119,084	$ 110,871	$ 30,000
TOTAL LIABILITES	$ 21,787	$ 119,084	$ 110,871	$ 30,000

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - VENTURE LEASE ESCROW FUND
FOR THE YEAR ENDED DECEMBER 31, 1997

	BALANCES DECEMBER 31, 1996	ADDITIONS	DEDUCTIONS	BALANCES DECEMBER 31, 1997
ASSETS:				
Cash	$ 302	$ 41,383	$ 41,328	$ 357
TOTAL ASSETS	$ 302	$ 41,383	$ 41,328	$ 357
LIABILITIES:				
Due to City of New Orleans	$ 302	$ 41,383	$ 41,328	$ 357
TOTAL LIABILITES	$ 302	$ 41,383	$ 41,328	$ 357

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - SECTION 457 DEFERRED COMPENSATION PLAN
FOR THE YEAR ENDED DECEMBER 31, 1997

	BALANCES DECEMBER 31, 1996	RESTATEMENT OF BEGINNING BALANCE	BALANCE DECEMBER 31, 1996 (Restated)	ADDITIONS	DEDUCTIONS	BALANCES DECEMBER 31, 1997
ASSETS:						
Property and rights held under deferred compensation plan	$ 359,043	$ (359,043)	$ --	$ --	$ --	$ --
TOTAL ASSETS	$ 359,043	$ (359,043)	$ --	$ --	$ --	$ --
LIABILITIES:						
Obligations to employees under deferred compensation plan	$ 359,043	$ (359,043)	$ --	$ --	$ --	$ --
TOTAL LIABILITES	$ 359,043	$ (359,043)	$ --	$ --	$ --	$ --

ACCOUNT GROUPS

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

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	1997	1996
GENERAL FIXED ASSETS:		
Land and leasehold improvements	$ 20,588,493	$ 20,588,493
Building and building improvements	207,638,525	207,602,587
Equipment	15,290,852	15,170,215
Construction in progress - expansion construction, design and planning	179,100,458	70,371,355
TOTAL GENERAL FIXED ASSETS	$ 422,618,328	$ 313,732,650
INVESTMENT IN GENERAL FIXED ASSETS:		
General Fund Revenues	$ 64,541,599	$ 64,385,023
Grants and appropriations:		
State of Louisiana	171,595,199	110,824,856
U.S. Government	17,500,000	17,500,000
City of New Orleans	1,496,464	1,496,464
Downtown Development District	2,000,000	2,000,000
Pre-Issue Construction Fund	4,693,258	4,693,258
Proceeds from bond issues	160,791,808	112,833,049
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	$ 422,618,328	$ 313,732,650

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
STATEMENT OF GENERAL LONG-TERM DEBT
DECEMBER 31, 1997
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1996

	1997	1996
AMOUNTS AVAILABLE AND AMOUNTS TO BE PROVIDED:		
Amount available in Debt Service Funds:		
Series 1996	$ 21,107,438	$ 20,698,632
Amount to be provided for payment of:		
Series 1996	155,602,562	158,886,368
Amount of deferred revenue to be earned in future years	1,713,379	1,913,379
Amount to be provided for payment of compensated absences	353,775	342,150
TOTAL AMOUNTS AVAILABLE AND AMOUNTS TO BE PROVIDED	$ 178,777,154	$ 181,840,529
GENERAL LONG-TERM DEBT PAYABLE:		
Bonds payable Series 1996	$ 176,710,000	$ 179,585,000
ARA equipment use fee	1,713,379	1,913,379
Compensated absences	353,775	342,150
TOTAL LONG-TERM DEBT PAYABLE	$ 178,777,154	$ 181,840,529

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1997

February 20, 1998

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

We have audited the general purpose financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) as of and for the year ended December 31, 1997, and have issued our report thereon dated February 20, 1998.

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

The management of the Authority 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 general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless 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.

In planning and performing our audit of the general purpose financial statements of the Authority for the year ended December 31, 1997, we considered its 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 general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. 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 general purpose financial statements.

