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

FINANCIAL STATEMENT AUDIT
AS OF AND FOR THE TWO YEARS
ENDED JUNE 30, 2008 AND 2007
ISSUED NOVEMBER 26, 2008

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

October 24, 2008

Independent Auditor's Report
on the Financial Statements

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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 years ended June 30, 2008 and June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2008 and June 30, 2007, and its respective changes in financial position and its cash flows, where applicable, thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

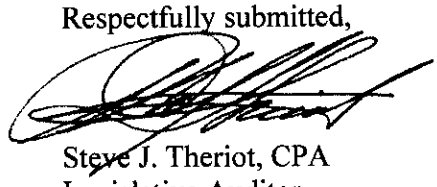
On August 29, 2005, the State of Louisiana and the City of New Orleans suffered catastrophic damage from Hurricane Katrina resulting in the President of the United States declaring Louisiana a major disaster area. Sports facilities owned and financed by the District, particularly the Louisiana Superdome, suffered major damage from Hurricane Katrina. On September 24, 2005, Hurricane Rita struck Louisiana causing further damage to state and local governmental operations. Because of the severity of these two hurricanes and the damage and resulting losses sustained, it is unknown what economic impact recovery efforts will have on state and local governmental operations in Louisiana. Accordingly, the long-term effects of the hurricanes on the District cannot be determined at this time.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2008, 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* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 5 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplemental financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

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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 years ended June 30, 2008 and June 30, 2007. 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 begins on page 12.

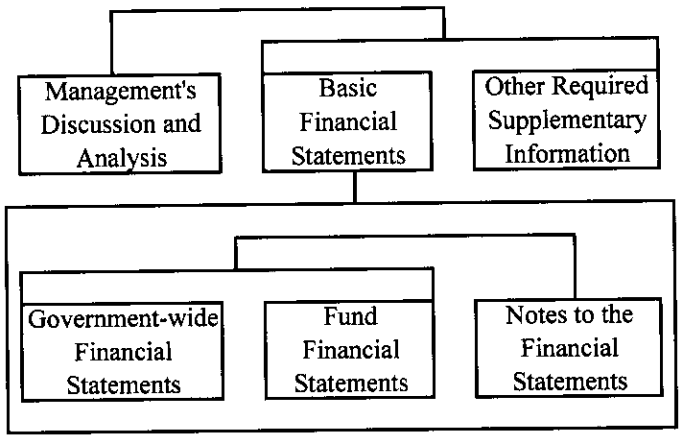
FINANCIAL HIGHLIGHTS

- The District's assets of business-type activities exceeded liabilities at the close of fiscal years 2008 and 2007 by $307,750,457 and $308,629,377, respectively. The net assets decreased by $878,920 (0.28%) during fiscal year 2008. The liabilities of governmental activities exceeded assets at the close of fiscal years 2008 and 2007 by $229,393,546 and $202,789,969, respectively. The net assets of governmental activities decreased by $26,603,577 (13%) during fiscal year 2008.

- The District's operating and nonoperating revenue of business-type activities decreased by $45,371,468 (37%) and operating and nonoperating expenses of business-type activities increased by $32,843,591 (46%). The increases in expenses of business-type activities were due to increased events and the related staff requirements, increased inducement payments to professional sports teams, and increased depreciation expense. The decreased revenues are from decreased capital appropriations for construction, as the Dome's enhancements project was substantially completed during the year. The revenues of governmental activities increased by $3,954,123 (39%) while expenses increased by $5,903,048 (69%). The increase in revenue results mainly from the increased restricted sales taxes required for debt service. The increase in expenses results mainly from increased interest expense and auction fees incurred by the bond trustee on bond sales.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the District established by Governmental Accounting Standards Board Statement 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.
- 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 assets 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 assets and how they have changed. Net assets--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 two categories:

- Governmental activities, which include debt service and capital projects
- Business-type activities, which include the operation of the Louisiana Superdome and Arena

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 that 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 long- and short-term financial information. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flows.

