99101028
4201

REPORT

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY

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

DECEMBER 31, 1998

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY

INDEX TO REPORT

DECEMBER 31, 1998

SUPPLEMENTAL INFORMATION SCHEDULES: (Continued)

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

INDEPENDENT AUDITOR'S REPORT

February 24, 1999

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, 1998 as listed in the index to the report. 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, 1998, 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, 1998 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 24, 1999, on our consideration of the Authority's internal control over financial reporting 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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS:				
ASSETS:				
Cash and certificates of deposit (Note 3)	$ 39,298,819	$ 257,163	$ 1,230,854	$ 23,931,151
Investments (Note 3 & 4)	8,490,998	--	23,438,806	--
Accounts receivable (Note 6)	501	946,041	--	4,143,444
Taxes receivable (Note 5)	--	2,029,613	--	--
Accrued interest receivable	652,708	--	468,626	23,244
Due from other funds (Note 7)	3,675,959	--	2,029,613	--
Other assets	25,000	--	--	--
Land and leasehold improvements (Note 8)	--	--	--	--
Building and improvements (Note 8)	--	--	--	--
Equipment (Note 8)	--	--	--	--
OTHER DEBITS:				
Amount available in Debt Service Funds: Series 1996 and 1998 Bonds (Note 9)	--	--	--	--
Amount to be provided for payment of: Series 1996 and 1998 Bonds (Note 9)	--	--	--	--
Amount to be earned in future years (Note 16)	--	--	--	--
Amount to be provided for compensated absences (Note 1)	--	--	--	--
Amount to be provided for retirement benefits (Note 14)	--	--	--	--
TOTAL ASSETS AND OTHER DEBITS	$ 52,143,985	$ 3,232,817	$ 27,167,899	$ 28,097,839

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	1998	1997
$ 147,246	$ 1,768,011	$ --	$ --	$ 66,633,244	$ 58,602,032
--	--	--	--	31,929,804	30,801,182
7,029	--	--	--	5,097,015	730,543
--	--	--	--	2,029,613	2,423,003
--	33,243	--	--	1,177,821	1,532,455
--	--	--	--	5,705,572	7,199,315
--	284,455	--	--	309,455	374,542
--	--	20,796,293	--	20,796,293	20,796,293
--	--	441,415,846	--	441,415,846	386,531,183
--	--	15,905,844	--	15,905,844	15,290,852
--	--	--	23,778,071	23,778,071	21,107,438
--	--	--	174,906,929	174,906,929	155,602,562
--	--	--	1,513,379	1,513,379	1,713,379
--	--	--	379,147	379,147	353,775
--	--	--	144,729	144,729	--
$ 154,275	$ 2,085,709	$ 478,117,983	$ 200,722,255	$ 791,722,762	$ 703,058,554

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
LIABILITIES AND FUND EQUITY:				
LIABILITIES:				
Accounts payable - trade	$ 13,483	$ 715,911	$ --	$ 4,017,679
Accounts payable - other	466,471	233,576	--	--
Other liabilities	23,428	--	--	--
Taxes payable	--	--	--	--
Contract retentions	--	--	--	2,145,962
Due to other funds (Note 7)	--	2,283,330	3,389,828	32,414
Deferred revenues:				
Prepaid fees and commissions (Note 16)	6,658,403	--	--	--
ARA equipment use fees (Note 16)	200,000	--	--	--
Bonds payable Series 1996 and 1998 (Note 9)	--	--	--	--
Compensated absences (Note 1)	--	--	--	--
Due to City of New Orleans	--	--	--	--
Net pension obligation (Note 14)	--	--	--	--
Total liabilities	7,361,785	3,232,817	3,389,828	6,196,055
FUND EQUITY:				
Investment in General Fixed Assets	--	--	--	--
Fund Balances:				
Reserved for encumbrances	123,442	--	--	--
Reserved for future employee benefits	--	--	--	--
Reserved for Debt Service:				
Series 1996 and 1998 Bonds	--	--	23,778,071	--
Reserved for future capital projects	--	--	--	21,901,784
Reserved for financial contingencies	15,000,000	--	--	--
Reserved for asset replacement	10,000,000	--	--	--
Unreserved	19,658,758	--	--	--
Total fund equity	44,782,200	--	23,778,071	21,901,784
TOTAL LIABILITIES AND FUND EQUITY	$ 52,143,985	$ 3,232,817	$ 27,167,899	$ 28,097,839

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	1998	1997
$ --	$ --	$ --	$ --	$ 4,747,073	$ 9,722,552
84,199	--	--	--	784,246	608,906
--	--	--	--	23,428	--
--	338	--	--	338	--
--	--	--	--	2,145,962	1,430,915
--	--	--	--	5,705,572	7,199,315
--	--	--	--	6,658,403	3,773,488
--	--	--	1,513,379	1,713,379	1,913,379
--	--	--	198,685,000	198,685,000	176,710,000
--	--	--	379,147	379,147	353,775
--	30,374	--	--	30,374	30,357
--	--	--	144,729	144,729	--
84,199	30,712	--	200,722,255	221,017,651	201,742,687
--	--	478,117,983	--	478,117,983	422,618,328
--	--	--	--	123,442	63,080
70,076	2,054,997	--	--	2,125,073	1,857,949
--	--	--	--	23,778,071	21,107,438
--	--	--	--	21,901,784	23,748,383
--	--	--	--	15,000,000	15,000,000
--	--	--	--	10,000,000	10,000,000
--	--	--	--	19,658,758	6,920,689
70,076	2,054,997	478,117,983	--	570,705,111	501,315,867
$ 154,275	$ 2,085,709	$ 478,117,983	$ 200,722,255	$ 791,722,762	$ 703,058,554

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, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES: (Note 1)				
Equipment use fee (Note 16)	$ 200,000	--	--	--
Interest	2,386,811	--	1,186,233	1,176,322
Hotel taxes (Note 10-12)	--	21,480,605	--	--
Interfund administrative fee (Note 13)	--	18,254,033	--	--
Commissions (Note 15)	4,337,018	--	--	--
User charges	14,956,544	--	--	--
Receipts from other governments	--	--	--	30,172,580
Other	2,511,534	--	--	--
Total revenues	24,391,907	39,734,638	1,186,233	31,348,902
EXPENDITURES: (Note 1)				
Interfund administrative fee (Note 13)	18,254,033	--	--	--
Principal retirements	--	--	3,025,000	--
Interest expense	--	--	9,955,074	--
General and administrative	2,089,721	2,120,499	--	--
Event services	--	515,928	--	--
Sales and marketing	--	972,258	--	--
Building operations	--	10,405,839	--	--
Public safety	--	1,081,476	--	--
Technical services	--	1,732,241	--	--
Project administration	325	--	--	--
Consulting services	--	--	--	1,427,355
Site preparation and construction	--	--	--	53,422,741
Other expenditures	--	--	8,277	--
Total expenditures	20,344,079	16,828,241	12,988,351	54,850,096
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,047,828	22,906,397	(11,802,118)	(23,501,194)

See accompanying notes.