SEPARATION OF DUTIES:

Billings and Accounts Receivable:

A department outside of accounting and financial services is currently responsible for billings to exhibitors, processing checks received for deposit and maintaining the accounts receivable subsidiary ledger.

We recommend that steps be taken to separate these duties. Consideration should be given to the utilization of a lockbox, thereby eliminating the present access to the checks received and bank deposits. Responsibility for the accounts receivable subsidiary ledger should be delegated to an individual in accounting and financial services.

Response:

The Authority concurs with your findings and the Finance and Audit Committee has directed staff to formulate an action plan to implement this recommendation.

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course or 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 believe that the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Authority, in a separate letter dated February 20, 1998.

This report is intended solely for the use of management and Board of Commissioners of the Ernest N. Morial New Orleans Exhibition Hall Authority and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hrapmann, Hogan & Maher LLP

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1997

February 20, 1998

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

We have audited the general purpose financial statements of the Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) for the year ended December 31, 1997, and have issued our report thereon dated February 20, 1998.

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

Compliance with laws, regulations, and contracts applicable to Ernest N. Morial New Orleans Exhibition Hall Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations and contracts. However, the objective of our audit of the general purpose 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 the following instances of noncompliance that are required to be reported herein under *Government Auditing Standards* for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Authority's financial statements.

Retroactive Pay Raises:

Article 7, Section 14 of the Louisiana Constitution prohibits retroactive pay raises. Legal opinions, issued by the Attorney General, also prohibit these type raises.

Retroactive pay raises are occurring throughout the year within various departments and across various staff levels. This appears to be a result of staff evaluations not being performed timely.

We recommend that staff evaluations occur at the employee's anniversary date. This would follow the personnel policy established by the organization and eliminate the retroactive adjustments.

Response:

The Authority agrees in principle with your comments and, simultaneously, believes that while the Authority may have been in technical violation of the statutes, the Authority was complying with the spirit of the law. Retroactive pay raises were granted only back to the date that the specific employees were morally entitled to said increases. However, the Authority agrees that there will no longer be retroactive pay increases. The Finance and Audit Committee directed staff to immediately implement procedures which would ensure that evaluation will be performed on a timely basis in order to negate the necessity of retroactive pay increases in the future.

We considered this instance of noncompliance in forming our opinion on whether the Authority's 1997 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated February 20, 1998.

This report is intended solely for the use of management and Board of Commissioners of the Ernest N. Moral New Orleans Exhibition Hall Authority and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hrapmann, Hogan & Maher LLP

DUPLANTIER, HRAPMANN, HOGAN & MAHER, L L P
CERTIFIED PUBLIC ACCOUNTANTS

1340 Poydras St., Suite 2000 • New Orleans, LA 70112
(504) 586-8866
Fax (504) 525-5888

February 20, 1998

To the Board of Commissioners
and Management
Ernest N. Morial New Orleans
Exhibition Hall Authority
900 Convention Center Boulevard
New Orleans, Louisiana

In planning and performing our audit of the general purpose financial statements of Ernest N. Morial New Orleans Exhibition Hall Authority (the Authority) for the year ended December 31, 1997, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, we noted a certain matter involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. 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 organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

SEPARATION OF DUTIES:

Billings and Accounts Receivable:

A department outside of accounting and financial services is currently responsible for billings to exhibitors, processing checks received for deposit and maintaining the accounts receivable subsidiary ledger.

We recommend that steps be taken to separate these duties. Consideration should be given to the utilization of a lockbox, thereby eliminating the present access to the checks received and bank deposits. Responsibility for the accounts receivable subsidiary ledger should be delegated to an individual in accounting and financial services.

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 general purpose 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, the reportable condition described above is not believed to be a material weakness.

LEGAL COMPLIANCE:

Our tests of the Authority's compliance with certain provisions of laws, regulations, and contracts disclosed an instance of noncompliance as follows:

Retroactive Pay Raises:

Article 7, Section 14 of the Louisiana Constitution prohibits retroactive pay raises. Legal opinions, issued by the Attorney General, also prohibit these type raises.

