LOUISIANA STADIUM AND EXPOSITION DISTRICT
A COMPONENT UNIT OF THE
STATE OF LOUISIANA

FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED JUNE 30, 2013
ISSUED DECEMBER 11, 2013

LOUISIANA LEGISLATIVE AUDITOR
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LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 25, 2013

Independent Auditor's Report

BOARD OF COMMISSIONERS OF THE
LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Louisiana Stadium and Exposition District (the District), a component unit of the State of Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Louisiana Superdome Marketing and Promotional Fund, which represents the only discretely presented component unit of the District. The financial statements of the discretely presented component unit were audited by another auditor whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the component unit, are based on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the District as of June 30, 2013, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Annual Fiscal Report to the Office of the Governor, Division of Administration, Office of Statewide Reporting and Accounting Policy is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Annual Fiscal Report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the Annual Fiscal Report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

Daryl G. Purpera

Daryl G. Purpera, CPA, CFE
Legislative Auditor

JMJ:NM:EFS:THC:ch

LSED 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the Louisiana Stadium and Exposition District's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The District's assets of business-type activities exceeded liabilities at the close of fiscal year 2013 by $353,571,072. The net position of business-type activities decreased by $5,500,312 during fiscal year 2013. The liabilities of governmental activities exceeded assets at the close of fiscal year 2013 by $286,281,736. The net position of governmental activities decreased by $8,232,724 during fiscal year 2013.

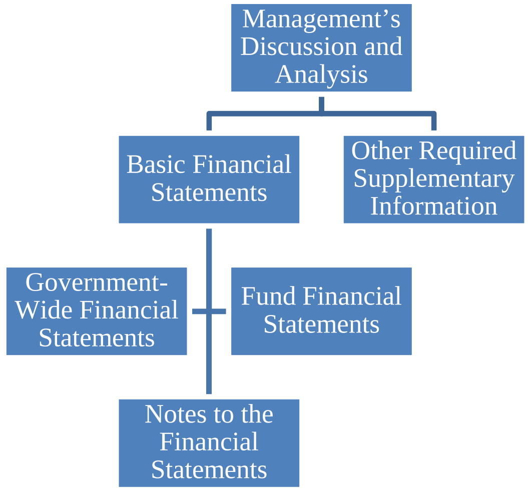
- The District has received $13,515,005 in capital contributions to its business-type activities for the year ended June 30, 2013. This represents a decrease of $7,806,053 over the prior fiscal year. The contributions fund various capital projects for improvements to the Mercedes-Benz Superdome and the New Orleans Arena.

- The District received $42,020,141 of hotel occupancy taxes in its governmental activities for the year ended June 30, 2013. This represents an increase of $4,625,823 over the prior fiscal year and is the highest annual collections ever received. The increase in the hotel tax collections has reduced the District's dependency on the State's general fund appropriations to meet the contractual obligations on the District.

- The District issued $361,345,000 in Revenue Refunding Bonds to refund all of its outstanding existing bonds, to provide funding to terminate the related interest rate hedge agreements, and to fund a debt service reserve.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the District established by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments:*



This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and related notes, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's financial status and its component unit.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental fund financial statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities the government operates, such as businesses.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The previous graphic shows how the required parts of this annual report are arranged and relate to one another.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section are as follows:

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

The government-wide financial statements of the District are divided into three categories:

- Governmental activities, which include the general fund, debt service fund, and capital projects fund

- Business-type activities, which include the operation of the Mercedes-Benz Superdome, New Orleans Arena, and Champions Square

- Component unit, which represents the operation of the Louisiana Superdome Marketing and Promotional Fund, a legally separate nonprofit corporation.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has two kinds of funds:

- Governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader of the financial statements determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- Proprietary funds, like government-wide statements, provide both short- and long-term financial information. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detailed and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE DISTRICT

Net Position
As of June 30, 2013 and 2012
(in thousands)

	2013	2012
Current and other assets	$92,643	$102,738
Capital assets	375,337	379,663
Total assets	467,980	482,401
Current and other liabilities	36,853	34,132
Long-term debt outstanding	363,838	367,247
Total liabilities	400,691	401,379
Net Position:		
Net investment in capital assets	127,495	34,692
Restricted	42,126	33,567
Unrestricted	(102,332)	12,763
Total net position	$67,289	$81,022

Restricted net position is not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net position does not have any limitations on what these amounts may be used for.

Changes in Net Position
For the Years Ended June 30, 2013 and 2012
(in thousands)

	2013	2012
Revenues		
Program revenues:		
Charges for services	$42,669	$41,618
Grants and contributions	25,520	34,536
General revenues:		
Hotel occupancy taxes	42,020	37,394
State appropriations		8,858
New Orleans Sports Franchise Fund	7,000	6,157
Pari-Mutuel Live Racing Facility Slots	3,452	3,213
Players' tax	4,120	2,961
Interest and other income	943	259
Total revenues	125,724	134,996
Program Expenses		
Interest on long-term debt	34,083	19,386
Facility operation	111,341	101,732
Total expenses	145,424	121,118
Investment loss, net		(33,016)
Other revenues (expenses)	5,967	(341)
Decrease in Net Position	($13,733)	($19,479)

The District's total revenues of its governmental and business-type activities decreased from 2012 to 2013 by $9,272,000. The total cost of all governmental and business-type activities programs and services increased by $24,306,000, primarily as a result of an increase in rental expense incurred by Champions Square for the Super Bowl and expenses associated with the retirement of existing debt and related hedge agreements. The decrease in total revenues is due primarily to a reduction in capital contributions made by the State for related improvements to the facilities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013 and 2012, the District had $375,337,632 and $379,663,044, respectively, invested in capital assets, net of accumulated depreciation of $195,247,705 and $168,310,258, respectively, including land, buildings and improvements, and furniture, fixtures, and equipment.

Capital assets as of June 30 (in thousands):

	2013	2012
Land	$13,944	$13,944
Building and improvements	250,186	268,672
Furniture, fixtures and equipment	8,399	8,485
Construction-in-progress	102,808	88,562
Total	$375,337	$379,663

Debt

The District had $361,345,000 and 294,325,000 in revenue bonds outstanding at June 30, 2013 and June 30, 2012, respectively. In January 2013, the District issued Series 2013A, 2013B, and 2013C Revenue Refunding Bonds totaling $361,345,000, for the purpose of refunding the District's existing debt, providing funds for the termination of the fixed rate hedge agreement and the interest rate swap agreement, and providing for the costs of issuance of the bonds. Prior to the issuance of the Series 2013 bonds, the District issued, in March 2006, Series 2006A, 2006B, 2006C, and 2006D bonds totaling $294,325,000, for the purpose of refunding the District's existing debt, providing funds for enhancements to the Mercedes-Benz Superdome, and providing working capital for the District's operations. The District's first required principal payment on the Series 2013 bonds of $4,300,000 is due on July 1, 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's appointed officials considered the following factors and indicators when setting next year's budgets, rates, and fees:

- Staffing requirements and operating expenses due to the Mercedes-Benz Superdome, the New Orleans Arena, and Champions Square being fully operational
- Events anticipated based on contracts and historical cost
- Hotel occupancy tax revenue based on conventions planned in New Orleans and estimates of future conventions projected to come to New Orleans
- Contractual obligations to professional sports franchises

The District has incurred operating losses for fiscal years ended June 30, 2013 and 2012. During fiscal years 2013 and 2012, the District's net position decreased $13,733,036 and $19,478,501, respectively. The operating losses are funded by statutorily dedicated revenues, grants, and hotel occupancy taxes. Current projections by management of the District indicate that, with the projected tax increases and projected decrease in debt service expenses, there will not be any cash losses in the future years.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions about this report or requests for additional financial information may be addressed to M. David Weidler, Senior Director of Finance and Administration, SMG, Post Office Box 52439, New Orleans, Louisiana 70152.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Net Position
June 30, 2013

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
ASSETS				
Cash and cash equivalents (note 2)	$46,438,051	$10,937,897	$57,375,948	$773,803
Accounts receivable, net	261,068	817,784	1,078,852	418,525
Due from State of Louisiana (note 3)	9,835,370	4,534,456	14,369,826	
Equipment lease receivable, current portion (note 6)		140,000	140,000	
Internal balances	610,565	(610,565)		
Due from component unit	770,848	1,549,312	2,320,160	
Inventory of materials and supplies		133,468	133,468	1,277
Prepaid expenses		52,932	52,932	
Advance on construction				286,264
Restricted assets: (notes 2 and 10)				
Renewal and Replacement Reserve Account - cash and cash equivalents	3,501,298	866,386	4,367,684	
Concessionaire Fund - receivable		704,810	704,810	
Debt service reserve - cash and cash equivalents				279,043
Deposits				35,869
Equipment lease receivable (note 6)		560,000	560,000	
Notes receivable (note 4)		11,539,075	11,539,075	
Capital assets, net of accumulated depreciation (note 5)	29,844,774	345,492,858	375,337,632	12,404,050
Total assets	91,261,974	376,718,413	467,980,387	14,198,831
LIABILITIES				
Accounts payable and accrued expenses	474,059	12,255,353	12,729,412	77,436
Payable to SMG		393,376	393,376	18,750
Sports franchise inducements payable (notes 16 and 17)	2,550,000	306,000	2,856,000	
Due to primary government				2,320,160
Deferred revenue and security deposits		219,252	219,252	
Compensated absences (note 1-J)	2,153	378,723	380,876	1,799
Advance deposits on future events		9,308,373	9,308,373	213,207
Accrued bond interest payable	6,527,413		6,527,413	
Advance on construction		286,264	286,264	
Bonds payable current portion, net (note 7)	4,152,112		4,152,112	
Capital lease obligations current portion (note 6)				109,058
Noncurrent liabilities:				
Bonds payable, net (note 7)	355,384,973		355,384,973	
Capital lease obligations (note 6)				501,507
Notes payable (note 9)				14,087,353
Deferred sports franchise inducements payable (note 17)	8,453,000		8,453,000	
Total liabilities	377,543,710	23,147,341	400,691,051	17,329,270

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
Statement of Net Position
June 30, 2013

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
NET POSITION				
Net investment in capital assets	($217,998,047)	$345,492,858	$127,494,811	
Restricted for:				
Debt service	37,053,762		37,053,762	
Renewal and replacement	3,501,298	866,386	4,367,684	
Concessionaire reserve		704,810	704,810	
Unrestricted	(108,838,749)	6,507,018	(102,331,731)	($3,130,439)
TOTAL NET POSITION	($286,281,736)	$353,571,072	$67,289,336	($3,130,439)

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Activities
For the Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental activities:				
Facility operation	$16,639,111		$11,321,670	$683,746
Interest on bonds	34,083,152			
Total governmental activities	50,722,263	NONE	11,321,670	683,746
Business-type activities:				
Facility operation	94,701,811	$42,668,903	NONE	13,515,005
TOTAL PRIMARY GOVERNMENT	$145,424,074	$42,668,903	$11,321,670	$14,198,751
COMPONENT UNIT:				
Louisiana Superdome Marketing and Promotional Fund	$4,686,281	$2,819,286	NONE	NONE
TOTAL COMPONENT UNIT	$4,686,281	$2,819,286	NONE	NONE

General revenues:
Taxes: (note 10)
Hotel occupancy taxes, levied for general purposes
Hotel occupancy taxes, levied for debt service
New Orleans Sports Franchise Fund
Pari-Mutuel Live Racing Facility Slots
Players' tax
Vehicle License Plate Royalties
Miscellaneous
Litigation settlement, net
Investment earnings
Transfers in (out)
Loss on disposal of capital assets
Total general revenues and transfers

Change in net position

NET POSITION, BEGINNING OF YEAR

TOTAL NET POSITION, END OF YEAR

The accompanying notes are an integral part of this statement.

Statement B

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
($4,633,695)		($4,633,695)	
(34,083,152)		(34,083,152)	
(38,716,847)	NONE	(38,716,847)	
NONE	($38,517,903)	(38,517,903)	
(38,716,847)	(38,517,903)	(77,234,750)	
			($1,866,995)
			(1,866,995)
17,171,207		17,171,207	
24,848,934		24,848,934	
7,000,000		7,000,000	
3,451,733		3,451,733	
4,119,611		4,119,611	
702,802		702,802	
9,360		9,360	
5,991,811		5,991,811	
41,382	189,194	230,576	
(32,852,717)	32,852,717		
	(24,320)	(24,320)	
30,484,123	33,017,591	63,501,714	NONE
(8,232,724)	(5,500,312)	(13,733,036)	(1,866,995)
(278,049,012)	359,071,384	81,022,372	(1,263,444)
($286,281,736)	$353,571,072	$67,289,336	($3,130,439)

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2013

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents (note 2)	$13,273,273	$33,164,770	$8	$46,438,051
Accounts receivable	261,068			261,068
Due from State of Louisiana (note 3)	5,892,060	3,888,992	54,318	9,835,370
Due from other funds	610,565			610,565
Due from component unit	770,848			770,848
Restricted assets: (notes 2 and 10)				
Renewal and Replacement Reserve Account - cash and cash equivalents	3,501,298			3,501,298
TOTAL ASSETS	$24,309,112	$37,053,762	$54,326	$61,417,200
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	$474,059			$474,059
Sports franchise inducements payable (notes 16 and 17)	2,550,000			2,550,000
Compensated absences (note 1-J)	2,153			2,153
Total liabilities	3,026,212	NONE	NONE	3,026,212
Fund Balances:				
Restricted for - debt service		$37,053,762		37,053,762
Committed for - renewal and replacement	3,501,298			3,501,298
Assigned for - capital projects			$54,326	54,326
Unassigned	17,781,602			17,781,602
Total fund balances	21,282,900	37,053,762	54,326	58,390,988
TOTAL LIABILITIES AND FUND BALANCES	$24,309,112	$37,053,762	$54,326	$61,417,200

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2013

	TOTAL GOVERNMENTAL FUNDS
Total fund balances, as presented in this statement	$58,390,988
Amounts presented for governmental activities in the Statement of Net Position are different because:	
Accrued bond interest is reported in the Statement of Net Position but is not due and payable in the current period and, therefore, is not reported as a liability of the fund balance sheet.	(6,527,413)
Long-term liabilities are reported in the Statement of Net Position but are not due and payable in the current period and, therefore, are not reported as liabilities of the fund balance sheet.	(367,990,085)
Capital assets reported in the Statement of Net Position are not current financial resources.	29,844,774
NET POSITION OF GOVERNMENTAL ACTIVITIES	($286,281,736)