PROPRIETARY FUND TYPES INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1998	1997
--	200,000	$ 200,000
--	4,749,366	5,106,170
--	21,480,605	21,045,805
--	18,254,033	17,377,433
--	4,337,018	3,082,683
--	14,956,544	14,348,972
--	30,172,580	76,000,000
1,014,143	3,525,677	3,499,587
1,014,143	97,675,823	140,660,650
--	18,254,033	17,377,433
--	3,025,000	2,875,000
--	9,955,074	9,609,198
--	4,210,220	3,952,299
--	515,928	458,620
--	972,258	874,979
--	10,405,839	10,124,941
--	1,081,476	1,127,924
--	1,732,241	1,495,763
--	325	360
--	1,427,355	1,833,166
--	53,422,741	106,895,937
1,044,810	1,053,087	912,264
1,044,810	106,055,577	157,537,884
(30,667)	(8,379,754)	(16,877,234)

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, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
OTHER FINANCING SOURCES (USES): (Note 1)				
Operating transfers in:				
General Fund	$ --	$ --	$ --	$ --
Hotel Occupancy Tax Fund	--	--	11,466,195	--
Debt Service 1996 and 1998 Series	9,008,077	--	--	21,654,595
Service Contractor/Tour Tax	--	--	1,554,706	--
Hotel Occupancy Food and Beverage Tax Fund	--	--	8,459,704	--
Other financing sources - Proceeds from bond issue	--	--	25,000,000	--
Other financing uses - Bond issue cost	--	--	(1,345,182)	--
Operating transfers out:				
General Fund	--	--	(9,008,077)	--
Phase III - NOEHA Expansion Fund	--	--	--	--
NOPFM - Employees' Pension Fund and Benefits Funds	(57,474)	(1,425,792)	--	--
1996 Construction Fund	--	--	--	--
1998 Construction Fund	--	--	(21,654,595)	--
Special Tax Bond Series 1996	--	(21,480,605)	--	--
Total other financing sources (uses)	8,950,603	(22,906,397)	14,472,751	21,654,595
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	12,998,431	--	2,670,633	(1,846,599)
Fund balances, beginning of year	31,983,769	--	21,107,438	23,748,383
Other changes in fund balances (Note 2)	(200,000)	--	--	--
FUND BALANCES, END OF YEAR	$ 44,782,200	$ --	$ 23,778,071	$ 21,901,784

See accompanying notes.

PROPRIETARY FUND TYPES INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1998	1997
$ --	$ --	$ 2,066,000
--	11,466,195	11,194,336
--	30,662,672	9,921,377
--	1,554,706	1,530,535
--	8,459,704	8,320,934
--	25,000,000	--
--	(1,345,182)	--
--	(9,008,077)	(9,109,927)
--	--	(2,066,000)
--	(1,483,266)	(1,321,860)
--	--	(93,839)
--	(21,654,595)	--
--	(21,480,605)	(21,763,416)
--	22,171,552	(1,321,860)
(30,667)	13,791,798	(18,199,094)
100,743	76,940,333	95,339,427
--	(200,000)	(200,000)
$ 70,076	$ 90,532,131	$ 76,940,333

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, 1998

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES: (Note 1)			
Equipment use fee (Note 16)	$ 200,000	$ 200,000	$ --
Interest income	2,394,500	2,386,811	(7,689)
Hotel taxes (Notes 10-12)	--	--	--
Interfund administrative fee (Note 13)	--	--	--
Commissions (Note 15)	4,097,703	4,337,018	239,315
User charges	15,572,825	14,956,544	(616,281)
Other	2,541,657	2,511,534	(30,123)
Total revenues	24,806,685	24,391,907	(414,778)
EXPENDITURES:			
Interfund administrative fee (Note 13)	18,440,299	18,254,033	186,266
Principal retirements	--	--	--
Interest expense	--	--	--
General and administrative	2,150,641	2,089,721	60,920
Event services	--	--	--
Sales and marketing	--	--	--
Building operations	--	--	--
Public safety	--	--	--
Technical services	--	--	--
Project administration	373	325	48
Other expenditures	--	--	--
Total expenditures	20,591,313	20,344,079	247,234
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 4,215,372	$ 4,047,828	$ (662,012)

See accompanying notes.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	1,125,000	1,186,233	61,233
21,071,576	21,480,605	409,029	--	--	--
18,440,299	18,254,033	(186,266)	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
39,511,875	39,734,638	222,763	1,125,000	1,186,233	61,233
--	--	--	--	--	--
--	--	--	3,025,000	3,025,000	--
--	--	--	9,955,074	9,955,074	--
2,217,697	2,120,499	97,198	--	--	--
512,928	515,928	(1,477)	--	--	--
970,781	972,258	(3,000)	--	--	--
10,428,737	10,405,839	22,898	--	--	--
1,130,548	1,081,476	49,072	--	--	--
1,817,614	1,732,241	85,373	--	--	--
--	--	--	--	--	--
--	--	--	528	8,277	(7,749)
17,078,305	16,828,241	250,064	12,980,602	12,988,351	(7,749)
$ 22,433,570	$ 22,906,397	$ 472,827	$ (11,855,602)	$ (11,802,118)	$ 53,484

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, 1998

	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	8,216,502	9,008,077	791,575
Other Financing Sources - Proceeds from Bond Issue	--	--	--
Operating transfers out:			
General Fund	--	--	--
Phase III - NOEHA Expansion Fund	--	--	--
1996 Construction Fund	--	--	--
1998 Construction Fund	--	--	--
NOPFM - Employees' Pension Fund and Benefits Fund	(50,161)	(57,474)	(7,313)
Special Tax Bond Series 1996	--	--	--
Other Financing Uses - Bond Issue Cost	--	--	--
Total other financing sources (uses)	8,166,341	8,950,603	784,262
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	12,381,713	12,998,431	616,718
Fund balances, beginning of year	31,983,769	31,983,769	--
Other changes in fund balances (Note 2)	(200,000)	(200,000)	--
FUND BALANCES, END OF YEAR	$ 44,165,482	$ 44,782,200	$ 616,718

See accompanying notes.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ --	$ --	$ --	$ 11,299,563	$ 11,466,195	$ 166,632
--	--	--	8,370,562	8,459,704	89,142
--	--	--	1,401,451	1,554,706	153,255
--	--	--	--	--	--
--	--	--	25,000,000	25,000,000	--
--	--	--	(8,216,502)	(9,008,077)	(791,575)
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	(21,654,595)	(21,654,595)	--
(1,361,994)	(1,425,792)	(63,798)	--	--	--
(21,071,576)	(21,480,605)	(409,029)	--	--	--
--	--	--	(1,345,182)	(1,345,182)	--
(22,433,570)	(22,906,397)	(472,827)	14,855,297	14,472,751	(382,546)
--	--	--	2,999,695	2,670,633	(329,062)
--	--	--	21,107,438	21,107,438	--
--	--	--	--	--	--
$ --	$ --	$ --	$ 24,107,133	$ 23,778,071	$ (329,062)

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
STATEMENT OF PLAN NET ASSETS
FIDUCIARY FUND TYPE-PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	TOTALS	
	1998	1997
ASSETS:		
Cash	$ 236,497	$ 403,145
Interest receivable	33,243	33,293
Investments:		
At fair value - certificates of deposit	1,501,140	1,024,768
At contract value - insurance contract cash value	284,455	296,000
Total Assets	2,055,335	1,757,206
LIABILITIES:		
Taxes payable	337	--
Total Liabilities	337	--
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$ 2,054,998	$ 1,757,206

See accompanying notes.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
STATEMENT OF CHANGES IN PLAN NET ASSETS
FIDUCIARY FUND TYPE-PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	TOTALS	
	1998	1997
ADDITIONS:		
Contributions:		
Operating transfers from other funds	$ 503,680	$ 373,894
Investment income - interest	90,297	73,818
Other - insurance proceeds	215,709	67,001
Total additions	809,686	514,713
DEDUCTIONS:		
Benefits	441,514	178,319
Insurance premiums	70,381	85,884
Total deductions	511,895	264,203
Net change in plan assets	297,791	250,510
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	1,757,207	1,216,696
Prior period adjustment - to record insurance contract cash value	--	290,000
Beginning of year as restated	1,757,207	1,506,696
END OF YEAR	$ 2,054,998	$ 1,757,206

See accompanying notes.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

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:

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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 and the 1998 bond indentures. The reserve fund balance is the lower of the maximum requirement of $14,486,676 or 10% of the original principal issued $205,000,000 ($20,500,000).