Retroactive pay raises are occurring throughout the year within various departments and across various staff levels. This appears to be a result of staff evaluations not being performed timely.

We recommend that staff evaluations occur at the employee's anniversary date. This would follow the personnel policy established by the organization and eliminate the retroactive adjustments.

During our audit, we became aware of several other matters that are opportunities for strengthening internal controls and operating efficiency and a matter involving policy and procedures. The following is a summary of our comments and suggestions regarding these matters.

INTERNAL CONTROL:

Organizational Responsibility:

A review of the organizational chart and departmental responsibilities indicates that the CFO/Controller does not have responsibility for certain administrative functions relating to accounting and financial reporting. These responsibilities include purchasing, inventory and the accounts receivable and billing functions related to Exhibit Services.

We recommend that the CFO/Controller be assigned the responsibility for these administrative functions.

Pre-numbering Purchase Orders:

Purchase orders are not pre-numbered. Purchase orders should be pre-numbered to allow for the sequential identification of all purchase orders as issued or unissued. A log should be maintained on all purchase orders issued to facilitate the identification of all open orders.

POLICY AND PROCEDURE:

Employee Compensated Absences:

During our review of the financial statement accrual of employee compensated absences, we noted instances where employees were allowed to carryover vacation time in excess of the time allowed in the Authority's Policy and Procedure Manual. We recommend that the Commission restate the carryover leave policy on an annual basis.

This report is intended solely for the information and use of management and the Board of Commissioners of the Ernest N. Morial New Orleans Exhibition Hall Authority and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

We wish to express our gratitude to the Board, management, and staff for their cooperation throughout the audit. We look forward to serving you in the future.

Very truly yours,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

William Stamm

William G. Stamm, CPA
Partner

WGS/fk

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY®

March 12, 1998

Duplantier, Hrapmann, Hogan
and Maher
1340 Poydras Street
Suite 2000
New Orleans, LA 70112

Attn: William G. Stamm, CPA

Dear Bill:

On behalf of the Finance and Audit Committee of the Ernest N. Morial New Orleans Exhibition Hall Authority, I am submitting the response of the Authority to your Management Letter, dated February 20, 1998.

The Authority appreciates your specific comments and the insight expressed in those comments. The responses for each specific comment are expressed below

A. Separation of Duties

Billings and Accounts Receivable

The Authority concurs with your findings and the Finance and Audit Committee has directed staff to formulate an action plan to implement this recommendation.

B. Legal Compliance

Retroactive Pay Raises

The Authority agrees in principle with your comments and, simultaneously, believes that while the Authority may have been in technical violation of the statutes, the Authority was complying with the spirit of the law. Retroactive pay raises were granted only back to the date that the specific employees were morally entitled to said increases. However, the Authority agrees that there will no longer be retroactive pay increases. The Finance and Audit Committee directed staff to immediately implement procedures which would ensure that evaluations will be performed on a timely basis in order to negate the necessity of retroactive pay increases in the future.

C. Internal Control

Organizational Responsibilities

The Authority acknowledges that certain functions do not have the responsibilities assigned to the proper functional departments. With the opening of the Phase III Expansion of the Convention Center the Authority agrees that an evaluation of the organizational structure as a whole would be appropriate and, furthermore, agrees that the specific instances cited by you will be addressed at that time.

Pre-Numbering Purchase Orders
The Authority acknowledges your recommendations and concurs. The Finance and Audit Committee has directed staff to comply with your recommendation and to implement this procedure at the earliest feasible date.

Policy and Procedure
Employee Compensated Absences
The Authority acknowledges and concurs with your findings and recommendations. The Authority will continue to monitor this situation and will restate on an annual basis the policy with regard to Employee Absences.

Very truly yours,

Sidney Lassen, Chairman
Finance and Audit Committee

pc: Mr. Jimmie Fore
Mr. David Ohlmeyer