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2013

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Hotel occupancy tax (note 10)	$17,171,207	$24,848,934		$42,020,141
Community Development Block Grant (note 18)	11,321,670			11,321,670
New Orleans Sports Franchise Fund	7,000,000			7,000,000
Pari-Mutuel Live Racing Facility Slots	3,451,733			3,451,733
Players' tax	4,119,611			4,119,611
Vehicle License Plate Royalties	702,802			702,802
Interest earnings	40,415	967		41,382
Miscellaneous income	9,360			9,360
Total revenues	43,816,798	24,849,901	NONE	68,666,699
EXPENDITURES				
Salaries, wages, and benefits	328,927			328,927
Utilities	15,830			15,830
Management fee - SMG (note 14)	75,000			75,000
Professional fees	749,373			749,373
Insurance	293,423			293,423
Other Saints inducements (note 16)	2,418,953			2,418,953
Other Pelicans/Hornets inducements (note 17)	4,964,944			4,964,944
Other facility obligations	859,367			859,367
Other expenditures	37,897			37,897
Capital outlay			$1,348,277	1,348,277
Debt service:				
Principal		294,325,000		294,325,000
Interest		10,896,004		10,896,004
Other charges		2,678,186		2,678,186
Total expenditures	9,743,714	307,899,190	1,348,277	318,991,181
Excess (deficiency) of revenues over expenditures	34,073,084	(283,049,289)	(1,348,277)	(250,324,482)

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2013

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
OTHER FINANCING SOURCES (USES)				
Transfers in			$718,849	$718,849
Transfers out	($33,571,566)			(33,571,566)
Proceeds of revenue refunding bonds		$404,448,040		404,448,040
Payments for swap termination		(108,968,000)		(108,968,000)
Cost of issuance		(3,096,027)		(3,096,027)
Capital contributions			683,746	683,746
Litigation settlement	(8,189)	6,000,000		5,991,811
Total other financing sources (uses)	(33,579,755)	298,384,013	1,402,595	266,206,853
Net change in fund balances	493,329	15,334,724	54,318	15,882,371
Fund balances at beginning of year	20,789,571	21,719,038	8	42,508,617
Fund balances at end of year	$21,282,900	$37,053,762	$54,326	$58,390,988

Net change in fund balances, as presented in this statement	$15,882,371
Amounts presented for governmental activities in the Statement of Activities are different because:	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilites in the Statement of Net Position. This is the amount by which proceeds exceed repayments.	(110,123,040)
Governmental funds report interest expense on bonds only when the expense is due for payment, while the Statement of Activities reports bond interest as it is incurred.	(23,146,602)
Governmental funds do not include amortization for bond premium, escrow, and issuance costs.	(40,546)
Governmental funds report changes in investment derivative instruments only when those instruments provide or use financial resources. However, in the Statement of Activities, changes in the fair value of investment derivative instruments are changes in economic resources and are reported in each period in which there is a change in the fair value of the investment. This is the amount recognized upon the termination of the swap agreements.	108,968,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(3,200,000)
Governmental funds report bond issuance costs as expenditures. However, these amounts are reported on the Statement of Net Position as deferred charges and amortized over the life of the related debt.	3,096,027
Governmental funds report the acquisition of capital assets as expenditures of the period in which the asset is acquired. In the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay ($1,286,737) exceeded depreciation ($955,671) in the current period.	331,066
Change in net position of governmental activities as reported on the Statement of Activities	($8,232,724)

(Concluded)

The accompanying notes are an integral part of this statement.

Statement E

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Net Position
June 30, 2013

	ENTERPRISE FUNDS			
	MERCEDES-BENZ SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
ASSETS				
Current assets:				
Cash and cash equivalents (note 2)	$8,301,241	$1,751,708	$884,948	$10,937,897
Accounts receivable, net	460,937	5,844	351,003	817,784
Due from State of Louisiana (note 3)	16,420	4,518,036		4,534,456
Equipment lease receivable (note 6)			140,000	140,000
Due from other funds	3,600,000			3,600,000
Due from component unit	18,843	(144)	1,530,613	1,549,312
Inventory	86,929	46,539		133,468
Prepaid expenses	47,191	5,741		52,932
Total current assets	12,531,561	6,327,724	2,906,564	21,765,849
Restricted assets: (notes 2 and 10)				
Renewal and Replacement Reserve Account - cash and cash equivalents		839,595	26,791	866,386
Concessionaire Fund - receivable	228,556	476,254		704,810
Total restricted assets	228,556	1,315,849	26,791	1,571,196
Other assets:				
Equipment lease receivable (note 6)			560,000	560,000
Notes receivable (note 4)			11,539,075	11,539,075
Capital assets, net of accumulated depreciation (note 5)	270,200,247	73,735,664	1,556,947	345,492,858
Total other assets	270,200,247	73,735,664	13,656,022	357,591,933
TOTAL ASSETS	$282,960,364	$81,379,237	$16,589,377	$380,928,978

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Statement of Net Position
June 30, 2013

	ENTERPRISE FUNDS			
	MERCEDES-BENZ SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	$4,536,573	$4,579,303	$3,139,477	$12,255,353
Payable to SMG	275,363	118,013		393,376
Sports franchise inducement payable (note 17)		306,000		306,000
Deferred revenue and security deposits	79,817		139,435	219,252
Compensated absences (note 1-J)	333,680	45,043		378,723
Funds held in escrow for future events	8,123,834	1,184,539		9,308,373
Advance on construction			286,264	286,264
Due to other funds		3,600,000	610,565	4,210,565
Total current liabilities	13,349,267	9,832,898	4,175,741	27,357,906
NET POSITION				
Net investment in capital assets	270,200,247	73,735,664	1,556,947	345,492,858
Restricted	228,556	1,315,849	26,791	1,571,196
Unrestricted	(817,706)	(3,505,174)	10,829,898	6,507,018
Total net position	269,611,097	71,546,339	12,413,636	353,571,072
TOTAL LIABILITIES AND NET POSITION	$282,960,364	$81,379,237	$16,589,377	$380,928,978

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2013

	ENTERPRISE FUNDS			
	MERCEDES-BENZ SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
OPERATING REVENUES				
Event rental:				
Musical events and entertainment	$774,591	$926,970		$1,701,561
High school and college sports	410,540	261,033		671,573
Conventions and trade shows	206,486	52,250		258,736
Professional football	37,500	39,000		76,500
Other events	386,503			386,503
Reimbursement event costs	5,502,749	1,894,221		7,396,970
Total event rental	7,318,369	3,173,474	NONE	10,491,843
Concessions and souvenirs	11,997,253	3,809,255		15,806,508
Box suite rental	7,667,821	620,829		8,288,650
Parking	2,448,874	700,978		3,149,852
Ticket incentives	622,100	1,006,149		1,628,249
Lease income (note 11)	596,919	7,250	$1,540,213	2,144,382
Advertising and broadcasting			719,479	719,479
Other	283,397	155,494	1,049	439,940
Total operating revenues	30,934,733	9,473,429	2,260,741	42,668,903
OPERATING EXPENSES				
Salaries, wages, and benefits	9,641,181	2,393,853		12,035,034
Utilities	4,324,863	1,275,504		5,600,367
Repairs and maintenance	1,578,188	398,232		1,976,420
Management fee - SMG (note 14)	1,045,897	448,242		1,494,139
Saints lease inducement payments (note 16)	14,343,606			14,343,606
Pelicans/Hornets inducement payments (note 17)		2,720,443		2,720,443
Professional fees	198,771	62,343	6,487	267,601
Professional sports staffing	2,013,266	1,595,245		3,608,511
Insurance	3,335,874	735,121		4,070,995
Direct event expense	6,411,487	2,323,686		8,735,173
Advertising and public relations	60,918	31,709		92,627
Rent (note 13)			7,259,693	7,259,693
Other operating expenses	4,599,556	1,638,460	115,200	6,353,216
Total operating expenses	47,553,607	13,622,838	7,381,380	68,557,825
Operating loss before depreciation	(16,618,874)	(4,149,409)	(5,120,639)	(25,888,922)
Depreciation	20,702,753	5,377,466	63,767	26,143,986
Operating loss	(37,321,627)	(9,526,875)	(5,184,406)	(52,032,908)

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2013

	ENTERPRISE FUNDS			
	MERCEDES-BENZ SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
NONOPERATING REVENUE (EXPENSES)				
Interest revenue	$16,382	$15,749	$157,063	$189,194
Loss on disposal of capital assets	(17,609)	(6,711)		(24,320)
Total nonoperating revenue (expenses)	(1,227)	9,038	157,063	164,874
Income (loss) before transfers and capital contributions	(37,322,854)	(9,517,837)	(5,027,343)	(51,868,034)
Transfers in	23,856,985	5,283,476	3,712,256	32,852,717
Capital contributions	1,950,677	11,564,328		13,515,005
Change in net position	(11,515,192)	7,329,967	(1,315,087)	(5,500,312)
Net position, beginning of year	281,126,289	64,216,372	13,728,723	359,071,384
NET POSITION, END OF YEAR	$269,611,097	$71,546,339	$12,413,636	$353,571,072

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Cash Flows
For the Year Ended June 30, 2013

	ENTERPRISE FUNDS			
	MERCEDES-BENZ SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$30,259,095	$6,514,897	$2,105,341	$38,879,333
Payments to suppliers	(39,552,585)	(11,720,028)	(5,919,047)	(57,191,660)
Payments for salaries and related expenses	(9,615,808)	(2,455,902)		(12,071,710)
Net cash (used) by operating activities	(18,909,298)	(7,661,033)	(3,813,706)	(30,384,037)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants/transfers	23,856,985	5,283,476	3,712,256	32,852,717
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital appropriations and contributions	1,094,078	7,646,291		8,740,369
Principal payments received for capital lease			103,219	103,219
Purchases of capital assets	(7,306,683)	(8,094,556)	(1,962,599)	(17,363,838)
Net cash (used) by capital and related financing activities	(6,212,605)	(448,265)	(1,859,380)	(8,520,250)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	16,382	15,749	157,063	189,194
Net (decrease) in cash and cash equivalents	(1,248,536)	(2,810,073)	(1,803,767)	(5,862,376)
Cash and cash equivalents, beginning of year	9,549,777	5,401,376	2,715,506	17,666,659
CASH AND CASH EQUIVALENTS, END OF YEAR	$8,301,241	$2,591,303	$911,739	$11,804,283

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2013

	ENTERPRISE FUNDS			
	MERCEDES-BENZ SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) BY OPERATING ACTIVITIES				
Operating loss	($37,321,627)	($9,526,875)	($5,184,406)	($52,032,908)
Adjustments to reconcile operating loss to net cash (used) by operating activities:				
Depreciation expense	20,702,753	5,377,466	63,767	26,143,986
Changes in assets and liabilities:				
(Increase) decrease in:				
Receivables	858,282	86,797	(1,596,155)	(651,076)
Restricted assets	(228,556)	(18,657)		(247,213)
Inventory	(57,193)	(24,128)		(81,321)
Prepaid expenses	(32,497)	(2,057)		(34,554)
(Decrease) increase in:				
Accounts payable and accrued expenses	(1,285,014)	(511,186)	3,016,766	1,220,566
Compensated absences	5,634	2,792		8,426
Deferred revenue	19,785	(90)	(16,125)	3,570
Funds held in escrow	(1,570,865)	(3,045,095)		(4,615,960)
Due to/from other funds			(97,553)	(97,553)
Net cash (used) by operating activities	($18,909,298)	($7,661,033)	($3,813,706)	($30,384,037)
NONCASH CAPITAL FINANCING ACTIVITIES				
State construction projects	$840,179	NONE	NONE	$840,179

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Louisiana Stadium and Exposition District (the District) was created in 1966 pursuant to Article XIV, Section 47 of the Constitution of the State of Louisiana (the State) of 1921, as amended and continued as a statute by Article XIV, Section 16 of the Constitution of the State of Louisiana of 1974 (the "Original Act") as a body politic and corporate and political subdivision of the State, composed of all the territory in the parishes of Orleans and Jefferson, Louisiana. The District was created for the purpose of planning, acquiring, financing, owning, constructing, maintaining, and operating recreational facilities, recreation centers, and other facilities to be located within the District to accommodate the holding of conventions, exhibitions, sports events, athletic contests, and other public meetings, and all facilities and properties incidental and necessary to a complex suitable for any or all types of sports and recreation, all as more specifically provided in the Original Act.

The District acquired a site and constructed thereon the Louisiana Superdome, which opened in August 1975. The Louisiana Superdome is leased by the District to the State pursuant to a Lease Agreement. The District initially managed and operated the Louisiana Superdome on behalf of the State pursuant to a management and operating agreement dated February 1, 1969. In 1976, Act No. 541 of the 1976 Regular Session of the State Legislature (Act No. 541) transferred the responsibility for the management and operation of the Louisiana Superdome to the Office of the Governor of the State and authorized the governor to delegate the management and operation of the Superdome to a professional management organization. In 1977, the District was transferred to and placed in the Office of the Governor of the State pursuant to the Executive Reorganization Act. At the same time, Act No. 64 of the 1977 Regular Session of the State Legislature approved and authorized execution of a Management Agreement between the State and HMC Management Corporation (the predecessor in interest of SMG, the current manager of the Louisiana Superdome), which was signed by the parties under date of June 30, 1977.

In October 2011, the New Orleans Saints entered into a naming rights agreement with the Mercedes-Benz Corporation to acquire the name and title sponsorship to the Louisiana Superdome. Louisiana Revised Statute 51:293.1 authorizes the District to sell or transfer the right to designate and use an alternative name to refer to the Louisiana Superdome. With State lawmakers' final approval on October 28, 2011, the new name of the Louisiana Superdome became the Mercedes-Benz Superdome (the Superdome).

Act No. 640 of the 1993 Regular Session of the State Legislature amended Act No. 541 to provide, among other things, for the construction of the New Orleans Arena (the Arena) and that all authority for the management and operation of all properties then or thereafter owned by or under the control of the District vested in the State, through the Office of the Governor, with continuing authority to delegate that authority and responsibility to a private management company. In 1998, by a Fourth Amendment to the Management Agreement dated June 19, 1998, between the State, Facility Management of Louisiana, Inc. (formerly doing business under the name HMC Management Corporation), and SMG, the State delegated its management authority over the Arena to SMG. The District completed construction of the Arena adjacent to the Superdome in 1999, and the Arena opened for operations in October 1999 under the management of SMG.

Notwithstanding the transfer of management authority to the State and by the State to the manager, Act No. 541, as amended by Act No. 640, provides that for the purposes of and in connection with the undertakings authorized by the Act, including the issuance and servicing of any bonds, the District shall be acting solely in its capacity as a political subdivision of the State and further provides that the District shall provide annually to the State Legislature and the Legislative Auditor information concerning the finances of the District.

The District is governed by a board of commissioners (the Board) composed of seven members appointed by the governor of the State and confirmed by the State Senate. The commissioners serve at the pleasure of the governor of the State.