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 and 1998 principal and interest sinking fund requirements as per the 1996 and 1998 bond indentures.

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING: (Continued)

FUND DESCRIPTION - CAPITAL PROJECTS FUNDS: (Continued)

1998 Construction Fund:

This fund was established based upon the 1998 bond indenture which requires a separate accounting of the Phase III expansion expenditures.

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 account 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 and the Internal Service Fund are accounted for using the accrual basis of accounting. The expenses of this fund are recognized when they are incurred.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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.

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 fair market value and are furnished by the Authority's investment custodians.

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:

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

COMPENSATED ABSENCES: (Continued)

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

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 $379,147 has been recorded in the general long-term debt group of accounts.

CASH EQUIVALENTS:

The Authority considers all investments with original maturities of three (3) months or less to be cash equivalents.

CAPITALIZED INTEREST:

The Authority records the capital project expenditures in the general fixed asset account group upon completion. Interest cost is charged to operations as incurred. There is no effect on future operations since the capital project cost is recognized upon completion and is not subject to depreciation expense. Interest cost incurred and charged to operations was $9,955,074.

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND EQUITY:

Reserves:

Reserves represent those portions of fund equity for future expenditures which are legally and/or board segregated for a specific use.

Designated Fund Balances:

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

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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, 1998, the fair value of the Authority's cash and certificates of deposit was $11,044,238 and $55,589,006, respectively, and the related bank balances were $11,804,992 and $55,589,006.

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. The uninsured and uncollateralized portion was $909,907 at December 31, 1998. The remaining balance was insured by Federal Depository Insurance and collateralization.

4. INVESTMENTS:

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	$ 5,537,066	$ --	$ --	$ 5,537,066	$ 5,537,066
Certificates of Deposit	26,392,738	--	--	26,392,738	26,392,738
	$31,929,804	$ --	$ --	$31,929,804	$31,929,804

5. TAXES RECEIVABLE:

Taxes receivable at December 31, 1998 represent the Hotel Occupancy Tax, the Hotel Occupancy Food and Beverage Tax and the Service Contractors and Tour Tax proceeds which have been collected by the State of Louisiana as follows:

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

5. TAXES RECEIVABLE: (Continued)

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	$1,179,113
Hotel Occupancy Food and Beverage Fund:	
Tax to provide funds to expand and improve the existing convention and tourist facilities	679,821
Service Contractors and Tour Tax	170,679
TOTAL	$2,029,613

6. ACCOUNTS RECEIVABLE:

Accounts receivable as of December 31, 1998 consist of the following items:

	CUSTOMERS	CONTRACTORS/ LICENSES	OTHER	STATE OF LOUISIANA	TOTALS
Special Revenue Funds:					
NOPFM	$817,443	$107,892	$20,706	$ --	$ 946,041
Capital Projects Funds:					
State of LA - Phase III	--	--	--	4,143,444	4,143,444
General Fund	--	--	501	--	501
Proprietary Fund	--	--	7,029	--	7,029
TOTAL	$817,443	$107,892	$28,236	$4,143,444	$5,097,015

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, 1998, 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.

D. State of Louisiana:

These amounts represent funds due to NOEHA dedicated by the State of Louisiana for construction expenses of Phase III.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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, 1998:

RECEIVABLE FUND	PAYABLE FUND	AMOUNT
General Fund	Capital Projects Fund	$ 32,414
	Debt Service Fund	3,389,828
	Special Revenue	253,717
Subtotal		3,675,959
Debt Service Fund:	Special Revenue:	
Refunding Bond Series 1996 and 1998	Hotel Occupancy Tax	$1,179,113
	Hotel Occupancy/Food and Beverage Tax	679,821
	Service Contractor/Tour Tax	170,679
Subtotal		2,029,613
TOTAL DUE FROM/TO OTHER FUNDS		$5,705,572

8. CHANGES IN GENERAL FIXED ASSETS:

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

DESCRIPTION	JANUARY 1, 1998	ADDITIONS RETIREMENTS, TRANSFERS OR ADJUSTMENTS (NET)	DECEMBER 31, 1998
Land and leasehold improvements	$ 20,796,293	$ --	$ 20,796,293
Building and improvements	386,531,183	54,884,663	441,415,846
Equipment	15,290,852	614,992	15,905,844
	$422,618,328	$ 55,499,655	$478,117,983

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	PENSION OBLIGATION	TOTAL
Balance 1/1/98	$176,710,000	$1,713,379	$353,775	$ --	$178,777,154
Net additions (deductions)	21,975,000	(200,000)	25,372	144,729	21,945,101
Balance 12/31/98	$198,685,000	$1,513,379	$379,147	$144,729	$200,722,255

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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

Special Tax Bonds Series 1996 and 1998:

The following is a summary of the bond transactions of the Series 1996 and 1998 Bonds for the year ended December 31, 1998:

Special Tax Bonds Series 1996 and 1998:	
Bonds payable, January 1, 1998	$176,710,000
Series 1998 Bond addition	25,000,000
Principal payment during the year	(3,025,000)
Bonds payable, December 31, 1998	$198,685,000

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. Interest rates on the bonds vary over the life of the bond: (1) Series 1996-A, 4.30% to 5.25%; (2) Series 1996-B, 5.31% to 5.75%; (3) Series 1996-C, 4.30% to 5.40%.

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:

(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 and 1998 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 and 1998 Bonds were used to pay costs of issuance, including the costs incurred in connection with obtaining credit enhancement for the Series 1996 and 1998 Bonds, pursuant to the terms of a Trust Indenture dated as of January 15, 1996 and 1998 between the Authority and Bank One, New Orleans, Louisiana, as trustee.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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

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 refunding 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 refunding 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.

The principal and interest on the Series 1996 and 1998 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 Authority issued Special Tax Bonds, Series 1998, in February 1998 totalling $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 rates vary from 3.80% to 5.00%. Interest is payable semi-annually each January 15 and July 15. The debt service requirements are combined with the 1996 issue. These bonds were issued to provide the additional funding to complete the Phase III expansion project.

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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

The remaining debt service on the Series 1996 and 1998 Bonds is as follows:

	1996 SERIES A		
	PRINCIPAL	INTEREST	TOTAL
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	3,365,000	1,807,678	5,172,678
2004-2011	33,340,000	8,035,497	41,375,497
TOTAL	$ 43,035,000	$ 18,042,032	$ 61,077,032

	1996 SERIES B		
	PRINCIPAL	INTEREST	TOTAL
1999	$ 3,190,000	$ 373,979	$ 3,563,979
2000	3,375,000	194,063	3,569,063
TOTAL	$ 6,565,000	$ 568,042	$ 7,133,042

	1996 SERIES C		
	PRINCIPAL	INTEREST	TOTAL
1999	$ --	$ 6,833,695	$ 6,833,695
2000	--	6,833,695	6,833,695
2001	390,000	6,833,695	7,223,695
2002	420,000	6,816,925	7,236,925
2003	440,000	6,798,445	7,238,445
2004-2011	122,835,000	108,813,650	231,648,650
TOTAL	$124,085,000	$142,930,105	$267,015,105

	1998 SERIES		
	PRINCIPAL	INTEREST	TOTAL
1999	$ 785,000	$ 1,220,910	$ 2,005,910
2000	805,000	1,191,080	1,996,080
2001	910,000	1,160,490	2,070,490
2002	--	1,125,000	1,125,000
2003	--	1,125,000	1,125,000
2004-2027	22,500,000	26,451,250	48,951,250
TOTAL	$ 25,000,000	$ 32,273,730	$ 57,273,730

As of December 31, 1998, the amounts available for debt service and to be provided for were $23,778,071 and $174,906,929, respectively.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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

The Series 1996 and 1998 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, 1998, the Authority received $11,466,195 (net of a 2% collection fee of $234,004).

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 and 1998 Bonds. The Series 1996 and 1998 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 and 1998 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. 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, 1998, the Authority received $8,459,704 (net of a 3% collection fee of $204,823).

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

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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

1988 Hotel Occupancy Tax: (Continued)

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.

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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

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 and 1998 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, 1998, the Authority received $1,554,706 (net of a 3% collection fee of $48,084).

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, 1998, the Authority reimbursed NOPFM $18,254,033 as an Interfund Administrative Fee.

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Plan Description: (Continued)

Effective in the current year, the actuarial valuation was prepared as of January 1 and not April 1 as in prior years.

At January 1, 1998 and April 1, 1997 employees participating in the plan consist of:

	JANUARY 1, 1998	APRIL 1, 1997
Fully vested, partially and nonvested active employees covered	277	286
Employees terminated with deferred vested benefits	14	13
TOTAL PARTICIPANTS AT VALUATION DATE	291	299

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.

The contribution requirement is determined annually by actuarial valuation. Contributions are made on a monthly basis.

Annual Pension Cost and Net Pension Obligation:

The Authority's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	$648,409
Annual pension cost	648,409
Contributions made	503,680
Net pension obligation end of year	$144,729

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Annual Pension Cost and Net Pension Obligation: (Continued)

The annual required contribution for the current year was determined as part of the January 1, 1998 actuarial valuation using the aggregate cost method. The actuarial assumptions included a preretirement interest rate of 7.25% and a post-retirement rate of 7.5%. The salary increase assumption was 4.5% per year. For valuation purposes, assets were valued at market value. Under the aggregate actuarial method, there is no separate unfunded actuarial liability to be funded.

Fund Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-98	$648,409	78%	$144,729

The Plan investments as of December 31, 1998 are reported at approximate fair market values as furnished and consist of:

	AMOUNT		TERM	RATE
Cash - Liberty Bank	$ 236,497	(1)	N/A	N/A
Insurance contract cash value - New England	284,455	(1)	N/A	N/A
Certificates of deposit:				
Liberty Bank	1,096,541	(1)	6 months-1 year	4.64-5.59%
Hibernia	404,599	(1)	6 months	4.60%
Total	$2,022,092			

(1) investments exceeding 5% of net asset value.

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 January 1, 1998.

As of January 1, 1998, the actuarial accrued liabilities - entry age applicable to the Authority's current and terminated employees was calculated as follows:

Vested accrued benefits	$1,809,668
Non-vested benefits	2,018,712
Actuarial accrued liability - entry age	$3,828,380

Contributions to the Plan are determined on an actuarial basis using the Entry Age Normal Cost Method. As of the January 1, 1998 actuarial valuation, the recommended minimum contribution to the Plan for normal cost was $626,482. Contributions to the Plan during 1998 totaled $503,680.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Historical Trend Information:

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

	JANUARY 1998	APRIL 1997	APRIL 1995
Net assets available for benefits as a percentage of the Actuarial Accrued Liability - Entry Age Normal	45.90%	45.80%	40.20%
Unfunded Actuarial Accrued Liability - Entry Age Normal as a percentage of covered payroll	29.00	25.50	27.30
Contributions required as a percentage of covered payroll	8.77	8.34	7.92

The following schedules of funding progress and contributions are prepared *as of the date of the last two actuarial valuations:*

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%
January 1, 1998	1,757,206	3,828,380	2,071,174	45.9	7,141,903	29.0

SCHEDULE OF CONTRIBUTIONS

YEAR	ANNUAL PENSION COST (APC)	PERCENT OF APC CONTRIBUTED	NET PENSION OBLIGATION
1997	$589,742	63%	N/A
1998	648,409	78%	$144,729

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	January 1, 1998
Actuarial Cost/Method	Entry Age Normal
Actuarial Asset Values: Certificates of Deposit and Cash Surrender Value of Life Insurance	Market Value

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

14. NOPFM EMPLOYEES' PENSION PLAN: (Continued)

Historical Trend Information: (Continued)

Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increase	4.00%
Cost of Living Adjustments	None

During 1998, the Authority implemented Governmental Accounting Standards Statements No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 27 "Accounting for Pensions by State and Local Government Employers".

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, 1998, the Authority received $4,337,018 in commissions as follows:

Food Service Commissions	$4,188,504
Telephone Commissions	148,514
Total Commissions	$4,337,018

16. DEFERRED REVENUE:

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

Equipment usage fee (current portion)	$ 200,000
Customer prepayments	6,658,403
Total Deferred Revenue	$6,858,403

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, 1998 equipment usage fees amounted to $200,000.

As of December 31, 1998, the balance of the deferred equipment usage fee is as follows:

Current portion	$ 200,000
Long-term amount to be earned in future years	1,513,379
Total	$1,713,379

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

16. DEFERRED REVENUE: (Continued)

Customer Prepayments: (Continued)

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, 1998, the Authority was in receipt of $6,658,403 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, 1998, $189,717,045 has been disbursed from a total contract amount of $192,529,049 resulting in a remaining contractual obligation totaling $2,812,004. The construction is expected to be completed in the spring of 1999.

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

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

	BALANCE BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	BALANCE AT END OF YEAR
Rouse Lease Clearing Fund	$ 30,000	$217,558	$217,558	$30,000
Venture Lease Escrow Fund	357	5,211	5,194	374
TOTAL	$ 30,357	$222,769	$222,752	$30,374

19. RESERVED AND DESIGNATED FUND BALANCES:

Reserved for Encumbrances:

The amount of $123,442 has been reserved to pay for outstanding requisitions and purchase orders as of December 31, 1998.

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, 1998, the balance of the reserve is $23,778,071.

Reserved For Capital Improvements:

Monies are reserved in the Capital Projects Fund for building construction. At December 31, 1998, the balance of the Reserve is $21,901,784.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

19. RESERVED AND DESIGNATED FUND BALANCES: (Continued)

Reserved For Future Employee Benefits:

Monies are reserved in the Internal Service Fund and the Fiduciary Fund to provide for future health insurance and claims costs and future pension and death benefits for employees. At December 31, 1998, the balance of the reserves was $2,125,073.

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, 1998, 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, 1998, the balance of the reserve was $10,000,000.

20. 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	$ 53,837
Claims and changes in estimates	920,091
Claims payments	(889,729)
LIABILITY BALANCE, DECEMBER 31	$ 84,199

21. 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, 1998 for each of the next five years and in the aggregate are:

1999	$5,600
	$5,600

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

22. LITIGATION AND CLAIMS:

At December 31, 1998, 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 $3,000,000. No provision for a claims liability is included in the financial statements.

23. 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.

24. PRIOR PERIOD ADJUSTMENT:

In the prior year, 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.

25. YEAR 2000:

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Authority's operations as early as fiscal year 1999.

The Ernest N. Morial New Orleans Exhibition Hall Authority has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the Authority's operations. Based on this inventory, the Authority is in the remediation stage in that computer software and hardware changes are being made which are believed to be year 2000 compliant for financial reporting. Additionally, the other electronic equipment associated with Phases I, II, III is in the remediation stage as it is being replaced. Testing and validation will occur once the required system components are installed.

However, because of the unprecedented nature of the Year 2000 issue, its effect and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Authority is or will be year 2000 ready, that the Authority's remediation efforts will be successful in whole or in part, or that parties with whom the Authority does business will be year 2000 ready.