The Board has the power to plan, acquire, finance, own, construct, operate, and maintain recreational facilities, recreation centers, and other facilities to accommodate expositions, conventions, exhibitions, sports events, spectacles, and other public meetings, and all facilities and properties incidental and necessary to a complex suitable for any or all types of sports and recreation, and shall exercise them in the name and on behalf of the District. The District has no employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

B. REPORTING ENTITY

The District is a component unit of the State of Louisiana as defined by GASB Statement No. 14, *The Financial Reporting Entity,* and amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34.* The accompanying component unit financial statements of the District contain sub-account information of the State of Louisiana. As such, the accompanying statements present information only as to the transactions of the District and its component unit as authorized by Louisiana statutes and administrative regulations. Annually, the State of Louisiana issues financial statements which include the activity contained in the accompanying component unit financial statements.

Discretely Presented Component Unit

In 2011, the District entered into various transactions with the Louisiana Superdome Marketing and Promotional Fund (the Marketing Fund), a separate legal nonprofit corporation, to take advantage of new market tax credits available to fund further economic development of the District. The Articles of Incorporation of the Marketing Fund were amended to include that the Board of Directors would comprise of the chairman of the board of the District, a member appointed by the governor of the State of Louisiana, and a third member appointed by either of the other two directors.

As required by GASB Statement No. 14, as amended, a legally separate entity is considered a component unit if at least one of the following criteria is met:

- The District appoints a voting majority of the organization's governing board and is either able to impose its will on the organization or there is a potential financial benefit/burden to the District.
- There is a fiscal dependency by the organization on the District.
- The nature and significance of the relationship between the District and the organization is such that exclusion would cause the financial statements of the District to be misleading or incomplete.

Based on the previous criteria, the District has included the Marketing Fund as a discretely presented component unit within the accompanying financial statements. Discretely presented component units are presented in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the District. The voting majority of the Marketing Fund's board is appointed by the District and there is a financial benefit/burden to the District.

Complete financial statements for the component unit can be obtained from Louisiana Stadium and Exposition District, Post Office Box 52439, New Orleans, Louisiana 70152.

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). In the government-wide Statement of Net Position, both the governmental and business-type activities of the District and the component unit columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations.

The net position of the District and its component unit are reported in three parts: net investment in capital assets, restricted, and unrestricted. The District first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions, business-type activities, and component unit. The functions are also supported by general government revenues and hotel occupancy taxes. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with functions or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or activity) are normally covered by general revenues (taxes, intergovernmental revenues, interest income, et cetera).

The District does not allocate indirect costs.

D. FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual major funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net assets/net position, revenues, and expenditures/expenses, as appropriate. Resources are allocated and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District does not have any special revenue funds. The following fund types are used by the District:

Governmental Funds

The General Fund is the general operating fund of the District. It administers and accounts for legislative appropriations provided to fund the general administrative expenditures of the District and those expenditures, including sports franchise inducements, not funded through other specific legislative appropriations or revenues.

Debt service funds are established to meet requirements of bond ordinances and are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund maintained by the District accounts for the transactions of certain bond issues outstanding.

Capital projects funds are used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable fund balance - amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

2. Restricted fund balance - amounts that can be spent only for specific purposes because of the Constitution of the State of Louisiana, other state and federal laws, or externally imposed conditions by grantors, creditors, or voter approved propositions.

3. Committed fund balance - amounts that can be used only for specific purposes determined by a formal action by the District's board.

4. Assigned fund balance - amounts that are constrained by the District's intent that they will be used for specific purposes.

5. Unassigned fund balance - all other amounts not included elsewhere.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The District also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

Proprietary Funds

Enterprise funds are used to account for activities (a) that are operated in a manner similar to private business, where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Operating revenues include activities that have characteristics of exchange transactions, such as event rentals and concession sales. Nonoperating revenues result from nonexchange or ancillary activities. Operating expenses generally include transactions resulting from providing goods or services, such as payments to vendors for goods or services and payments for salaries, wages, and benefits. Nonoperating expenses include transactions resulting from inducement payments, remediation expenses, and losses on disposal of capital assets.

The District has three major enterprise funds that are used to account for the operations of the Superdome, the Arena, and Champions Square. The District has contracted with SMG to manage all three facilities. Future enterprise funds may be established as various activities of the District are placed in operation.

E. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary funds financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Revenues from general sources consist primarily of the hotel occupancy tax, which is recognized in the month collected by the hotel. The hotel occupancy tax is used to fund annual debt service needs and operations. Any excess tax collections are then distributed as specified by law.

F. RESTRICTED ASSETS AND LIABILITIES

Certain assets and liabilities are segregated and classified as restricted and may not be used except in accordance with contractual terms, under certain conditions, or to fulfill the District's obligations to the State under its Lease, Management, and Operating Agreements. Assets of the Capital Projects Fund are to be used for construction purposes, and assets of the Debt Service Fund are to be used for debt service payments.

G. INVENTORIES

Inventories, principally repair parts and operating supplies, are stated at cost, which approximates market. Cost is determined by the first-in, first-out method.

H. CAPITAL ASSETS

Capital assets acquired or constructed are recorded at cost. Donated capital assets are valued at estimated fair value on the date donated or contributed. Depreciation is charged to expense over the estimated useful lives of the assets and is determined using the straight-line method. Expenditures for maintenance and repairs which do not materially extend the useful life of the asset are charged to expense as incurred.

Interest expense is capitalized during the construction period for long-term construction projects. For movable property, the District's capitalization policy includes all items with a unit cost of $1,000 or more, and an estimated useful life greater than one year. Buildings and improvements costing $1,000 or more are capitalized.

The estimated useful lives used in computing depreciation and amortization for capital assets are as follows:

Building and improvements:	
Structure:	
Superdome	40 years
Arena	25 years
Baseball stadium	40 years
Practice facilities	40 years
Major components	10-20 years
Furniture, fixtures, and equipment	5-10 years

The District is also party to various leases of office space. Those leases contain provisions whereby improvements were paid for by the lessee. These leasehold improvements have not been recorded by the District. Capital improvements to Champions Square are depreciated over the remaining term of the Entertainment District Master Lease Agreement as they are placed into service. The agreement extends through June 30, 2026.

I. REVENUE RECOGNITION

Event rentals, including advance deposits, are recognized as revenue in the period in which the event is held. Annual box suite rentals are recognized in the period earned. Unearned receipts for event rentals and box suite rentals are included in deferred revenue. Revenues from the hotel occupancy tax are recognized in the month such amounts are collected by the hotel proprietors.

J. COMPENSATED ABSENCES

Under the Management Agreement with SMG, all employees engaged in managing and operating the Superdome, Arena, and Champions Square are employees of SMG. SMG provides for compensated absences for its employees. SMG employees can earn 10 to 30 days per year of vacation leave, depending on their length of employment and on certain collective bargaining and union agreements. At the end of any fiscal year, all employees can carry forward no more than the number of days earned during the fiscal year. Upon termination, a non-union employee is paid for up to 192 hours of accumulated vacation, if applicable. Members of the Craft Council and Teamsters Union are paid for accumulated vacation up to what they have earned during the year. The accumulated net provision by the District for unpaid vacation benefits due employees of SMG as of June 30, 2013, was $380,876.

Non-union, full-time SMG employees and members of the Craft Council earn six days per year of sick leave with no carryforward provision. Members of the Teamsters Union earn six days of sick leave per year which can be accumulated up to a maximum of 192 hours. Accumulated sick leave is not paid upon termination of employment; therefore, no liability has been recognized.

K. CASH FLOW INFORMATION

For the purpose of the Statement of Cash Flows, the District considers all highly-liquid investments (including restricted assets) with a term of three months or less from maturity to be cash equivalents.

L. INTERFUND ACTIVITY

Interfund activity is reported as loans or transfers. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation if within the same fund type. Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. All internal balances are eliminated in the total primary government column. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Receivables or payables between the primary government and its component unit are reported on separate lines. During the year ended June 30, 2013, the general fund transferred $32,852,717 to the proprietary funds and $718,849 to the capital projects fund. Funds transferred from governmental funds are no longer restricted for debt service or capital projects and are available for allowable uses of the proprietary funds.

M. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about amounts reported in the financial statements. Actual results could differ from those estimates.

N. ADOPTION OF NEW ACCOUNTING STANDARDS

For the year ended June 30, 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. As a result, the District adopted the statement and restated balances previously referred to as net assets to net position.

2. CASH AND CASH EQUIVALENTS

The District maintains cash on hand, cash on deposit with banks in demand deposit accounts, and cash in interest-bearing deposit accounts. The District maintains cash equivalents that consist of money market funds held in escrow by the bond trustee. Cash and cash equivalents are recorded at cost, which approximates market. Cash and cash equivalents consist of the following at June 30, 2013:

	Bank Balance	Book Balance
Primary government:		
Cash on hand		$34,338
Demand deposits	$28,930,653	28,544,524
Money market funds	33,164,770	33,164,770
Total Primary Government	62,095,423	61,743,632
Component unit - demand deposits	1,035,385	1,052,846
Total	$63,130,808	$62,796,478

A reconciliation of cash and cash equivalents to the Statement of Net Position is as follows:

	Primary Government			
	Governmental Activities	Business-type Activities	Component Unit	Total
Cash and cash equivalents	$46,438,051	$10,937,897	$773,803	$58,149,751
Restricted assets	3,501,298	866,386	279,043	4,646,727
Total	$49,939,349	$11,804,283	$1,052,846	$62,796,478

The District's deposits are exposed to custodial credit risk, which is the risk that, in the event of a bank failure, the District’s deposits might not be recovered. The District's deposit policy for custodial credit risk conforms to state law. Under state law, deposits in banks must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

The District is allowed to invest funds as prescribed and allowed by state law. Generally, the law provides that allowable investments are direct securities of the U.S. Treasury, certificates of deposit of Louisiana domiciled banks, certain guaranteed investment contracts, and other federally insured investments (i.e., FNMA, FHLMC, FHLB, PEFCO, and Sallie Mae) and mutual or trust fund institutions registered with the Securities and Exchange Commission under appropriate acts which have underlying investments consisting solely of and limited to securities in the U.S. government or its agencies.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The District's investment policy does not limit the amount of its holdings of securities by counterparties. At June 30, 2013, the District's cash and cash equivalents are invested in money market funds held by a counterparty in the name of the District. Money market investments for 2013 consisted of the Federated Government Obligations Fund (Symbol GOSXX), which is rated Aaa-mf by Moody's and AAAm by Standard and Poor's. The fund's holdings consist exclusively of short-term U.S. Treasury bills, notes and other obligations issued or guaranteed by the U.S. Treasury, and repurchase agreements collateralized by such obligations. The investments are not exposed to custodial credit risk or concentration of credit risk.

As a means of limiting its exposure to fair value losses arising from rising interest rates (interest rate risk), the investment policy prescribed by Louisiana law establishes limits for investments with maturities of 30 days or longer and establishes parameters for interest rates of certain investments. As of June 30, 2013, all cash equivalents had maturities of 30 days or less; therefore, the District was not exposed to interest rate risk. The type of investments allowed by the investment policy (as detailed above) ensures that the District is not exposed to credit risk, concentration of credit risk, and foreign currency risk.

3. DUE FROM STATE OF LOUISIANA

Amounts due from the State of Louisiana for hotel occupancy tax collections, appropriations, and grants totaled $14,369,826 at June 30, 2013.

4. NOTES RECEIVABLE

To generate additional construction dollars for revenue enhancing improvements to Champions Square, the District entered into a cooperative endeavor agreement with the Marketing Fund to allow for participation in a new market tax credit transaction (NMTC). As part of the NMTC, on December 29, 2010, the District entered into an agreement to loan $11,539,075 to USB LSED Investment Fund, LLC, at an annual interest rate of 1% maturing on June 30, 2026. The agreement calls for interest only payments to begin on February 10, 2011, and continue until May 1, 2018. Beginning May 1, 2018, the District will receive 98 regular principal and interest payments in the amount of $120,314. Collateral has been pledged by an assignment of all rights, title and interest in the investor membership interest NCF Sub-CDS 5, LLC (NCF) and Mid-City Community CDE-Loan Fund, LLC (Mid City) and the deposit accounts of the Investment Fund. The loan can be prepaid any time prior to maturity. See note 18 for further details of the cooperative endeavor agreement and details of the NMTC.

5. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance June 30, 2012	Additions	Deletions/ Transfers	Balance June 30, 2013
Capital assets not being depreciated - construction-in-progress	$186,418	$1,348,278	($61,541)	$1,473,155
Other capital assets:				
Building and improvements:				
Baseball stadium	$28,053,009			$28,053,009
Outdoor practice facility complex	6,565,115			6,565,115
Indoor practice facility	6,459,360			6,459,360
TPC golf facility	149,346			149,346
Less accumulated depreciation	(11,899,540)	($955,671)		(12,855,211)
Total other capital assets	29,327,290	(955,671)	NONE	28,371,619
Capital asset summary:				
Capital assets not depreciated	$186,418	$1,348,278	($61,541)	$1,473,155
Other capital assets, at cost	41,226,830			41,226,830
Total cost of capital assets	41,413,248	1,348,278	(61,541)	42,699,985
Less accumulated depreciation	(11,899,540)	(955,671)		(12,855,211)
Capital assets, net	$29,513,708	$392,607	($61,541)	$29,844,774

Business-Type Activities

	Balance June 30, 2012	Additions	Deletions/ Transfers	Balance June 30, 2013
Capital assets not being depreciated:				
Land	$13,944,160			$13,944,160
Construction-in-progress	88,375,340	$21,243,944	($8,284,600)	101,334,684
Total capital assets not being depreciated	$102,319,500	$21,243,944	($8,284,600)	$115,278,844
Other capital assets:				
Building and improvements	$384,973,188	$5,071,710		$390,044,898
Leasehold improvements	902,611	649,626		1,552,237
Furniture, fixtures and equipment	18,364,755	2,831,147	($186,529)	21,009,373
Less accumulated depreciation	(156,410,718)	(26,143,985)	162,209	(182,392,494)
Total other capital assets	$247,829,836	($17,591,502)	($24,320)	$230,214,014
Capital asset summary:				
Capital assets not depreciated	$102,319,500	$21,243,944	($8,284,600)	$115,278,844
Other capital assets, at cost	404,240,554	8,552,483	(186,529)	412,606,508
Total cost of capital assets	506,560,054	29,796,427	(8,471,129)	527,885,352
Less accumulated depreciation	(156,410,718)	(26,143,985)	162,209	(182,392,494)
Capital assets, net	$350,149,336	$3,652,442	($8,308,920)	$345,492,858

Component Unit

	Balance June 30, 2012	Additions	Deletions/ Transfers	Balance June 30, 2013
Capital assets not being depreciated - construction-in-progress	$308,265	$1,208,988	($1,517,253)	NONE
Other capital assets:				
Assets under capital lease	$850,825			$850,825
Leasehold improvements	11,126,673	$1,517,253		12,643,926
Less accumulated depreciation	(185,266)	(905,435)		(1,090,701)
Total other capital assets	$11,792,232	$611,818	NONE	$12,404,050
Capital asset summary:				
Capital assets not depreciated	$308,265	$1,208,988	($1,517,253)	
Other capital assets, at cost	11,977,498	1,517,253		$13,494,751
Total cost of capital assets	12,285,763	2,726,241	(1,517,253)	13,494,751
Less accumulated depreciation	(185,266)	(905,435)		(1,090,701)
Capital assets, net	$12,100,497	$1,820,806	($1,517,253)	$12,404,050

A component of the 15-year extension of the New Orleans Saints lease agreement with the Superdome through 2025 was the State’s approval to fund $85,000,000 in upgrades and improvements to the facility. These improvements have completely modernized the facility to include an expansion of the Plaza concourse, concession areas, restrooms and elevators, addition of two ground level clubs, new electrical, video and audio systems, widening the ramp to the Gate A entrance, a permanent staircase to Champions Square, expansion of the team retail store, relocation of the press box to the 700 level, an additional 16 suites, and an additional 3,100 seats.