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	NEW ORLEANS PUBLIC FACILITY MANAGEMENT, INC. OPERATING FUND	HOTEL OCCUPANCY TAX FUND	HOTEL OCCUPANCY/ FOOD AND BEVERAGE TAX FUND
ASSETS:			
Cash	$ 257,163	$ --	$ --
Accounts receivable	946,041	--	--
Taxes receivable	--	1,179,113	679,821
Other assets	--	--	--
TOTAL ASSETS	$ 1,203,204	$ 1,179,113	$ 679,821
LIABILITIES:			
Accounts payable - trade	$ 715,911	$ --	$ --
Other liabilities	233,576	--	--
Due to other funds	253,717	1,179,113	679,821
Total liabilities	1,203,204	1,179,113	679,821
FUND BALANCES:			
Designated for subsequent year's expenditures	--	--	--
Total fund balances	--	--	--
TOTAL LIABILITIES AND FUND BALANCES	$ 1,203,204	$ 1,179,113	$ 679,821

SERVICE CONTRACTOR AND TOUR TAX FUND	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1998	1997
$ --	$ 257,163	$ 1,573,075
--	946,041	730,498
170,679	2,029,613	2,423,003
--	--	3,542
$ 170,679	$ 3,232,817	$ 4,730,118
$ --	$ 715,911	$ 648,853
--	233,576	419,093
170,679	2,283,330	3,662,172
170,679	3,232,817	4,730,118
--	--	--
--	--	--
$ 170,679	$ 3,232,817	$ 4,730,118

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	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	$ --	$ 11,466,195	$ 8,459,704
Interfund administrative fees	18,254,033	--	--
Other revenues	--	--	--
Total revenues	18,254,033	11,466,195	8,459,704
EXPENDITURES:			
General and adminstrative	2,120,499	--	--
Sales and marketing	972,258	--	--
Event services	515,928	--	--
Building operations	10,405,839	--	--
Public safety	1,081,476	--	--
Technical services	1,732,241	--	--
Total expenditures	16,828,241	--	--
EXCESS OF REVENUES OVER EXPENDITURES	1,425,792	11,466,195	8,459,704
OTHER FINANCING USES:			
Operating transfers-out:			
NOPFM Employees' Pension and Benefits Fund	(1,425,792)	--	--
1996 Construction Fund	--	--	--
Special Tax Bond Series 1996	--	(11,466,195)	(8,459,704)
Total other financing uses	(1,425,792)	(11,466,195)	(8,459,704)
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) 1998	1997
$ 1,554,706	$ 21,480,605	$ 21,045,805
--	18,254,033	17,377,433
--	--	--
1,554,706	39,734,638	38,423,238
--	2,120,499	2,056,713
--	972,258	874,979
--	515,928	458,620
--	10,405,839	10,124,941
--	1,081,476	1,127,924
--	1,732,241	1,495,763
--	16,828,241	16,138,940
1,554,706	22,906,397	22,284,298
--	(1,425,792)	(1,238,493)
--	--	--
(1,554,706)	(21,480,605)	(21,045,805)
(1,554,706)	(22,906,397)	(22,284,298)
--	--	--
--	--	--
--	$ --	$ --

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, 1998

	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	(18,440,299)	18,254,033	(186,266)
Other revenues	--	--	--
Total revenues	(18,440,299)	18,254,033	(186,266)
EXPENDITURES:			
General and administrative	2,217,697	2,120,499	97,198
Sales and marketing	970,781	972,258	(1,477)
Event services	512,928	515,928	(3,000)
Building operations	10,428,737	10,405,839	22,898
Public safety	1,130,548	1,081,476	49,072
Technical services	1,817,614	1,732,241	85,373
Total expenditures	17,078,305	16,828,241	250,064
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,361,994	1,425,792	63,798
OTHER FINANCING USES:			
Operating transfers out:			
NOPFM Employees' Pension and Benefits Fund	(1,361,994)	(1,425,792)	(63,798)
1996 Construction Fund	--	--	--
Special Tax Bond Series 1996	--	--	--
Total other financing uses	(1,361,994)	(1,425,792)	(63,798)
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)
$ 11,299,563	$ 11,466,195	$ 166,632	$ 8,370,562	$ 8,459,704	$ 89,142
--	--	--	--	--	--
--	--	--	--	--	--
11,299,563	11,466,195	166,632	8,370,562	8,459,704	89,142
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
11,299,563	11,466,195	166,632	8,370,562	8,459,704	89,142
--	--	--	--	--	--
(11,299,563)	(11,466,195)	(166,632)	(8,370,562)	(8,459,704)	(89,142)
--	--	--	--	--	--
(11,299,563)	(11,466,195)	(166,632)	(8,370,562)	(8,459,704)	(89,142)
--	--	--	--	--	--
--	--	--	--	--	--
$ --	$ --	$ --	$ --	$ --	$ --

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, 1998

	SERVICE CONTRACTOR AND TOUR TAX FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Hotel, food and beverage, service contractor and tour taxes	$ 1,401,451	$ 1,554,706	$ 153,255
Interfund administrative fee	--	--	--
Other revenues	--	--	--
Total revenues	1,401,451	1,554,706	153,255
EXPENDITURES:			
General and administrative	--	--	--
Sales and marketing	--	--	--
Event services	--	--	--
Building operations	--	--	--
Public safety	--	--	--
Technical services	--	--	--
Total expenditures	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,401,451	1,554,706	153,255
OTHER FINANCING USES:			
Operating transfers out:			
NOPFM Employees' Pension and Benefits Fund	--	--	--
1996 Construction Fund	(1,401,451)	(1,554,706)	(153,255)
Special Tax Bond Series 1996	--	--	--
Total other financing uses	(1,401,451)	(1,554,706)	(153,255)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	--	--	--
Fund balances, beginning of year	--	--	--
FUND BALANCES, END OF YEAR	$ --	$ --	$ --

(MEMORANDUM ONLY)
(NOTE 1)

1998 BUDGET	1998 ACTUAL	1998 VARIANCE FAVORABLE (UNFAVORABLE)	1997 BUDGET	1997 ACTUAL	1997 VARIANCE FAVORABLE (UNFAVORABLE)
$ 21,071,576	$ 21,480,605	$ 409,029	$ 19,440,949	$ 21,045,805	$ 1,604,856
18,440,299	18,254,033	(186,266)	17,095,913	17,377,433	281,520
--	--	--	--	--	--
39,511,875	39,734,638	222,763	36,536,862	38,423,238	1,886,376
2,217,697	2,120,499	97,198	2,244,461	2,056,713	187,748
970,781	972,258	(1,477)	845,194	874,979	(29,785)
512,928	515,928	(3,000)	491,620	458,620	33,000
10,428,737	10,405,839	22,898	9,592,280	10,124,941	(532,661)
1,130,548	1,081,476	49,072	1,192,435	1,127,924	64,511
1,817,614	1,732,241	85,373	1,566,682	1,495,763	70,919
17,078,305	16,828,241	250,064	15,932,672	16,138,940	(206,268)
22,433,570	22,906,397	472,827	20,604,190	22,284,298	1,680,108
(1,361,994)	(1,425,792)	(63,798)	(1,163,241)	(1,238,493)	(75,252)
(21,071,576)	(21,480,605)	(409,029)	--	--	--
--	--	--	(19,440,949)	(21,045,805)	(1,604,856)
(22,433,570)	(22,906,397)	(472,827)	(20,604,190)	(22,284,298)	(1,680,108)
--	--	--	--	--	--
--	--	--	--	--	--
$ --	$ --	$ --	$ --	$ --	$ --

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	SPECIAL TAX BOND SERIES 1996 AND 1998		TOTALS (MEMORANDUM ONLY) (NOTE 1)	
	RESERVE FUND	DEBT SERVICE FUND	1998	1997
ASSETS:				
Cash and certificates of deposit	$ --	$ 1,230,854	$ 1,230,854	$ 9,237,145
Investments	14,486,676	8,952,130	23,438,806	12,487,788
Accrued interest receivable	--	468,626	468,626	454,488
Due from other funds	--	2,029,613	2,029,613	2,423,003
TOTAL ASSETS	$ 14,486,676	$ 12,681,223	$ 27,167,899	$ 24,602,424
LIABILITIES:				
Due to other funds	$ --	$ 3,389,828	$ 3,389,828	$ 3,494,986
Total liabilities	--	3,389,828	3,389,828	3,494,986
FUND BALANCES:				
Reserved for Debt Service	14,486,676	9,291,395	23,778,071	21,107,438
Total fund balances	14,486,676	9,291,395	23,778,071	21,107,438
TOTAL LIABILITIES AND FUND BALANCES	$ 14,486,676	$ 12,681,223	$ 27,167,899	$ 24,602,424

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	SPECIAL TAX BOND SERIES 1996 AND 1998		TOTALS (MEMORANDUM ONLY) (NOTE 1)	
	RESERVE FUND	DEBT SERVICE FUND	1998	1997
REVENUES:				
Interest income	$ --	$ 1,186,233	$ 1,186,233	$ 1,063,364
Total revenues	--	1,186,233	1,186,233	1,063,364
EXPENDITURES:				
Principal retirements	--	3,025,000	3,025,000	2,875,000
Interest expense	--	9,955,074	9,955,074	9,609,198
Other expenditures	--	8,277	8,277	12,399
Total expenditures	--	12,988,351	12,988,351	12,496,597
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	(11,802,118)	(11,802,118)	(11,433,233)
OTHER FINANCING SOURCES (USES):				
Operating transfers-in:				
Hotel Occupancy Tax Fund	--	11,466,195	11,466,195	11,194,336
Hotel Occupancy Food and Beverage Tax Fund	--	8,459,704	8,459,704	8,320,934
Service Contractor/Tour Tax	--	1,554,706	1,554,706	1,530,535
Debt Service 1993 and 1992	--	--	--	--
Debt Service 1996	--	--	--	717,611
Other financing sources - Proceeds from bond issue	2,000,826	22,999,174	25,000,000	--
Operating transfers-out:				
General Fund	--	(9,008,077)	(9,008,077)	(9,109,927)
1996 Construction Fund	--	--	--	(93,839)
1998 Construction Fund	--	(21,654,595)	(21,654,595)	--
1996 Debt Service Fund	--	--	--	(717,611)
Other financing uses - Bond issue cost	--	(1,345,182)	(1,345,182)	--
Total other financing sources (uses)	2,000,826	12,471,925	14,472,751	11,842,039
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	2,000,826	669,807	2,670,633	408,806
Fund balances - beginning of year	12,485,850	8,621,588	21,107,438	20,698,632
FUND BALANCES - END OF YEAR	$ 14,486,676	$ 9,291,395	$ 23,778,071	$ 21,107,438

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	SPECIAL TAX BONDS SERIES 1996 AND 1998 DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Interest income	$ 1,125,000	$ 1,186,233	$ 61,233
Total revenues	1,125,000	1,186,233	61,233
EXPENDITURES:			
Principal retirements	3,025,000	3,025,000	--
Interest expense	9,955,074	9,955,074	--
Other expenditures	528	8,277	(7,749)
Total expenditures	12,980,602	12,988,351	(7,749)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,855,602)	(11,802,118)	53,484
OTHER FINANCING SOURCES (USES):			
Operating transfers in:			
Hotel Occupancy Tax Fund	11,299,563	11,466,195	166,632
Hotel Occupancy Food and Beverage Tax Fund	8,370,562	8,459,704	89,142
Service Contractor/Tour Tax Fund	1,401,451	1,554,706	153,255
Other Financing Sources - Proceeds From Bond Issue	25,000,000	25,000,000	--
Operating Transfers Out:			
1996 Construction Fund	--	--	--
1998 Construction Fund	(21,654,595)	(21,654,595)	--
1996 Debt Service Fund	--	--	--
General Fund	(8,216,502)	(9,008,077)	(791,575)
Other Financing Uses - Bond Issue Cost	(1,345,182)	(1,345,182)	--
Total other financing sources (uses)	14,855,297	14,472,751	(382,546)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	2,999,695	2,670,633	(329,062)
Fund balances, beginning of year	21,107,438	21,107,438	--
FUND BALANCES, END OF YEAR	$ 24,107,133	$ 23,778,071	$ (329,062)

TOTALS (MEMORANDUM ONLY) (NOTE 1) 1997		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
1,000,000	1,063,364	63,364
1,000,000	1,063,364	63,364
2,875,000	2,875,000	--
9,609,198	9,609,198	--
--	12,399	(12,399)
12,484,198	12,496,597	(12,399)
(11,484,198)	(11,433,233)	50,965
10,396,249	11,194,336	798,087
7,961,700	8,320,934	359,234
1,083,000	1,530,535	447,535
--	--	--
(93,839)	(93,839)	--
--	--	--
--	--	--
(9,109,927)	(9,109,927)	--
--	--	--
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

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	LAND ACQUISITION	NOEHA PHASE III	STATE OF LOUISIANA PHASE III
ASSETS:			
Cash and certificates of deposit	$ 214,314	$ 1,174,832	$ 8,171,436
Investments	--	--	--
Accounts receivable	--	--	4,143,444
Accrued interest receivable	--	--	2,025
TOTAL ASSETS	$ 214,314	$ 1,174,832	$ 12,316,905
LIABILITIES:			
Accounts payable - trade	$ --	$ --	$ 4,017,679
Accounts payable - other	--	--	--
Contract retentions	--	52,247	1,877,349
Due to other funds	--	--	32,414
Total liabilities	--	52,247	5,927,442
FUND BALANCES:			
Designated for future capital projects	214,314	1,122,585	6,389,463
Total fund balances	214,314	1,122,585	6,389,463
TOTAL LIABILITIES AND FUND BALANCES	$ 214,314	$ 1,174,832	$ 12,316,905

1996 CONSTRUCTION FUND	CITY OF NEW ORLEANS PHASE III	1998 CONSTRUCTION FUND	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1998	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1997
$ 1,062,502	$ 6,179,784	$ 7,128,283	$ 23,931,151	$ 25,691,645
--	--	--	--	8,000,000
--	--	--	4,143,444	--
--	19,338	1,881	23,244	610,377
$ 1,062,502	$ 6,199,122	$ 7,130,164	$ 28,097,839	$ 34,302,022
$ --	$ --	$ --	$ 4,017,679	$ 9,049,066
--	--	--	--	31,501
7,000	56,494	152,872	2,145,962	1,430,915
--	--	--	32,414	42,157
7,000	56,494	152,872	6,196,055	10,553,639
1,055,502	6,142,628	6,977,292	21,901,784	23,748,383
1,055,502	6,142,628	6,977,292	21,901,784	23,748,383
$ 1,062,502	$ 6,199,122	$ 7,130,164	$ 28,097,839	$ 34,302,022

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	LAND ACQUISITION	NOEHA PHASE III	STATE OF LOUISIANA PHASE III
REVENUES:			
Interest income	$ 1,112	$ 59,396	$ 336,837
Receipts from other governments	--	--	24,172,580
Total revenues	1,112	59,396	24,509,417
EXPENDITURES:			
Consulting services	--	--	904,418
Site preparation and construction	--	1,044,947	27,682,623
Total expenditures	--	1,044,947	28,587,041
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,112	(985,551)	(4,077,624)
OTHER FINANCING SOURCES (USES):			
Operating transfers in:			
Debt Service 1996 and 1998 Series	--	--	--
General fund	--	--	--
Total other financing sources	--	--	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,112	(985,551)	(4,077,624)
Fund balances - beginning of year	213,202	2,108,136	10,467,087
FUND BALANCES - END OF YEAR	$ 214,314	$ 1,122,585	$ 6,389,463