The baseball stadium, home to the Zephyrs, and the two practice facilities, and New Orleans Saints Training Facility, are owned by the District. The District has the use of the land related to the baseball stadium and practice facilities for 60 years at no cost, expiring in April 2055.

6. CAPITAL LEASE

The Marketing Fund leases certain equipment in Champions Square from the District under a capital lease that expires June 30, 2018. The assets and liabilities were recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The carrying value of the assets under the capital lease totaled $554,886 net of accumulated depreciation of $295,939 for the year ended June 30, 2013. Depreciation expense related to the assets acquired by capital lease for the year ended June 30, 2013, totaled $110,673.

The capital lease obligation at June 30, 2013, is payable to the District in annual installments of $140,000 with a 5.515% implicit rate of interest at inception. The equipment lease receivable was recorded as a sales-type lease at the gross investment by Champions Square equal to the total minimum lease payments to be received from the Marketing Fund. The portion representing the unearned interest income is reported within deferred revenue and will be amortized to income over the lease term using the interest method.

At June 30, 2013, future minimum lease payments under the capital lease obligation and the net present value of the future minimum lease payments are as follows:

Fiscal Year	
2014	$140,000
2015	140,000
2016	140,000
2017	140,000
2018	140,000
Total future minimum lease payments	700,000
Less amount representing interest	(89,435)
Present value of future minimum lease payments	610,565
Less current principal obligation	(109,058)
Total long-term principal obligation	$501,507

7. BONDS PAYABLE

The bond issues outstanding at June 30, 2013, and changes in long-term debt for the year then ended are as follows:

Governmental Activities

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
Series 2006A (interest variable; maturing by 2036)	$84,675,000		($84,675,000)		
Series 2006B (interest variable; maturing by 2036)	84,650,000		(84,650,000)		
Series 2006C (interest variable; maturing by 2036)	69,150,000		(69,150,000)		
Series 2006D (interest variable; maturing by 2036)	55,850,000		(55,850,000)		
Series 2013A (various interest rates; maturing by 2036)		$270,870,000		$270,870,000	
Series 2013B (various interest rates; maturing by 2017)		40,475,000		40,475,000	$4,300,000
Series 2013C (2.25% interest rates; maturing by 2039)		50,000,000		50,000,000	
Total outstanding principal	294,325,000	361,345,000	(294,325,000)	361,345,000	4,300,000
Add bond premium		43,103,040	(1,111,918)	41,991,122	2,618,028
Deferred amount on refunding		(41,855,474)	1,103,631	(40,751,843)	(2,648,716)
Less unamortized issuance and escrow costs	(18,154,071)	(3,096,027)	18,202,904	(3,047,194)	(117,200)
Total bonds payable, net	$276,170,929	$359,496,539	($276,130,383)	$359,537,085	$4,152,112

On January 16, 2013, the District issued $361,345,000 of Series 2013 Revenue Refunding Bonds. The purposes of the issue were to refund and defease approximately $294,000,000 of the District’s existing outstanding bonds, to provide approximately $109,000,000 for the termination of the fixed rate hedge agreement and interest rate swap agreement, and to provide for the costs of issuance of the bonds. The bonds are secured by a pledge of the hotel occupancy tax and excess annual revenues of the District. See note 10 for additional information on pledged revenues. The bonds are reported in the 2013 Statement of Net Position, net of unamortized premiums of $41,991,122, deferred amounts on refunding of $40,751,843, and issuance costs of $3,047,194.

The District refunded the Series 2006 bonds to reduce its total debt service payments over the next 23 years by almost $5.5 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt), using the interest rates and swap effectiveness/ineffectiveness of the old debt at the time of refunding of $6.0 million.

The 2013 bonds consist of Senior Revenue Refunding Bonds Tax-Exempt Series 2013A ($270,870,000); Revenue Refunding Bonds Tax-Exempt Series 2013B ($40,475,000); and Subordinate Revenue Refunding Bonds Taxable Series 2013C ($50,000,000). The State owns 100% of the Series 2013C Bonds.

The District defeased issues of the Series 2006B, Series 2006C, and Series 2006D by creating a separate escrow fund with a portion of the funds from the issuance of the Series 2013 bonds. A portion of the proceeds from the Series 2013 bonds were used to purchase securities that were placed in escrow. The investment and fixed earnings from those securities were sufficient to fully service the defeased debt until the debt was cancelled in February and March of 2013. As of June 30, 2013, all of the defeased issues have been redeemed and are no longer outstanding.

The annual requirements to amortize all District bonds outstanding at June 30, 2013 (excluding support fees), are presented in the following schedule.

Fiscal Year	Principal	Interest	Total
2014	$4,300,000	$13,260,108	$17,560,108
2015	8,920,000	14,364,207	23,284,207
2016	9,065,000	14,260,946	23,325,946
2017	9,270,000	14,127,038	23,397,038
2018	9,420,000	13,958,212	23,378,212
2019-2023	53,570,000	63,064,500	116,634,500
2024-2028	67,965,000	48,269,375	116,234,375
2029-2033	85,980,000	29,767,563	115,747,563
2034-2038	89,007,888	32,219,960	121,227,848
2039-2040	23,847,112	18,987,790	42,834,902
Total	$361,345,000	$262,279,699	$623,624,699

Other significant bond features are as follows:

1. The Series 2013A Bonds maturing on or after July 1, 2024 are subject to redemption prior to maturity at the option of the District.

2. The Series 2013B Bonds are not subject to optional redemption.

3. The Series 2013C Bonds were issued through a private placement with the State of Louisiana.

4. The Series 2013C Bonds are subject to redemption prior to maturity at the option of the District.

The Debt Service Fund had assets available of $37,053,762 at June 30, 2013, for payment of the bonds included in governmental activities. Each month, the hotel occupancy tax pays the debt service accounts (a) the interest amount that will be sufficient when accumulated to pay the next installment of interest on the bonds and (b) the principal amount that will be sufficient when accumulated to pay the principal of any of the bonds becoming due and payable.

8. INTEREST RATE HEDGE AGREEMENTS

In fiscal year 2006, the District entered into three interest rate hedge agreements with Merrill Lynch Capital Services, Inc. (MLCS), with rights subsequently transferred to Bank of America (BANA), to reduce the impact of changes in interest rates and to lower its overall borrowing costs on its Series 2006 Revenue and Refunding Bonds. The District's intention was to effectively change the variable interest rate on the bonds to a fixed rate for all series.

On January 16, 2013, in conjunction with the issuance of the Series 2013 Revenue Refunding Bonds, the District paid $108,968,000 to BANA to terminate the existing hedge agreements. These transactions provided the District an opportunity to take advantage of lower fixed interest rates.

9. NOTES PAYABLE

On December 29, 2010, the Marketing Fund issued two promissory notes (A and B) in the amounts of $7,389,333 and $2,410,667, respectively, to Mid-City Community CDE-Loan Fund, LLC, at an interest rate of 1.34%. The notes mature on June 30, 2026. Interest payments are due monthly beginning February 7, 2011, on both Notes A and B and a $100,000 principal payment on Note B is due on October 22, 2017. Regular principal and interest payments on notes A and B begin on August 5, 2018, and are payable in 95 equal installments of $107,681. The notes cannot be repaid prior to October 22, 2017. The notes are collateralized by a leasehold mortgage on the property leased by the Marketing Fund.

On December 29, 2010, the Marketing Fund issued two promissory notes (A and B) in the amounts of $3,635,000 and $1,365,000, respectively, to NCF Sub-CDE, LLC, at an interest rate of 1.34%. The notes mature on June 30, 2026. Interest payments are due monthly beginning February 7, 2011, on both Notes A and B. Regular principal and interest payments on Notes A and B begin on August 5, 2018, and are payable in 95 equal installments of $55,506. The notes cannot be repaid prior to October 22, 2017. The notes are collateralized by a leasehold mortgage on the property leased by the Marketing Fund.

The principal outstanding at June 30, 2013, and changes in notes payable for the year then ended are as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
Component Unit:					
Mid City Community CDE Note A	$7,389,333			$7,389,333	
Mid City Community CDE Note B	2,410,667			2,410,667	
NCF Sub CDE 5 Note A	3,635,000			3,635,000	
NCF Sub CDE 5 Note B	1,365,000			1,365,000	
Total outstanding principal	14,800,000	NONE	NONE	14,800,000	NONE
Less unamortized issuance and escrow costs	(767,467)	NONE	$54,820	(712,647)	NONE
Total component unit	$14,032,533	NONE	$54,820	$14,087,353	NONE

Annual principal and interest payments for notes payable are as follows:

	Component Unit		
Fiscal Year	Principal	Interest	Total
2014		$198,320	$198,320
2015		198,320	198,320
2016		198,864	198,864
2017		198,320	198,320
2018	$100,000	197,505	297,505
2019-2023	8,945,176	699,012	9,644,188
2024-2026	5,754,824	119,888	5,874,712
Total	$14,800,000	$1,810,229	$16,610,229

10. REVENUE SOURCES AND REQUIRED RESTRICTED ASSETS

The District's bonds are secured by a pledge of all revenues of the District that are not previously dedicated for another use; however, the hotel occupancy tax revenues in the parishes of Orleans and Jefferson are expected to be the primary source of funding. These revenues will cover principal and interest requirements until the bonds are fully paid and discharged in 2039. Total revenue pledged for fiscal year ended June 30, 2013, was $100,203,126. Total principal and interest remaining on the bonds was $361,345,000 and $262,279,699, respectively. For the current year, prior to their refunding, the District paid principal, interest, and swap payments of $6,075,000; $2,552,373; and $7,970,431, respectively, on the Series 2006 Bonds. Upon refunding, all remaining outstanding principal and accrued interest were paid which amounted to $288,250,000 and $373,200, respectively.

In accordance with the laws of the State, funds to operate the District are derived from self-generated funds, the 4% hotel occupancy tax (which expires when all bonds are either paid or funded), the lease agreement with the State, the management and operating agreement with the State, and the State's Capital Budget and Capital Outlay Program.

As noted above, the hotel occupancy tax is pledged by the State for the payment of principal and interest on the District's bonds. At the end of each fiscal year after the payment and satisfaction of all obligations of the District, and after all expenses of the operation and maintenance of the District and funding of $2,300,000 to the Renewal and Replacement account and $500,000 annually to the Greater New Orleans Sports Foundation, the excess is then distributed, as established or as prorated, based on available amounts, to Jefferson Parish for tourism promotion; the City of New Orleans for use by the New Orleans Recreation Department; Xavier University; Southern University - New Orleans for its Small Business Center; Jefferson Parish Westbank Sports and Civic Center; University of New Orleans for the School of Hotel, Restaurant, and Tourism Administration; and the New Orleans Visitors and Information Center. After meeting these requirements, the remaining monies shall be deposited for use as outlined in the 1994 Lease Agreement between the District and the State.

Of the $42,020,141 of hotel occupancy tax earned for the year ended June 30, 2013, $24,848,934 was used for debt service requirements and $17,171,207 was used by the District for operational needs. No monies were available for funding of the other requirements.

Various acts of the State legislature, bond resolutions, and indentures and agreements impose the establishment of various restricted accounts that are restricted as to the use of monies deposited therein. The District maintains the following account:

Renewal and Replacement Reserve Account

This account was established to accumulate monies for major maintenance, repairs, renewals, and replacements that are not annually recurring. Excess unrestricted funds at year-end are to be transferred to this account as required by various acts of the State Legislature. During the year ended June 30, 2013, no funds from operations were required to be deposited into the reserve. Deposits to the account were made from nonoperating sources. The total amount of deposits on reserve was $4,367,684 as of June 30, 2013.

Of the total net position reported in the Statement of Net Position for the year ended June 30, 2013, $4,367,684 was restricted by enabling legislation.

11. RENTALS FROM NONCANCELABLE OPERATING LEASES (LESSOR LEASES)

Commitments for future revenue under noncancelable operating leases as of June 30, 2013, are as follows:

	Business-type Activities			Component Unit	
Year Ended June 30,	Cellular Tower Leases	Office Space Lease	Champions Square	Parking Garage	Total
2014	$497,207	$117,487	$2,326,123	$910,637	$3,851,454
2015	499,223	18,900	2,709,975	933,446	4,161,544
2016	486,673	18,900	2,836,403	956,824	4,298,800
2017	483,323	18,900	2,965,360	980,792	4,448,375
2018	488,944	18,900	3,096,895	1,005,357	4,610,096
2019-2023	1,983,346	94,500	5,000,000	5,417,355	12,495,201
2024-2026	59,675		3,000,000	3,587,034	6,646,709
Total	$4,498,391	$287,587	$21,934,756	$13,791,445	$40,512,179

The District leases office space within the Superdome to the Sugar Bowl under a lease agreement until June 2014 and to the Sunbelt Conference under a lease agreement until April 2023. It also leases space within the Superdome and Arena to various cell service providers under agreements expiring at varying intervals until 2022. The District subleases to the Marketing Fund, portions of its leased interest in the former New Orleans Centre Shopping Mall, currently referred to as Champions Square. The sublease allowed the District and the Marketing Fund to take advantage of available new market tax credits to fund additional construction to Champions Square. The terms of the sublease coincide with the terms of the lease agreement with the property owners as described in note 13.

The Marketing Fund entered into a sublease with SMG for the portion of its sublease attributable to the parking garage until June 30, 2026.

Many of the leases contain provisions whereby the annual rentals are to be adjusted by the percentage increase in the Consumer Price Index or other factors dependent on annual revenues which cannot be determined at this time. The District is also a party to other leases in which the annual rentals are based on a percentage of the lessees' annual revenues or on gate receipts and are, therefore, not included in the above totals.

Lease revenues, not including box suite revenues, for the year ended June 30, 2013, were $2,144,382 for the District and $899,526 for the Marketing Fund.

12. PENSION AND PROFIT SHARING PLANS

On April 1, 1992, the employees of SMG, paid indirectly by the District, became members of SMG's 401(k) plan (the Plan). Employees who are eligible to participate in the 401(k) plan may contribute between 1% and 60% of their eligible compensation for non-highly compensated employees and 5% for highly compensated employees up to the limits established by federal law.

SMG will match 40% of the first 5% of eligible compensation contributed by employees. In addition to the matching contribution, SMG may contribute 1% of employees' compensation to the Plan. To be eligible for this 1% contribution, employees must have worked at least 1,000 hours during the plan year, be employed by December 31 of the plan year, and be contributing to the Plan. The vesting schedule is as follows:

Years of Vesting Service	Nonforfeitable Percentage
Less than 1	0%
1 year, but less than 2	33%
2 years, but less than 3	55%
3 years or more	100%

Total pension expense for the Plan was $64,600 for the year ended June 30, 2013.

Contributions are also made to pension plans for members of the Teamsters Union in accordance with its collective bargaining agreement; the District does not guarantee the benefits granted by the Teamsters Union plans.

13. LEASE AND RENTAL COMMITMENTS

On September 15, 2009, the District negotiated an agreement to lease the former New Orleans Centre Shopping Mall and parking garage (Entertainment District Master Lease). The District also entered into a Co-development Agreement with the property owners to redevelop the premises as a venue for entertainment. The term of the lease extends through June 30, 2026, and will automatically be extended until June 30, 2031, if the Saints Stadium Agreement is extended.

On October 13, 2010, the lease was amended and restated to include all amendments to require a $5,000,000 special rent payment for each Super Bowl awarded to New Orleans and to allow the District to negotiate an agreement to sublease the New Orleans Centre Shopping Mall and parking garage to the Marketing Fund. The terms of the sublease extend through June 30, 2026, and the Marketing Fund has the option to extend the sublease for a term equal to the terms of the original lease.

The total payments for operating leases during fiscal year 2013 amounted to $7,259,693 for the District and $1,540,213 for the Marketing Fund. Of this amount, $5,000,000 was included as special rent payment for the NFL awarding the 2013 Super Bowl to the District. The annual base rental payments are as follows:

Year Ended June 30,	Business-Type Activities	Component Unit
2014	$2,326,122	$2,326,122
2015	$2,709,975	$2,709,975
2016	$2,836,403	$2,836,403
2017	$2,965,360	$2,965,360
2018	$2,868,324	$3,096,895
2019-2023	$16,408,597	$5,000,000
2024-2026	$11,600,290	$3,000,000

The annual base rental payments include an annual 2% increase and a fixed incremental increase over the life of the leases. Payments made under this lease by the Marketing Fund are reported as lease income for Champions Square on Statement F.

14. MANAGEMENT AND SUPPORT SERVICES AGREEMENTS

Effective July 1, 1977, the State of Louisiana entered into a management agreement with HMC Management Corporation (which later changed its name to Facility Management of Louisiana, Inc.) (the Management Agreement). Effective June 19, 1998, the Management Agreement was amended to authorize the substitution of SMG for Facility Management of Louisiana, Inc., as manager under the agreement, and to include the Arena among the properties to be managed by the manager under the Management Agreement. Effective July 1, 2003, the Management Agreement was amended and the term of the agreement was extended until June 30, 2012. By the terms of this amendment, the State was required to notify SMG by June 30, 2011, if it elected not to extend the Management Agreement for an additional five years. SMG was not notified by the State and the Management Agreement was further extended for an additional five-year period ending June 30, 2017.

Pursuant to the amendment to the Management Agreement on July 1, 2003, beginning in the year ended June 30, 2007, compensation paid to SMG for its services at the Superdome and New Orleans Arena will consist of a combination of base fee, incentive fee, and bonus fee. The annual “base fee” is $700,000 for the Superdome and $300,000 for the New Orleans Arena. The “incentive fee” will consist of 10% of the adjusted net income of the Superdome and New Orleans Arena, subject to limits established in the agreement. The “bonus fee” will be computed using a percentage of the combined base fees derived from comparing the actual financial performance of the two buildings to budgeted performance. The combined fee paid to SMG for the year may not exceed $1,500,000 as adjusted for the Consumer Price Index, outstanding manager’s capital contributed by SMG, and a fee increment determined by comparing actual fees earned for fiscal years ended June 30, 2004, 2005, and 2006, to those that would have been earned for those years had the revised fee structure been in effect for those years.

Effective October 1, 2008, the District entered into a Support Services Agreement with SMG to provide personnel and resources necessary to perform the administrative, accounting and finance, asset management, public relations, governmental matters and other support services for other facilities. The services with respect to the other facilities and related matters are outside the current scope of the Management Agreement. These services are performed by SMG on behalf of the District which retains final authority over the other facilities and approval for services. The other facilities consist of Champions Square adjacent the Superdome; the Alario Center in Westwego, Louisiana; the Saints Training Facility in Jefferson, Louisiana; the TPC Louisiana Golf Course in Avondale, Louisiana; and Zephyr Field in Metairie, Louisiana. For its services, SMG shall be entitled to receive an annual fee of $150,000. On October 13, 2010, the agreement was amended to reduce the annual fee to $75,000 to provide for the separation of services related to Champions Square. As a result of the sublease of certain portions of Champions Square to the Marketing Fund, a separate support services agreement was entered into between the Marketing Fund and SMG to provide services for an annual fee of $75,000 and for terms consistent to the sublease.

15. CONTINGENT LIABILITIES, RISK MANAGEMENT, AND CLAIMS LIABILITY

Losses arising from judgments, claims, and similar contingencies are paid through the State's self-insurance fund operated by the Office of Risk Management, the agency responsible for the State's risk management program, or by the General Fund appropriation. At June 30, 2013, the District is involved in pending and threatened litigation. The District's legal counselors assess the likelihood of material adverse judgments as remote or are unable to express opinions on the probable outcomes of the proceedings.

16. SUPERDOME STADIUM AGREEMENT

The New Orleans Saints lease the Superdome, under an agreement (Stadium Agreement) dated September 15, 2009, as amended, with the State, the District, SMG, and the New Orleans Louisiana Saints L.L.C. (the Club), a National Football League (NFL) football franchise. The agreement amends and restates the previous lease agreement dated September 30, 1994, as amended. The agreement provides, among other things, certain inducements in the form of reduced rentals and the assignment of certain revenues attributable, directly or indirectly, to the presence of the Club in the Superdome in exchange for the Club remaining in the Superdome through the end of the 2025 NFL season. The assignment of revenues resulted in inducement payments totaling $14,343,606 to the Club for the year ended June 30, 2013.

During the year ended June 30, 2013, the Club received $2,418,953 of other inducements representing amounts collected by the Louisiana Department of Revenue attributable to the income of nonresident NFL professional athletes.

Beginning with the 2012 fiscal year, should the Club's revenue fall below certain benchmark amounts, the State is required to reimburse the Club an amount to cause the Club's revenue to equal the benchmark. For the year ending June 30, 2012, the State's cap on this reimbursement shall be $6 million, increased at a rate of 2% annually for each subsequent fiscal year.

The Club's eligible revenues, as defined in the Stadium Agreement, as amended and restated, exceeded the revenue benchmark for the year ended June 30, 2013, thus reducing the obligation to pay additional inducements to the Club. The reduction in inducement obligations was, in part, a result of the naming rights agreement between the Club and the Mercedes-Benz Corporation. Granting the Club the ability to sell naming rights sponsorship was considered a key factor in lowering the State's economic exposure to future financial inducements. The naming rights revenues are included in the calculation of eligible revenue for each fiscal year under the terms of the Stadium Agreement.

17. ARENA USE AGREEMENTS

On May 2, 2002, the District entered into a use agreement (Original Agreement) with the Hornets NBA Limited Partnership (the Pelicans, formerly the Hornets), a franchise of the National Basketball Association (NBA), under which the Pelicans would relocate to New Orleans and play all home basketball games in the Arena. In January 2008, the Original Agreement was amended to extend the initial terms to June 30, 2014. In June 2012, the Original Agreement was amended and restated in its entirety (Arena Use Agreement) to extend the term and provide for significant improvements to the Arena. The initial term of the Arena Use Agreement extends through June 30, 2024, with an optional 5-year extension which must be elected in writing by June, 30, 2023.

The Original Agreement included a relocation allowance to move the team to New Orleans. The District agreed to reimburse the Pelicans for 20% of any relocation fee paid to the NBA, not to exceed $5,000,000 over the term of their agreement. The remaining $714,286 of the reimbursement obligation was included within the terms of the Arena Use Agreement. The balance was paid during the year ended June 30, 2013, bringing the total reimbursed to date to $5,000,000.

The Arena Use Agreement entitles the Pelicans to all realized revenues from home games including, but not limited to, ticket sales, 40% of gross concession revenues, net revenues from merchandise sales and parking, and various advertising revenues as defined in the agreement. These inducement obligations are recorded as operating expenses of the Arena and totaled $2,414,443 during fiscal year 2013. In return, the Pelicans will reimburse the District for 32% of game day expenses for regular season games and 100% for playoff games. It also provides for an annual payment, beginning in 2012, equal to the greater of $300,000 (increased by 2% annually) or one-half of the net revenues from luxury box suite ticket sales for other Arena events.

The District's inducement obligation to the Pelicans under the Original Agreement, as amended, equaled net parking revenues, 40% of gross concession revenues, and the greater of $300,000 (increased by 2% annually) or one-half of the net revenues from luxury box suite ticket sales for other Arena events. These inducement obligations are recorded as operating expenses of the Arena and totaled $2,720,443 during fiscal year 2013.

The Pelicans are also entitled to receive an amount equal to the income taxes collected by the Louisiana Department of Revenue attributable to the income of nonresident professional NBA sports franchise personnel. For fiscal year ended June 30, 2013, the Pelicans were paid $1,700,658 from the nonresident players' tax.

Under the Original Agreement, as amended, should the Pelicans' revenue fall below certain benchmark amounts, the District was required to reimburse the Pelicans an amount to cause the Pelicans' revenue to equal the benchmark. Beginning with the 2008 fiscal year, the District's cap on this reimbursement was $6.5 million, increased at a rate of 5% for each subsequent fiscal year. The amounts due to the Pelicans for fiscal years 2012 and 2013 for this revenue benchmark were incorporated into the renegotiation of their use agreement with a portion deferred until the Arena improvements and upgrades are substantially complete. The restated Arena Use Agreement requires the District to pay the Pelicans $2,500,000 with a 2% increase per year, annually, due on July 31 of each year beginning 2012. This additional inducement is in consideration of annual financial investments required of the Pelicans to host events in Champions Square, advertise and promote events at the facilities owned by the District, and others as defined in the agreement. The additional inducement for the revenue benchmark totaled $5,750,000 during the year ended June 30, 2013, of which $2,550,000 is currently due and payable to the Pelicans and $3,200,000 was deferred as detailed below. The deferred inducement is reported as a long-term liability in the government-wide financial statements since current resources will not be used to meet the obligation.

In conjunction with the new Arena Use Agreement, the District entered into a Project Development Agreement regarding certain improvements and upgrades to the Arena. The State will provide $50,000,000 of capital outlay funding in three phases of construction each to be completed prior to the 2012, 2013, and 2014 NBA seasons. The Arena Use Agreement provides that for fiscal years ended June 30, 2012 and 2013, when construction is ongoing and additional revenues will not be realized by the Pelicans, the District's inducement obligation has been restated to a fixed amount. The District has been permitted to defer payment of a portion of these additional inducements until the Arena upgrades are substantially complete. For fiscal years ended June 30, 2012 and 2013, the portion of the District's inducement obligation deferred will be $5,100,000 and $3,200,000, respectively. The aggregate amount of $8,300,000, plus accrued interest of 3% on the outstanding balance from July 1, 2012, totaling $402,000, will be paid in 96 equal installments beginning July 31, 2014. As of June 30, 2013, the accrued interest on the deferred obligation was $153,000.

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2015	$977,152	$247,697	$1,224,849
2016	1,006,873	217,976	1,224,849
2017	1,037,498	187,351	1,224,849
2018	1,069,054	155,794	1,224,848
2019-2022	4,611,423	287,973	4,899,396
Total	$8,702,000	$1,096,791	$9,798,791

The Arena Use Agreement created the Arena Renewal and Replacement Fund and established quarterly funding requirements beginning in fiscal year 2013. The State has also agreed to provide the Pelicans $10,000,000 for the construction of a new training facility or the redevelopment of an existing training facility, subject to certain elections which must be made by the Pelicans before July 1, 2013.

18. COOPERATIVE ENDEAVOR AGREEMENTS

On July 1, 2002, the District entered into a cooperative endeavor agreement with the Louisiana Department of Treasury to undertake capital improvements totaling $10,002,800 for the NBA upgrades to the New Orleans Arena for the Pelicans to play home games. The total amount of the agreement, as amended in June 2004 to provide additional funding of $6,500,000 for the improvements, is $16,502,800. Of this amount, $16,332,481 has been expended as of June 30, 2013.

Effective November 25, 2008, the State, The Players Club (TPC), the District, and the Division of Administration (DOA) entered into a purchase agreement and a cooperative endeavor agreement for the State to acquire the TPC's Louisiana golf course property and to transfer from the State and DOA to the District all State and DOA jurisdiction over, and authority for, the oversight and administration of the Tournament Players Club Golf Facility (the Golf Facility) as well as oversight and administration of all funds appropriated, or to be appropriated, by the State related to the supervision, operation, and management of the Golf Facility.

In April 2012, the District entered into a cooperative endeavor agreement with the DOA, Office of Community Development, to obtain assistance from the CDBG Disaster Recovery Program, through the Local Government Infrastructure Program. The Office of Community Development, as administrator of the CDBG Disaster Recovery Program, provided $11,321,670 of funding to the District in fiscal year 2013 to reimburse certain expenditures incurred in the expeditious and effective recovery and repair of the Superdome damaged by hurricanes Katrina and/or Rita.

On October 15, 2010, the District entered into a cooperative endeavor agreement with the Marketing Fund to evidence the obligations of the District with respect to a NMTC transaction pursuant to Section 45D of the Internal Revenue Code of 1986. The agreement further defines the project as the development of Champions Square and the responsibilities of each party related to the project under the NMTC transaction. The term of the agreement will expire on the earlier of (a) the date that the community development entity (CDE) loan documents with the Marketing Fund are terminated or do not become effective, the loans are paid in full, or (b) June 30, 2026. The participation in the NMTC transaction required the District to make certain guarantees, including the CDE loans to the Marketing Fund. The District’s obligations under the agreement are only payable in the event the Marketing Fund has insufficient funds to cover its operating expenses or debt service payments. The District has agreed to make a contribution to the capital of the Marketing Fund sufficient to meet its obligations, but only to the extent that resources are available after the District has met its own obligations. The contribution of capital can only be made from sources not dedicated or restricted for other purposes.