1996 CONSTRUCTION FUND	CITY OF NEW ORLEANS PHASE III	1998 CONSTRUCTION FUND	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1998	TOTALS (MEMORANDUM ONLY) (NOTE 1) 1997
$ 46,787	$ 122,388	$ 609,802	$ 1,176,322	$ 2,420,173
--	6,000,000	--	30,172,580	76,000,000
46,787	6,122,388	609,802	31,348,902	78,420,173
243,280	279,657	--	1,427,355	1,833,166
3,577,797	5,830,269	15,287,105	53,422,741	106,895,937
3,821,077	6,109,926	15,287,105	54,850,096	108,729,103
(3,774,290)	12,462	(14,677,303)	(23,501,194)	(30,308,930)
--	--	21,654,595	21,654,595	93,839
--	--	--	--	2,066,000
--	--	21,654,595	21,654,595	2,159,839
(3,774,290)	12,462	6,977,292	(1,846,599)	(28,149,091)
4,829,792	6,130,166	--	23,748,383	51,897,474
$ 1,055,502	$ 6,142,628	$ 6,977,292	$ 21,901,784	$ 23,748,383

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	NON-EXPENDABLE TRUST	AGENCY FUNDS			
	NEW ORLEANS PUBLIC FACILITY MANAGEMENT, INC. EMPLOYEES PENSION PLAN	ROUSE LEASE CLEARING FUND	VENTURE LEASE ESCROW	TOTALS (MEMORANDUM) (NOTE 1) 1998	1997
ASSETS:					
Cash and certificates of deposit	$ 1,737,637	$ 30,000	$ 374	$ 1,768,011	$ 433,503
Investments	--	--	--	--	1,024,768
Accrued interest receivable	33,243	--	--	33,243	33,292
	1,770,880	30,000	374	1,801,254	1,491,563
OTHER ASSET:					
Cash surrender value of life insurance	284,455	--	--	284,455	296,000
	284,455	--	--	284,455	296,000
TOTAL ASSETS	$ 2,055,335	$ 30,000	$ 374	$ 2,085,709	$ 1,787,563
LIABILITIES:					
Due to City of New Orleans	$ --	$ 30,000	$ 374	$ 30,374	$ 30,357
Taxes payable	338	--	--	338	--
Total liabilities	338	30,000	374	30,712	30,357
FUND BALANCES:					
Reserved for future employee benefits	2,054,997	--	--	2,054,997	1,757,206
Total fund balances	2,054,997	--	--	2,054,997	1,757,206
TOTAL LIABILITIES AND FUND BALANCES	$ 2,055,335	$ 30,000	$ 374	$ 2,085,709	$ 1,787,563

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, 1998

	BALANCES DECEMBER 31, 1997	ADDITIONS	DEDUCTIONS	BALANCES DECEMBER 31, 1998
ASSETS:				
Cash	$ 30,000	$ 217,558	$ 217,558	$ 30,000
TOTAL ASSETS	$ 30,000	$ 217,558	$ 217,558	$ 30,000
LIABILITIES:				
Due to City of New Orleans	$ 30,000	$ 217,558	$ 217,558	$ 30,000
TOTAL LIABILITES	$ 30,000	$ 217,558	$ 217,558	$ 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, 1998

	BALANCES DECEMBER 31, 1997	ADDITIONS	DEDUCTIONS	BALANCES DECEMBER 31, 1997
ASSETS:				
Cash	$ 357	$ 5,211	$ 5,194	$ 374
TOTAL ASSETS	$ 357	$ 5,211	$ 5,194	$ 374
LIABILITIES:				
Due to City of New Orleans	$ 357	$ 5,211	$ 5,194	$ 374
TOTAL LIABILITES	$ 357	$ 5,211	$ 5,194	$ 374

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, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	1998	1997
GENERAL FIXED ASSETS:		
Land and leasehold improvements	$ 20,796,293	$ 20,796,293
Building and building improvements	441,415,846	386,531,183
Equipment	15,905,844	15,290,852
TOTAL GENERAL FIXED ASSETS	$ 478,117,983	$ 422,618,328
INVESTMENT IN GENERAL FIXED ASSETS:		
General Fund Revenues	$ 65,191,158	$ 64,541,599
Grants and appropriations:		
State of Louisiana	199,291,744	171,595,199
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	187,945,359	160,791,808
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	$ 478,117,983	$ 422,618,328

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
SUPPLEMENTARY INFORMATION
STATEMENT OF GENERAL LONG-TERM DEBT
DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1997

	1998	1997
AMOUNTS AVAILABLE AND AMOUNTS TO BE PROVIDED:		
Amount available in Debt Service Funds:		
Series 1996	$ 23,778,071	$ 21,107,438
Amount to be provided for payment of:		
Series 1996	174,906,929	155,602,562
Amount of deferred revenue to be earned in future years	1,513,379	1,713,379
Amount to be provided for payment of compensated absences	379,147	353,775
Amount to be provided for retirement benefits	144,729	--
TOTAL AMOUNTS AVAILABLE AND AMOUNTS TO BE PROVIDED	$ 200,722,255	$ 178,777,154
GENERAL LONG-TERM DEBT PAYABLE:		
Bonds payable Series 1996 and 1998	$ 198,685,000	$ 176,710,000
ARA equipment use fee	1,513,379	1,713,379
Compensated absences	379,147	353,775
Net pension obligation	144,729	--
TOTAL LONG-TERM DEBT PAYABLE	$ 200,722,255	$ 178,777,154

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
FOR THE YEAR ENDED DECEMBER 31, 1998

February 24, 1999

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, 1998, and have issued our report thereon dated February 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance:

As part of obtaining reasonable assurance about whether the Authority's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

SECURITY FOR DEPOSITS OF FUNDS: (98-1)

Louisiana Revised Statute 49:321(C) requires that funds held by a depository authority be fully collateralized and insured. At December 31, 1998 the Authority had $6,546,353 on deposit at Liberty Bank and Trust Company, New Orleans, Louisiana. Collateral and insurance covering the deposits totaled $5,636,446. Uninsured and uncollaterlalized deposits totaled $909,907.

We recommend that the depository authority noted be required to monitor deposits held to ensure that the appropriate amount of collateral is set aside.

Response:

Pursuant to our fiscal agency contract with Liberty Bank and Trust, they are already required to monitor deposits held to insure that the appropriate amount of collateral is set aside. Liberty has been put on notice to correct their deficiency and, in fact, have responded by placing an additional $500,000 in collateral with Bank One, effective March 9, 1999. Furthermore, on this date, we are in receipt of a fax that Liberty has placed an additional $1 million in collateral with Bank One today. Liberty has assured us that it will monitor our accounts on a daily basis to insure that this deficiency will not reoccur in the future.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered the Authority's internal control over financial reporting 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 over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Authority'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: (98-2)

Billings and Accounts Receivable:

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

We recommend that steps be taken to separate these duties. Responsibility for the accounts receivable subsidiary ledger should be delegated to an individual in accounting and financial services.

Response:

The Authority concurs with the findings and an action plan has been initiated to implement this recommendation by April 1999.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness. We also noted another matter involving the internal control over financial reporting that we have reported to the management of the Authority, in a separate letter dated February 24, 1999.

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

MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.

DAVID J. MUMFREY, C.P.A.
LINDSAY J. CALUB, C.P.A.
GUY L. DUPLANTIER, C.P.A.
BONNIE J. McAFEE, C.P.A.
DAVID A. BURGARD, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.

ASSOCIATE
KENNETH J. BROOKS, C.P.A.

JAMES MAHER, JR., C.P.A.
(Retired)

A.J. DUPLANTIER, JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.'S

February 24, 1999

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, 1998, we considered its internal control over financial reporting 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 over financial reporting. 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 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.

<u>SEPARATION OF DUTIES</u>: (98-2)

<u>Billings and Accounts Receivable</u>:

A department outside of accounting and financial services is responsible for billings to exhibitors and maintaining the accounts receivable subsidiary ledger.