Effective November 14, 2012, the State, the District, and Jefferson Parish entered into a management agreement whereby Jefferson Parish accepts the exclusive rights to manage, operate, market, and administer the Alario Center. The agreement is for an initial five-year term with an automatic five-year extension. Jefferson Parish will fund operating and maintenance costs of the Alario Center for the duration of the agreement. The District will serve as Contract Administrator and represent the State to monitor Jefferson Parish's performance in the management of the Alario Center. As part of the agreement, the District will allocate $1,000,000 to Jefferson Parish for the preparation of and work related to the repair plan at the Alario Center. Jefferson Parish will reimburse all funds allocated by the District within one year.

19. WORKING CAPITAL AND FINANCIAL POSITION

During the year ended June 30, 2013, the District experienced an operating loss, in part, because of rent obligations required by the lease agreement for Champions Square (see note 13), and continued unfavorable results of the interest rate hedge agreements (see note 8), which were terminated upon the issuance of the Series 2013 bonds. As a result of the refunding of the Series 2006 bonds and the termination of the interest rate hedge agreements, the District will realize a reduction in interest expense in future years which will increase funding available to the District to meet the debt service payments and other financial obligations.

To prevent future losses, the District will need to obtain additional nonoperating revenues, receive aid from the State, or other relief in meeting its financial commitments. Management of the District is working to obtain other revenue sources and operating efficiencies to improve the financial position of the District.

SUPPLEMENTARY INFORMATION

ANNUAL FISCAL REPORT TO THE OFFICE OF
THE GOVERNOR, DIVISION OF ADMINISTRATION,
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY
As of and for the Year Ended June 30, 2013

The annual fiscal report presents the financial position of the Louisiana Stadium and Exposition District, as of June 30, 2013, and the results of its changes in fund net position and its cash flows for the year then ended. This report contains information in the format requested by the Office of Statewide Reporting and Accounting Policy for consolidation into the Louisiana Comprehensive Annual Financial Report.

LSED
LOUISIANA STADIUM & EXPOSITION DISTRICT

August 29, 2013

Office of the Louisiana Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov

Dear Auditor:

Enclosed are the financial statements of the Louisiana Stadium and Exposition District as of, and for the year ended, June 30, 2013, prepared in accordance with the instructions provided by the Division of Administration, Office of Statewide Reporting and Accounting Policy for entities reporting as business-type activities.

If you have any questions concerning the information submitted, please contact me.

Sincerely,

M. David Weidler
Senior Director of Finance and Administration
Louisiana Stadium and Exposition District

1500 Girod Street New Orleans, LA 70113 504.587.3913 504.587.3502 (fax)

LOUISIANA STADIUM AND EXPOSITION DISTRICT
Annual Financial Statements
June 30, 2013

CONTENTS

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2013

LOUISIANA STADIUM AND EXPOSITION DISTRICT
Post Office Box 52439
New Orleans, LA 70152

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov.

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, M. David Weidler, Senior Director of Finance and Administration of the Louisiana Stadium and Exposition District who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Stadium and Exposition District at June 30, 2013 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 29th day of August, 2013.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: M David Weidler

Title: Senior Director of Finance and Administration

Telephone No.: (504)-587-3850

Date: 8/29/13

Email Address: David.Weidler@smgneworleans.com

MEGAN C. RIESS
NOTARY PUBLIC
LA. BAR ROLL #32227
STATE OF LOUISIANA
My Commission Expires
At Death

LaPorte, APAC
Town Hall West
10000 Perkins Rowe | Suite 200
Baton Rouge, LA 70810
225.296.5150 | Fax 225.296.5151
LaPorte.com

ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners
Louisiana Stadium and Exposition District
New Orleans, LA

We have compiled the accompanying special-purpose financial statements of the Louisiana Stadium and Exposition District (the District), a component unit of the State of Louisiana, as of and for the year ended June 30, 2013. We have not audited or reviewed the accompanying special-purpose financial statements and, accordingly, do not express an opinion or provide any assurance about whether the special-purpose financial statements are in accordance with the policies and practices of the State of Louisiana Division of Administration Office of Statewide Reporting and Accounting Policy.

The District's management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the policies and practices of the State of Louisiana Division of Administration Office of Statewide Reporting and Accounting Policy, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the special-purpose financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of special-purpose financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the special-purpose financial statements.

The accompanying special-purpose financial statements were prepared for the purpose of complying with the requirements of the State of Louisiana Division of Administration Office of Statewide Reporting and Accounting Policy and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

As discussed in Note A to the special purpose financial statements, the Louisiana Superdome Marketing and Promotional Fund is included in the financial statements and related disclosures as a component unit of the District for the year ended June 30, 2013.

The management's discussion and analysis information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

We are not independent with respect to Louisiana Stadium and Exposition District.

LaPorte

A Professional Accounting Corporation

August 30, 2013

Management's Discussion and Analysis of the Louisiana Stadium and Exposition District's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the District's financial statements.

The District is considered a component unit of the State and must report as special-purpose government engaged only in business-type activities for the purpose of complying with the requirements of the State of Louisiana Division of Administration Office of Statewide Reporting and Accounting Policy. These financial statements include the financial results of the District and its component unit.

FINANCIAL HIGHLIGHTS

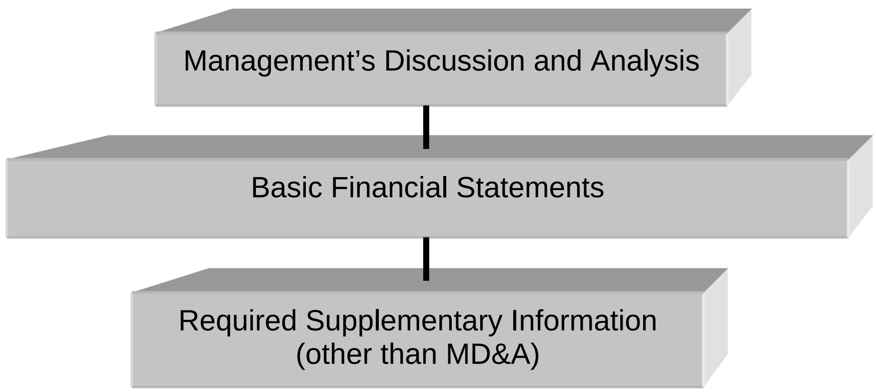
- The District's assets and deferred outflows exceeded liabilities and deferred inflows at the close of fiscal year 2013 by $64,158,897, which represents a 20% decrease from the last fiscal year. The net position decreased by $15,600,031 during fiscal year 2013.

- The District has received $14,198,751 in capital contributions for the year ended June 30, 2013. This represents a decrease of $7,122,307 from the prior fiscal year. The contributions fund various capital projects for improvements to the Mercedes-Benz Superdome and the New Orleans Arena.

- The District received $42,020,141 of hotel occupancy taxes for the year ended June 30, 2013. This represents an increase of $4,625,823 over the prior fiscal year and is the highest annual collections ever received. The increase in the hotel tax collections has reduced the District's dependency on the State's general fund appropriations to meet the contractual obligations on the District.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the District established by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments:*



These financial statements consist of three sections: management's discussion and analysis (this section), the basic financial statements and related notes, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; the Statement of Activities; and the Statement of Cash Flows.

- The Statement of Net Position presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position, which may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

- The Statement of Revenues, Expenses, and Changes in Net Position and Statement of Activities present information showing how the District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

- The Statement of Cash Flows presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement 34.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The previous graphic shows how the required parts of this annual report are arranged and relate to one another.

FINANCIAL ANALYSIS OF THE DISTRICT

Statements of Net Position
As of June 30, 2013 and 2012
(in thousands)

	2013	2012
Current and other assets	$ 92,117	$ 104,801
Capital assets	387,742	391,764
Total assets	479,859	496,565
Total deferred outflow of resources	-	-
Current and other liabilities	37,273	34,916
Long-term debt outstanding	378,427	381,890
Total liabilities	415,700	416,806
Total deferred inflow of resources	-	-
Net position:		
Net investment in capital assets	127,495	34,692
Restricted	42,126	33,567
Unrestricted	(105,462)	11,500
Total net position	$ 64,159	$ 79,759

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net position is those assets that do not have any limitations on what these amounts may be used for.

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2013 and 2012
(in thousands)

	2013	2012
REVENUES		
Program revenues:		
Charges for services	$ 45,487	$ 43,801
Grants and contributions	25,520	34,536
General revenues:		
Hotel occupancy taxes	42,020	37,394
State appropriations	-	8,858
New Orleans Sports Franchise Fund	7,000	6,157
Pari-Mutuel Live Racing Facility Slots	3,452	3,213
Players' tax	4,120	2,961
Interest and other income	6,680	259
Total revenues	134,279	137,179
PROGRAM EXPENSES		
Interest on long-term debt	34,083	19,386
Facility operation	116,027	104,581
Total expenditures	150,110	123,967
Investment (loss) gain, net	231	(33,016)
Other expenses	-	(341)
Net (decrease) in net position	$ (15,600)	$ (20,145)

The District's total revenues decreased from 2012 to 2013 by $2,900,000. The total cost of all programs and services increased by $26,143,000, primarily as a result of the increase in rental expense and costs associated with bond refunding. The decrease in total revenues is due primarily to a decrease in capital contributions made by the State for related improvements to the facilities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013 and 2012, the District had $375,337,632 and $379,663,044, respectively, invested in capital assets, net of accumulated depreciation of $195,274,705 and $168,310,258, respectively, including land, buildings and improvements, and furniture, fixtures, and equipment. The District's component unit had $12,404,050 and $12,100,497, at June 30, 2013 and 2012, respectively, invested in capital assets, net of accumulated depreciation of $1,090,701 and $185,266, respectively. The component unit's capital assets consisted of building improvements to the facility it leases from the District.

Capital assets as of June 30 (in thousands):

	2013	2012
Land	$ 13,944	$ 13,944
Buildings and improvements	262,036	279,800
Furniture, fixtures, and equipment	8,954	9,150
Construction in progress	102,808	88,870
Total	$ 387,742	$ 391,764

Debt

The District had $361,345,000 and $294,325,000 in revenue bonds outstanding at June 30, 2013 and June 30, 2012. In January 2013, the District issued Series 2013 to refund the Series 2006 bonds issued in March 2006, to provide for the termination of the fixed rate hedge agreement and interest rate swap agreement, and to provide for the costs of issuance of the bonds. The District's first required principal payment on the Series 2006 bonds of $6,075,000 was due on July 1, 2012. The District's first required principal payment on the Series 2013 bonds of $4,300,000 is due on July 1, 2013.

In June 2004, the District entered into an agreement with the Louisiana Economic Development Corporation for a loan of $7,500,000 to be used for the payment of obligations relative to professional sports franchises. That debt was paid in full during the year ended June 30, 2012.

The District's component unit has $14,800,000 in outstanding notes payable related to a new market tax credit financing agreement entered into in 2010. The notes were issued to generate additional construction dollars for revenue enhancing improvements to Champions Square.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's appointed officials considered the following factors and indicators when setting next year's budgets, rates, and fees:

- Staffing requirements and operating expenses due to the Mercedes-Benz Superdome, the New Orleans Arena, and Champions Square being fully operational

- Events anticipated based on contracts and historical cost

- Hotel occupancy tax revenue based on conventions planned in New Orleans and estimates of future conventions projected to come to New Orleans

- Contractual obligations to professional sports franchises

The District has incurred operating losses for fiscal years ended June 30, 2013 and June 30, 2012. During fiscal years 2013 and 2012, the District's net position decreased $15,600,031 and $20,144,670, respectively. The operating losses are funded by statutorily dedicated revenues, state appropriations, and hotel occupancy taxes.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions about this report or additional financial information may be obtained by contacting M. David Weidler, Senior Director of Finance and Administration, SMG, Post Office Box 52439, New Orleans, Louisiana 70152.

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

Statement A
(continued)

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	58,149,313
Restricted Cash and Cash Equivalents		
Investments		
Derivative instrument		
Receivables (net of allowance for doubtful accounts) (Note U)		15,867,203
Due from other funds (Note Y)		-
Due from federal government		
Inventories		134,745
Prepayments		339,196
Notes receivable		
Other current assets		140,000
Total current assets		74,630,457
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		4,647,165
Investments		
Receivables		704,810
Investments		
Notes receivable		
Capital assets, net of depreciation (Note D)		
Land and non-depreciable easements		13,944,160
Buildings and improvements		262,035,726
Machinery and equipment		8,953,957
Infrastructure		
Intangible assets		
Construction/Development-in-progress		102,807,839
Other noncurrent assets		12,134,944
Total noncurrent assets		405,228,601
Total assets	$	479,859,058
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	$	-
Total assets and deferred outflow of resources	$	479,859,058

See Accountant's Compilation Report.
The accompanying notes are an integral part of these financial statements.

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

Statement A
(concluded)

LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	22,602,387
Derivative instrument		-
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		9,740,832
Amounts held in custody for others		
Other current liabilities		286,264
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		382,675
Capital lease obligations		109,058
Claims and litigation payable		
Notes payable		-
Pollution remediation obligation		
Bonds payable (include unamortized costs)		4,152,112
Other long-term liabilities		
Total current liabilities		37,273,328
NONCURRENT LIABILITIES:		
Contracts payable		
Compensated absences payable		
Capital lease obligations		501,507
Claims and litigation payable		
Notes payable		14,087,353
Pollution remediation obligation		
Bonds payable (include unamortized costs)		355,384,973
OPEB payable		
Other long-term liabilities		8,453,000
Total noncurrent liabilities		378,426,833
Total liabilities		415,700,161
DEFERRED INFLOWS OF RESOURCES		
Accumulated increase in fair value of hedging derivatives	$	-
Deferred service concession arrangement receipts		-
Total deferred inflows of resources		-
NET POSITION		
Net investment in capital assets		127,494,811
Restricted for:		
Capital projects		-
Debt Service		37,053,762
Unemployment compensation		-
Other specific purposes		5,072,494
Unrestricted		(105,462,170)
Total net position		64,158,897
Total liabilities, deferred inflows of resources, and net position	$	479,859,058

See Accountant’s Compilation Report.
The accompanying notes are an integral part of these financial statements.

STATE OF LOUISIANA **Statement B**
LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

OPERATING REVENUE		
Sales of commodities and services	$	45,488,189
Assessments		
Use of money and property		
Licenses, permits, and fees		
Federal grants and contracts		
State, local and nongovernmental grants and contracts		
Other		
Total operating revenues		45,488,189
OPERATING EXPENSES		
Cost of sales and services		72,097,989
Administrative		1,207,034
Depreciation		28,005,091
Amortization		
Total operating expenses		101,310,114
Operating income (loss)		(55,821,925)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations		-
Intergovernmental revenues (expenses)		-
Taxes		57,294,287
Use of money and property		230,576
Gain on disposal of fixed assets		
Loss on disposal of fixed assets		(24,320)
Federal grants		11,321,670
Interest expense		(34,372,791)
Other revenue		
Other expense		(8,426,279)
Total non-operating revenues (expenses)		26,023,143
Income (loss) before contributions, extraordinary items, and transfers		(29,798,782)
Capital contributions		14,198,751
Extraordinary item		
Transfers in		
Transfers out		-
Change in net position		(15,600,031)
Total net position - beginning		79,758,928
Total net position - ending	$	64,158,897

See Accountant's Compilation Report.
The accompanying notes are an integral part of these financial statements.

STATE OF LOUISIANA **Statement C**
LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Louisiana Stadium and Exposition District	$ 150,110,355	$ 45,488,189	$ 11,321,670	$ 14,198,751	$ (79,101,745)
General revenues:					
Taxes					57,294,287
State appropriations					-
Grants and contributions not restricted to specific programs					-
Interest					230,576
Miscellaneous					6,001,171
Special items					(24,320)
Extraordinary item					
Transfers					-
Total general revenues, special items, and transfers					63,501,714
Change in net position					(15,600,031)
Net position - beginning					79,758,928
Net position - ending					$ 64,158,897

See Accountant's Compilation Report.
The accompanying notes are an integral part of these financial statements.

STATE OF LOUISIANA **Statement D (concluded)**
LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Cash flows from operating activities		
Cash receipts from customers	$ 40,400,002	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(59,298,774)	
Cash payments to employees for services	(12,446,506)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any		
Net cash provided (used) by operating activities		(31,345,278)
Cash flows from non-capital financing activities		
State appropriations	9,369,797	
Federal receipts	11,321,670	
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable	-	
Interest paid on notes payable	-	
Operating grants received	-	
Transfers in		
Transfers out		
Other	54,379,152	
Net cash provided (used) by non-capital financing activities		75,070,619
Cash flows from capital and related financing activities		
Proceeds from sale of bonds	404,448,040	
Principal paid on bonds	(294,325,000)	
Interest paid on bond maturities	(12,073,427)	
Proceeds from issuance of notes payable	-	
Principal paid on notes payable	-	
Interest paid on notes payable	-	
Acquisition/construction of capital assets	(18,647,584)	
Proceeds from sale of capital assets		
Capital contributions	-	
Deposits with trustees		
Other	(114,742,212)	
Net cash provided (used) by capital and related financing activities		(35,340,183)
Cash flows from investing activities		
Purchases of investment securities	-	
Proceeds from sale of investment securities	-	
Interest and dividends earned on investment securities	230,576	
Net cash provided (used) by investing activities		230,576
Net increase (decrease) in cash and cash equivalents		8,615,734
Cash and cash equivalents at beginning of year		54,180,744
Cash and cash equivalents at end of year		$ 62,796,478

See Accountant's Compilation Report.
The accompanying notes are an integral part of these financial statements.

STATE OF LOUISIANA **Statement D (concluded)**
LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)		$ (55,821,925)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	28,005,091	
Provision for uncollectible accounts		
Other	-	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net	(4,243,594)	
(Increase) decrease in due from other funds		
(Increase) decrease in prepayments	1,174,433	
(Increase) decrease in inventories	(82,598)	
(Increase) decrease in other assets	-	
Increase (decrease) in accounts payable and accruals	5,332,171	
Increase (decrease) in compensated absences payable	12,378	
Increase (decrease) in due to other funds		
Increase (decrease) in deferred revenues	(4,511,828)	
Increase (decrease) in OPEB payable	-	
Increase (decrease) in other liabilities	(1,209,406)	
Net cash provided (used) by operating activities		$ (31,345,278)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	$
Contributions of fixed assets	-
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
State construction projects	840,179
Total noncash investing, capital, and financing activities:	$ 840,179

See Accountant's Compilation Report.
The accompanying notes are an integral part of these financial statements.

INTRODUCTION

The Louisiana Stadium and Exposition District (the District) was created in 1966 pursuant to Article XIV, Section 47 of the Constitution of the State of Louisiana (the State) of 1921, as amended and continued as a statute by Article XIV, Section 16 of the Constitution of the State of Louisiana of 1974 (the "Original Act") as a body politic and corporate and political subdivision of the State, composed of all the territory in the parishes of Orleans and Jefferson, Louisiana. The District was created for the purpose of planning, acquiring, financing, owning, constructing, maintaining, and operating recreational facilities, recreation centers and other facilities to be located within the District to accommodate the holding of conventions, exhibitions, sports events, athletic contests, and other public meetings, and all facilities and properties incidental and necessary to a complex suitable for any or all types of sports and recreation, all as more specifically provided in the Original Act.

The District acquired a site and constructed thereon the Louisiana Superdome which opened in August 1975. The Louisiana Superdome is leased by the District to the State pursuant to a Lease Agreement. The District initially managed and operated the Louisiana Superdome on behalf of the State pursuant to a management and operating agreement dated February 1, 1969. In 1976, Act No. 541 of the 1976 Regular Session of the State Legislature (Act No. 541) transferred the responsibility for the management and operation of the Louisiana Superdome to the Office of the Governor of the State and authorized the governor to delegate the management and operation of the Superdome to a professional management organization. In 1977, the District was transferred to and placed in the Office of the Governor of the State pursuant to the Executive Reorganization Act. At the same time, Act No. 64 of the 1977 Regular Session of the State Legislature approved and authorized execution of a Management Agreement between the State and HMC Management Corporation (the predecessor in interest of SMG, the current manager of the Louisiana Superdome), which was signed by the parties under date of June 30, 1977.

In October 2011, the New Orleans Saints entered into a naming rights agreement with the Mercedes-Benz Corporation to acquire the name and title sponsorship to the Louisiana Superdome. Louisiana Revised Statute 51:293.1 authorizes the District to sell or transfer the right to designate and use an alternative name to refer to the Louisiana Superdome. With State lawmakers’ final approval on October 28, 2011, the new name of the Louisiana Superdome became the Mercedes-Benz Superdome (the Superdome).

Act No. 640 of the 1993 Regular Session of the State Legislature amended Act No. 541 to provide, among other things, for the construction of the New Orleans Arena (the Arena) and that all authority for the management and operation of all properties then or thereafter owned by or under the control of the District vested in the State, through the Office of the Governor, with continuing authority to delegate that authority and responsibility to a private management company. In 1998, by a Fourth Amendment to the Management Agreement dated June 19, 1998, between the State, Facility Management of Louisiana, Inc., (formerly doing business under the name HMC Management Corporation) and SMG, the State delegated its management authority over the Arena to SMG. The District completed construction of the Arena adjacent to the Superdome in 1999, and the Arena opened for operations in October 1999 under the management of SMG.

Notwithstanding the transfer of management authority to the State and by the State to the manager, Act No. 541, as amended by Act No. 640, provides that for the purposes of and in connection with the undertakings authorized by the Act, including the issuance and servicing of any bonds, the District shall be acting solely in its capacity as a political subdivision of the State, and further provides that the District shall provide annually to the State Legislature and the Legislative Auditor information concerning the finances of the District.

The District is governed by a board of commissioners (the Board) composed of seven members appointed by the governor of the State and confirmed by the State Senate. The commissioners serve at the pleasure of the governor of the State.

The Board has the power to plan, acquire, finance, own, construct, operate, and maintain recreational facilities, recreation centers, and other facilities to accommodate expositions, conventions, exhibitions, sports events, spectacles, and other public meetings, and all facilities and properties incidental and necessary to a complex suitable for any or all types of sports and recreation, and shall exercise them in the name and on behalf of the District. The District has no employees.

In 2011, the District entered into various transactions with the Louisiana Superdome Marketing and Promotional Fund (the Marketing Fund), a separate legal nonprofit corporation, to take advantage of new market tax credits available to fund further economic development of the District. The Articles of Incorporation of the Marketing Fund were amended to include that the Board of Directors would be comprised of the chairman of the board of the District, a member appointed by the governor of the State of Louisiana, and a third member appointed by either of the other two directors. The District has included the Marketing Fund as a discretely presented component unit within the accompanying financial statements. The voting majority of the Marketing Fund’s board is appointed by the District and there is a financial benefit/burden to the District.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana Stadium and Exposition District present information only as to the transactions of the programs of the Louisiana Stadium and Exposition District and its component unit as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Stadium and Exposition District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition
Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition
Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING (not applicable)

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Stadium and Exposition District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity’s deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the entity’s name.

The deposits at June 30, 2013, consisted of the following:

	Cash	Deposits in bank accounts: Nonnegotiable Certificates of Deposit	Deposits in bank accounts: Government Securities Money Market	Total
Deposits per statement of net position (Reconciled bank balance)	$ 29,597,370	$	$ 33,164,770	$ 62,762,140
Deposits in bank accounts per bank	$ 29,966,037	$	$ 33,164,770	$ 63,130,807
Bank balances exposed to custodial credit risk	$ 29,466,038	$	$	$ 29,466,038
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution	29,466,038			29,466,038
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name				

NOTE: The “Deposits in bank accounts per bank” will not necessarily equal the “Deposits per statement of net position” due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the “Deposits in bank accounts per bank” balances shown above:

Banking Institution	Program	Amount
1. Capital One	Enterprise Funds	$ 11,557,416
2. Capital One	General Fund & Capital Projects	17,373,236
3. Bank of New York	Debt Service Fund	33,164,770
4. Capital One	Component Unit	756,342
5. US Bank	Component Unit	279,043
Total		$ 63,130,807

Listed below is petty cash that is included in cash on the statement of net position:

Cash in State Treasury	$
Petty cash	$ 34,338

2. INVESTMENTS (not applicable)

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES (not applicable)

4. DERIVATIVES (GASB 53) (not applicable)

5. POLICIES

The District maintains cash on hand, cash on deposit with banks in demand deposit accounts, and cash in interest-bearing deposit accounts. The District maintains cash equivalents that consist of money market funds held in escrow by the bond trustee.

The District is allowed to invest funds as prescribed and allowed by state law. Generally, the law provides that allowable investments are direct securities of the U.S. Treasury, certificates of deposit of Louisiana domiciled banks, certain guaranteed investment contracts, and other federally insured investments (i.e., FNMA, FHLMC, FHLB, PEFCO, and Sallie Mae) and mutual or trust fund institutions registered with the Securities and Exchange Commission under appropriate acts which have underlying investments consisting solely of and limited to securities in the U.S. government or its agencies.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The District's investment policy does not limit the amount of its holdings of securities by counterparties. At June 30, 2013, the District's cash and cash equivalents were invested in money market funds held by a counterparty in the name of the District. Money market investments for 2013 consisted of the Federated Government Obligations Fund (Symbol GOSXX), which is rated Aaa-mf by Moody's and AAAm by Standard and Poor's. The funds' holdings consist exclusively of short-term U.S. Treasury bills, notes, and other obligations issued or guaranteed by the U.S. Treasury, and repurchase agreements collateralized by such obligations. The investments are not exposed to custodial credit risk or concentration of credit risk.

As a means of limiting its exposure to fair value losses arising from rising interest rates (interest rate risk), the investment policy prescribed by Louisiana law establishes limits for investments with maturities of 30 days or longer and establishes parameters for interest rates of certain investments. As of June 30, 2013, all cash equivalents had maturities of 30 days or less; therefore, the District was not exposed to interest rate risk. The type of investments allowed by the investment policy (as detailed above) ensures that the District is not exposed to custodial credit risk, concentration of credit risk, and foreign currency risk.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS (not applicable)

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the District and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the District is charged as an expense against operations. Accumulated depreciation is reported on the statement of net position. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
NOTES TO THE FINANCIAL STATEMENT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Schedule of Capital Assets (includes capital leases)

	Balance 6/30/2012	Prior Period Adjustments	Restated Balance 6/30/2012	Additions	* Reclassifi-cation of CIP	** Retirements	Balance 6/30/2013
Capital assets not depreciated:							
Land	$ 13,944,160	$	$ 13,944,160	$	$	$	$ 13,944,160
Non-depreciable land improvements			-				-
Non-depreciable easements			-				-
Capitalized collections			-				-
Software - development in progress			-				-
Construction in progress	88,870,023		88,870,023	23,801,210	(9,863,394)	-	102,807,839
Total capital assets not depreciated	$ 102,814,183	$ -	$ 102,814,183	$ 23,801,210	$ (9,863,394)	$ -	$ 116,751,999
Other capital assets:							
Depreciable land improvements	$	$	$ -	$	$	$	$ -
** Accumulated depreciation			-				-
Total land improvements	-	-	-	-	-	-	-
Buildings	438,229,302		438,229,302	7,238,589	-	-	445,467,891
** Accumulated depreciation	(158,430,126)		(158,430,126)	(25,002,038)	-	-	(183,432,164)
Total buildings	279,799,176	-	279,799,176	(17,763,449)		-	262,035,727
Machinery & Equipment	19,215,580		19,215,580	2,831,147	(186,529)	-	21,860,198
** Accumulated depreciation	(10,065,398)		(10,065,398)	(3,003,053)	162,209	-	(12,906,242)
Total machinery & equipment	9,150,182	-	9,150,182	(171,906)	(24,320)	-	8,953,956
Infrastructure			-				-
** Accumulated depreciation			-				-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)			-				-
Other intangibles			-				-
** Accumulated amortization - software			-				-
** Accumulated amortization - other intangibles			-				-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	$ 288,949,358	$ -	$ 288,949,358	$ (17,935,355)	$ (24,320)	$ -	$ 270,989,683
Capital asset summary:							
Capital assets not depreciated	$ 102,814,183	$ -	$ 102,814,183	$ 23,801,210	$ (9,863,394)	$ -	$ 116,751,999
Other capital assets, book value	457,444,882	-	457,444,882	10,069,736	(186,529)	-	467,328,089
Total cost of capital assets	560,259,065	-	560,259,065	33,870,946	(10,049,923)	-	584,080,088
Accumulated depreciation/amortization	(168,495,524)	-	(168,495,524)	(28,005,091)	162,209	-	(196,338,406)
Capital assets, net	$ 391,763,541	$ -	$ 391,763,541	$ 5,865,855	$ (9,887,714)	$ -	$ 387,741,682

E. INVENTORIES

The District's inventories are valued at cost. These are perpetual inventories and are expensed when used.

F. RESTRICTED ASSETS

Restricted assets in the District at June 30, 2013, reflected at $5,351,975 in the non-current assets section on Statement A, consist of $4,647,165 in cash with fiscal agent, and $704,810 in receivables. The cash and receivables are restricted for construction, renewals and replacements, and the restricted use for concessionaire.