In our management letter dated February 20, 1998, resulting from our 1997 audit, we recommended that steps be taken to separate these duties. The responsibility for the accounts receivable subsidiary ledger should be delegated to an individual in accounting and financial services.

Management of the Authority has indicated that this recommendation will be implemented once the accounts receivable software is installed at the end of April 1999.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control 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 would not necessarily disclose all matters in the internal control 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.

We also noted an instance of noncompliance with certain provisions of laws that is required to be reported under Government Auditing Standards.

SECURITY FOR DEPOSITS OF FUNDS: (98-1)

Louisiana Revised Statute 49:321(C) requires that funds held by a depository authority be fully collateralized and insured. At December 31, 1998, the Authority had $6,546,353 on deposit at Liberty Bank and Trust Company, New Orleans, Louisiana. Collateral and insurance covering the deposits totaled $5,636,446. Uninsured and uncollateralized deposits totaled $909,907.

We recommend that the depositing authority noted be required to monitor deposits held to insure that the appropriate amount of collateral is set aside.

Subsequent to year end, management notified Liberty Bank and Trust Co. to correct the deficiency. Additional collateral has been obtained and Liberty Bank and Trust has stated it will monitor the accounts daily.

During our audit, we became aware of another matter that is an opportunity for strengthening internal controls over financial reporting and operating efficiency.

INTERNAL CONTROL:

Organizational Responsibility: (98-3)

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.

In our management letter dated February 20, 1998, resulting from our 1997 audit, we recommended that the CFO/Controller be assigned the responsibility for these administrative functions.

Management of the Authority has indicated their intention to address this issue by December 31, 1999 with the full implementation of the new financial software.

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\djt

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
LEGISLATIVE AUDITOR - DATA COLLECTION FORM
FOR THE YEAR ENDED DECEMBER 31, 1998

SECTION 7 - INTERNAL CONTROL:

98-2 SEPARATION OF DUTIES:

Billings and Accounts Receivable:

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

We recommend that steps be taken to separate these duties. Responsibility for the accounts receivable subsidiary ledger should be delegated to an individual in accounting and financial services.

Management's Response:

Unresolved, the Authority concurs with your findings and financial services will be assuming the billing and accounts receivable responsibility once it installs the accounts receivable module by the end of April 1999.

SECTION 8 - COMPLIANCE:

98-1 SECURITY FOR DEPOSITS OF FUNDS:

Louisiana Revised Statute 49:321(C) requires that funds held by a depository authority be fully collateralized and insured. At December 31, 1998, the Authority had $6,546,353 on deposit at Liberty Bank and Trust Company, New Orleans, Louisiana. Collateral and insurance covering the deposits totaled $5,636,446. Uninsured and uncollateralized deposits totaled $909,907.

We recommend that the depositing authority noted be required to monitor deposits held to insure that the appropriate amount of collateral is set aside.

Management's Response:

Resolved, subsequent to year end, management notified Liberty Bank and Trust Co. to correct the deficiency. Additional collateral has been obtained and Liberty Bank and Trust has stated it will monitor the accounts daily.

SECTION 9 MANAGEMENT LETTER:

In addition to item 98-1 and 98-2, an additional opportunity for strengthening controls was recommended as follows:

98-3 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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
LEGISLATIVE AUDITOR - DATA COLLECTION FORM
FOR THE YEAR ENDED DECEMBER 31, 1998

SECTION 9 MANAGEMENT LETTER: (Continued)

98-3 ORGANIZATIONAL RESPONSIBILITY: (Continued)

In our management letter dated February 20, 1998, resulting from our 1997 audit, we recommended that the CFO/Controller be assigned the responsibility for these administrative functions.

Management's Response:

Management of the Authority has indicated their intention to comply with this recommendation during 1999.

SECTION 11: SCHEDULE OF PRIOR YEAR FINDINGS:

REPORT ON INTERNAL CONTROL STRUCTURE:

Separation of Duties:

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.

Status:

Partially resolved; lockbox is now being utilized; management anticipates complying with recommendation during 1999. See current year finding 98-2.

REPORT ON COMPLIANCE:

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.

A review of the organizational chart and departmental responsibilities indicates that the CFO/Controller does not have responsibility for certain administrative

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
LEGISLATIVE AUDITOR - DATA COLLECTION FORM
FOR THE YEAR ENDED DECEMBER 31, 1998

SECTION 11: SCHEDULE OF PRIOR YEAR FINDINGS:

REPORT ON COMPLIANCE: (Continued)

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 evaluations will be performed on a timely basis in order to negate the necessity of retroactive pay increases in the future

Status:

Resolved; retroactive pay raises have been stopped. Pay raises are being implemented in the next pay period.

MANAGEMENT LETTER:

In addition to the recommendations related to Internal Control and Compliance, the following recommendations were included in the prior year's management letter.

A. 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 the 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.

Response:

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.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY
LEGISLATIVE AUDITOR - DATA COLLECTION FORM
FOR THE YEAR ENDED DECEMBER 31, 1998

SECTION 11: SCHEDULE OF PRIOR YEAR FINDINGS: (Continued)

MANAGEMENT LETTER: (Continued)

A. INTERNAL CONTROL: (Continued)

Status:

Not resolved; management anticipates complying with this recommendation upon completion of the Phase III Expansion during 1999. See current year findings 98-3.

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.

Response:

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.

Status:

Resolved; this recommendation has been implemented.

B. 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.

Response:

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.

Status:

Resolved, policy re-written to determine allowable accumulation of annual leave based on anniversary date, employees with excessive annual leave being brought back to allowable amount.

ERNEST N. MORIAL
NEW ORLEANS EXHIBITION HALL AUTHORITY

David M. Ohlmeyer, CPA
Chief Financial Officer/Controller

March 12, 1999

Mr. William G. Stamm, CPA
Duplantier, Hrapmann, Hogan & Maher
Certified Public Accountants
1340 Poydras St., Suite 2000
New Orleans, LA 70112

Dear Mr. Stamm,

Management of the Ernest N. Morial New Orleans Exhibition Hall Authority offers the following information in response to your letter addressed to the Board and Management of the Authority.

Separation of Duties: (98-2)

A department outside of accounting and financial services is responsible for billing to exhibitors and maintaining the accounts receivable subsidiary ledger.

This recommendation is currently in the transition stage of being implemented, with the installation of new financial software to accommodate these functions. This task is scheduled for completion by the end of April 1999 and at that time the responsibilities associated with accounts receivable will be transferred to the Financial Services Department.

Security for Deposits of Funds: (98-1)

At December 31, 1998 the Authority had $909,907 in uninsured and uncollateralized deposits at Liberty Bank and Trust.

Pursuant to our fiscal agency contract with Liberty Bank and Trust, they are already required to monitor deposits held to insure that the appropriate amount of collateral is set aside. Liberty has been put on notice to correct their deficiency and,

900 Convention Center Boulevard • New Orleans, Louisiana 70130 • (504) 582-3004 • Fax (504) 582-3059
Financial Services (504) 582-3082, Fax (504) 582-3104 • Development (504) 582-3071, Fax (504) 582-3099

in fact, have responded by placing an additional $500,000 in collateral with Bank One, effective March 9, 1999. Furthermore, on this date, we are in receipt of a fax from Mr. Gregory M. St. Etienne, Executive Vice President, that Liberty has placed an additional $1 million in collateral with Bank One today. Liberty has assured us that it will monitor our accounts on a daily basis to insure that this deficiency will not reoccur in the future.

<u>Organizational Responsibility: (98-3)</u>

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.

Management intends to address this issue by December 31, 1999, with the full implementation of our new financial software.

We believe that the foregoing fully addresses all of the comments contained in your letter to management. We appreciate your observations and suggestions for improving the efficiencies of the operation of our facility.

Respectfully submitted:

Jimme D. Fore
Executive Vice President

David M. Ohlmeyer, CPA
CFO/Controller

DMO/lmr