G. LEAVE

1. COMPENSATED ABSENCES

Under the Management Agreement with SMG, all employees engaged in managing and operating the Superdome and the Arena are employees of SMG. SMG provides for compensated absences for its employees. SMG employees can earn 10 to 30 days per year of vacation leave, depending on their length of employment and on certain collective bargaining and union agreements. At the end of any fiscal year, all employees can carry forward no more than the number of days earned during the fiscal year. Upon termination, a non union employee is paid for up to 192 hours of accumulated vacation, if applicable, and members of the Craft Council and Teamsters Union are paid for accumulated vacation up to what they have earned during the year. The accumulated net provision by the District for unpaid vacation benefits due employees of SMG as of June 30, 2013 was $382,675.

2. COMPENSATORY LEAVE (not applicable)

H. RETIREMENT SYSTEM (not applicable)

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (not applicable)

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2013 amounted to $7,259,692 for the District and $1,540,213 for its component unit. A schedule of payments for operating leases follows:

Nature of lease	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019-2023	FY 2024-2028
Office Space	$	$	$	$	$	$	$
Equipment							
Land							
Other:							
New Orleans Center Complex	2,326,123	2,709,975	2,836,403	2,965,360	2,868,324	16,408,597	11,600,290
Component Unit	2,326,123	2,709,975	2,836,403	2,965,360	3,096,895	5,000,000	3,000,000
Total	$ 4,652,246	$ 5,419,950	$ 5,672,806	$ 5,930,720	$ 5,965,219	$ 21,408,597	$ 14,600,290

2. CAPITAL LEASES

Capital leases are recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and GASB Statement 62 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$	$	$
b. Buildings			
c. Equipment	850,825	89,435	610,565
d. Land			
e. Other			
Total	$ 850,825	$ 89,435	$ 610,565

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of June 30, 2013 and a breakdown of yearly principal and interest:

Year ending June 30:		Total
2014	$	140,000
2015		140,000
2016		140,000
2017		140,000
2018		140,000
2019-2023		
2024-2028		
2029-2033		
Total minimum lease payments		700,000
Less amounts representing executory costs		
Net minimum lease payments		700,000
Less amounts representing interest		(89,435)
Present value of net minimum lease payments	$	610,565

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF – (None)

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Capital leases are recognized in the accompanying financial statements. The District's component unit eases certain equipment from the District under a capital lease that expires June 30, 2018. The assets and liabilities were recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The carrying value of the assets under the capital lease totaled $554,886 net of accumulated depreciation of $295,939 for the year ended June 30, 2013. Depreciation expense related to the assets acquired by capital lease for the year ended June 30, 2013, totaled $110,673.

The capital lease obligation at June 30, 2013 is payable to the District in annual installments of $140,000 with a 5.515% implicit rate of interest at inception. The equipment lease receivable was recorded as a sales-type lease at the gross investment by Champions Square equal to the total minimum lease payments to be received from the Marketing Fund. The portion representing the unearned interest income is reported within deferred revenue and will be amortized to income over the lease term using the interest method.

Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space		$	$	$
b. Buildings				
c. Equipment	10/13/2010	700,000	89,435	610,565
d. Land				
e. Other				
Less amounts representing executory costs				
Minimum lease payments receivable		700,000		
Less allowance for doubtful accounts		-		
Net minimum lease payments receivable		700,000		
Less estimated residual value of leased property				
Less unearned income		(89,435)		
Net investment in direct financing lease		$ 610,565		

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of June 30, 2013.

Year ending June 30:	
2014	$ 140,000
2015	140,000
2016	140,000
2017	140,000
2018	140,000
2018-2023	
2024-2028	
2029-2033	
Total	$ 700,000

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating leases as of June 30, 2013:

Year Ended June 30,	Office Space	Equipment	Other	Component Unit	Total
2014	$ 117,487	$	$ 2,823,330	$ 910,637	$ 3,851,454
2015	18,900		3,209,198	933,446	4,161,544
2016	18,900		3,323,076	956,824	4,298,800
2017	18,900		3,448,683	980,792	4,448,375
2018	18,900		3,585,839	1,005,357	4,610,096
2019-2023	94,500		6,983,346	5,417,355	12,495,201
2024-2028			3,059,675	3,587,034	6,646,709
2029-2033					-
Total	$ 287,587	$ -	$ 26,433,147	$ 13,791,445	$ 40,512,179

Current year lease revenues received in fiscal year 2013, totaled $2,144,382 for the District and $899,526 for its component unit.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2013:

	Year ended June 30, 2013				
	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amounts due within one year
Notes and bonds payable:					
Notes payable	$ 14,800,000	$	$	$ 14,800,000	$
Bonds payable	294,325,000	361,345,000	294,325,000	361,345,000	4,300,000
Total notes and bonds payable	309,125,000	361,345,000	294,325,000	376,145,000	4,300,000
Other liabilities:					
Contracts payable				-	
Compensated absences payable	370,297	12,378		382,675	382,675
Capital lease obligations	713,784		103,219	610,565	109,058
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable				-	
Other long-term liabilities	77,273,706	1,559,359	72,900,627	5,932,438	(147,888)
Total other liabilities	78,357,787	1,571,737	73,003,846	6,925,678	343,845
Total long-term liabilities	$ 387,482,787	$ 362,916,737	$ 367,328,846	$ 383,070,678	$ 4,643,845

Notes payable include $14,800,000 of debt outstanding for the District's component unit. It is reported net of $712,648 in issuance costs within the Statement of Net Position. The capital lease obligation reported within the financial statements is between the District and its component unit.

Bonds payable are reported in the Statement of Net Position, net of unamortized premiums of $41,991,122, deferred amounts on refunding of $40,751,843 and issuance costs of $3,047,194.

L. CONTINGENT LIABILITIES (not applicable)

M. RELATED PARTY TRANSACTIONS (not applicable)

N. ACCOUNTING CHANGES (not applicable)

O. IN-KIND CONTRIBUTIONS (not applicable)

P. DEFEASED ISSUES (not applicable)

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

Hotel Occupancy Tax

Louisiana Stadium and Exposition District issued $361,345,000 of revenue refunding bonds in 2013 to refund all of prior debt issued in 2006, to provide for termination payout of the District's fixed rate hedge agreement and interest rate swap agreement, and to provide for the costs of issuance of the bonds. The bonds are secured by a pledge of all revenues of the District that are not previously dedicated for another use; however, the hotel occupancy tax revenues in the parishes of Orleans and Jefferson are expected to be the primary source of funding. The District has committed all revenues, especially the hotel occupancy tax, to cover principal and interest requirements until the bonds are fully paid and discharged in 2039. Total revenue pledged for fiscal year ended June 30, 2012, is $100,203,126. Total principal and interest remaining on the bonds is $361,345,000 and $262,279,699, respectively. For the current year, the principal, interest, and swap payment were $6,075,000, $2,552,373, and $7,970,431, respectively.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) (not applicable)

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS (not applicable)

T. SHORT-TERM DEBT (not applicable)

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2013, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Governmental Activities	$ 261,068	$ -	$ 9,835,370	$ -	$ 10,096,438
Business-Type Activities	841,694	-	4,534,456	-	5,376,150
Component Unit	418,525	-	-	-	418,525
Gross receivables	$ 1,521,287	$ -	$ 14,369,826	$ -	$ 15,891,113
Less allowance for uncollectible accounts	(23,910)	-	-	-	(23,910)
Receivables, net	$ 1,497,377	$ -	$ 14,369,826	$ -	$ 15,867,203
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2013, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Governmental Activities	$ 466,559	$ 7,500	$ 6,527,413	$ 2,550,000	$ 9,551,472
Business-Type Activities	12,299,156	349,573	-	306,000	12,954,729
Component Unit	91,852	4,334	-	-	96,186
Total payables	$ 12,857,567	$ 361,407	$ 6,527,413	$ 2,856,000	$ 22,602,387

W. SUBSEQUENT EVENTS (not applicable)

X. SEGMENT INFORMATION (not applicable)

Y. DUE TO/DUE FROM AND TRANSFERS (not applicable)

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS (not applicable)

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION (not applicable)

BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

Of the total assets reported in the Statement of Net Position for the year ended June 30, 2013, $4,367,684 were restricted by enabling legislation.

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES (not applicable)

DD. EMPLOYEE TERMINATION BENEFITS (not applicable)

EE. POLLUTION REMEDIATION OBLIGATIONS (not applicable)

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) (not applicable)

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES

Per GASB Statement 34, paragraph 34, assets are reported as restricted when constraints on asset use are either: externally imposed by creditors, such as through debt covenants, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted Assets are reported on the Statement of Net Position as restricted by Capital Projects, Debt Service, and Other Specific Purposes. The Statement of Net Position amount for Restricted Assets - Other Specific Purposes is further defined by function as follows:

		Restricted Assets
Conservation and Environment	$	
Corrections		
Culture, Recreation, and Tourism		
Education		
General Government		5,072,494
Health and Welfare		
Public Safety		
Transportation and Development		
Youth Services		
Total	$	5,072,494

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2013

See Accountant's Compilation Report

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

Name	Amount
NONE	$
Total	$ -

SCHEDULE 1

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2013

See Accountant's Compilation Report

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/12	Redeemed (Issued)	Outstanding 6/30/13	Interest Rates	Interest Outstanding 6/30/13
Component Unit	December 2010	$ 14,800,000	$ 14,800,000	$ -	$ 14,800,000	1.34%	
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
Total		$ 14,800,000	$ 14,800,000	$ -	$ 14,800,000		$ -

Notes payable reported on the Statement of Net Position has been reduced by $712,647 of unamortized issuance costs for the District's component unit.

SCHEDULE 3-A

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2013

See Accountant's Compilation Report

SCHEDULE OF BONDS PAYABLE

	Date of Issue	Original Issue	Principal Outstanding 6/30/12	Redeemed (Issued)	Outstanding 6/30/13	Interest Rates	Interest Outstanding 6/30/13
Series:							
Series 2006	March 2006	$ 294,325,000	$ 294,325,000	$(294,325,000)	$ -	Variable	$ -
Series 2013	January 2013	361,345,000	-	361,345,000	361,345,000	Various	6,527,413
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
		-	-	-	-		-
Unamortized Discounts and Premiums Series:							
Series 2006	March 2006	(24,193,680)	(18,154,071)	18,154,071	-		-
Series 2013	January 2013	43,103,040	-	41,991,122	41,991,122		-
Series 2013	January 2013	(3,096,027)	-	(3,047,194)	(3,047,194)		-
Series 2013	January 2013	(47,895,083)	-	(40,751,843)	(40,751,843)		-
		-	-	-	-		-
		-	-	-	-		-
Total		$ 623,588,250	$ 276,170,929	$ 83,366,156	$ 359,537,085		$ 6,527,413

SCHEDULE 3-B

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
SCHEDULE OF CAPITAL LEASE AMORTIZATION
JUNE 30, 2013

See Accountant's Compilation Report

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2014	$ 140,000	$ 30,942	$ 109,058	$ --
2015	140,000	24,774	115,226	--
2016	140,000	18,256	121,744	--
2017	140,000	11,370	128,630	--
2018	140,000	4,093	135,907	--
2019-2023				--
2024-2028				--
2029-2033				--
2034-2038				--
Total	$ 700,000	$ 89,435	$ 610,565	$ --

SCHEDULE 4-A

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
SCHEDULE OF NOTES PAYABLE AMORTIZATION
FOR THE YEAR ENDED JUNE 30, 2013

See Accountant's Compilation Report

Fiscal Year Ending:	Principal	Interest
2014	$	$ 198,320
2015		198,320
2016		198,864
2017		198,320
2018	100,000	197,505
2019-2023	8,945,176	699,012
2024-2028	5,754,824	119,888
2029-2033		
2034-2038		
Total	$ 14,800,000	$ 1,810,229

SCHEDULE 4-B

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
SCHEDULE OF BONDS PAYABLE AMORTIZATION
FOR THE YEAR ENDED JUNE 30, 2013

See Accountant’s Compilation Report

Fiscal Year Ending:		Principal		Interest
2014	$	4,300,000	$	13,260,108
2015		8,920,000		14,364,207
2016		9,065,000		14,260,946
2017		9,270,000		14,127,038
2018		9,420,000		13,958,212
2019		9,700,000		13,638,650
2020		10,190,000		13,158,588
2021		10,690,000		12,642,088
2022		11,215,000		12,099,963
2023		11,775,000		11,525,213
2024		12,335,000		10,947,462
2025		12,925,000		10,340,962
2026		13,570,000		9,678,587
2027		14,245,000		8,983,212
2028		14,890,000		8,319,150
2029		15,570,000		7,621,963
2030		16,345,000		6,824,088
2031		17,165,000		5,986,338
2032		18,005,000		5,121,587
2033		18,895,000		4,213,587
2034		-		3,741,212
2035		-		3,741,213
2036		-		3,741,213
2037		75,893,303		11,082,198
2038		13,114,585		9,914,124
2039		12,977,217		10,158,368
2040		10,869,895		8,829,422
Subtotal		361,345,000		262,279,699
Unamortized Discounts/Premiums		(1,807,915)		-
Total	$	359,537,085	$	262,279,699

SCHEDULE 4-C

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT
COMPARISON FIGURES

See Accountant's Compilation Report

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **$5 million**, explain the reason for the change.

COMPARISON FIGURES

		2013	2012	Difference	Percentage Change
1)	Revenues	$ 134,534,644	$ 137,179,663	$ (2,645,019)	-1.93%
	Expenses	150,110,355	157,324,333	(7,213,978)	-4.59%
2)	Capital assets	387,741,682	391,763,541	(4,021,859)	-1.03%
	Long-term debt	369,472,326	285,084,660	84,387,666	29.60%
	Net Position	64,158,889	79,758,928	(15,600,039)	-19.56%

Explanation for change:

Long-term debt increased as a result of the issuance of the Series 2013 bonds which refunded the Series 2006 bonds and provided funds for the cost of issuance and the termination of the fixed rate hedge agreement and interest swap agreement.

The decrease in net assets results primarily from the investment loss reported as a result of the termination of the District's fixed rate hedge agreement and interest rate swap agreement.

SCHEDULE 15

OTHER REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Exhibit A

The following pages contain a report on internal control over financial reporting and on compliance with laws and regulations and other matters required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report is based on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 25, 2013

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

BOARD OF COMMISSIONERS OF THE
LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Louisiana Stadium and Exposition District (the District), a component unit of the State of Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2013. Our report includes a reference to another auditor who audited the financial statements of the Louisiana Superdome Marketing and Promotional Fund, as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this communication is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Daryl G. Purpera

Daryl G. Purpera, CPA, CFE
Legislative Auditor

JMJ:NM:EFS:THC:ch

LSED 2013