FINANCIAL ANALYSIS OF THE ENTITY

Net Assets
As of June 30, 2008, 2007, and 2006
(in thousands)

	2008	2007	2006
Current and other assets	$65,668	$80,640	$100,813
Capital assets	346,685	347,518	262,689
Total assets	412,353	428,158	363,502
Other liabilities	54,150	43,429	32,410
Long-term debt outstanding	279,846	278,890	277,934
Total liabilities	333,996	322,319	310,344
Net assets:			
Invested in capital assets, net of debt	73,314	103,364	46,186
Restricted	15,946	13,759	16,305
Unrestricted	(10,903)	(11,284)	(9,333)
Total net assets	$78,357	$105,839	$53,158

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

Changes in Net Assets
For the Years Ended June 30, 2008, 2007, and 2006
(in thousands)

	2008	2007	2006
REVENUES			
Program revenues:			
Charges for services	$34,293	$22,530	$6,389
Grants and contributions	10,563	75,922	83,651
General revenues:			
Hotel occupancy taxes	33,639	29,557	24,309
State appropriations	7,383		
Players' tax	1,531	1,007	1,517
Pari-Mutuel Live Racing Facility Slots	992		
Investment earnings	2,237	3,039	1,015
Total revenues	90,638	132,055	116,881
PROGRAM EXPENSES			
Interest on long-term debt	12,802	6,903	7,008
Facility operation	105,318	72,471	46,385
Total expenses	118,120	79,374	53,393
Extraordinary item - impairment loss	NONE	NONE	(27,471)
INCREASE (Decrease) IN NET ASSETS	($27,482)	$52,681	$36,017

The District's total revenues decreased from 2007 to 2008 by $41,417,345 (31%). The total cost of all programs and services increased by $38,746,639 (49%). The decrease in total revenues is due primarily to a decrease in capital appropriation for construction. The increase in cost of programs and services results from increased operations, increased inducement payments to professional sports teams, and increased depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008 and 2007, the District has $346,685,440 and $347,518,832, respectively, invested in capital assets, net of accumulated depreciation of $75,105,860 and $53,878,339, respectively, including land, buildings and improvements, furniture and fixtures, and equipment.

(in thousands)

	2008	2007	2006
Land	$13,944	$13,944	$13,944
Buildings and improvements	316,447	266,043	160,524
Furniture and fixtures and equipment	9,371	5,105	2,918
Construction-in-progress	6,923	62,426	85,303
Total	$346,685	$347,518	$262,689

The major additions for fiscal years 2008 and 2007 consisted of improvements to buildings. The net addition for fiscal year 2008 is due to the substantial completion of the major construction project began in December 2005 to repair damages and enhance the Louisiana Superdome. Phase One of the project consisting primarily of repairs to the Louisiana Superdome was completed in September 2006. Phase Two of the project consisting primarily of enhancements and improvements to the Louisiana Superdome was initiated concurrently with the repair phase and was completed in fiscal year 2008.

During the year ended June 30, 2007, the National Football League provided the District with $15,000,000 of additional funding for repairs to the Louisiana Superdome.

Debt

The District has $294,325,000 in revenue bonds outstanding at June 30, 2008 and June 30, 2007. During the year ended June 30, 2006, the District issued Series 2006A, 2006B, 2006C, and 2006D bonds totaling $294,325,000 for the purposes of refunding the District's existing debt, providing funds for enhancements to the Louisiana Superdome, and providing working capital for the District's operations. During the years ended June 30, 2008 and June 30, 2007, the District was not required to make debt service payments on the Series 2006 bonds. The District's 2006 Series A, Series B, and Series C bonds carried a AAA rating at June 30, 2007. In July 2008, Moody's Investors Service assigned the Baa3 rating on the bonds. The District's 2006 Series D bonds are not rated.

During the year ended June 30, 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 franchises. That debt is still payable.

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 due to the Louisiana Superdome and Arena being fully operational
- Events anticipated based on contracts and historical estimates
- Hotel occupancy tax revenue based on conventions planned in New Orleans and estimates of future conventions projected to come to New Orleans
- Contractual obligation to sports teams

The District has incurred operating losses for fiscal years ended June 30, 2008 and June 30, 2007. During fiscal years 2008 and 2007, the District's net assets decreased $27,482,497 and increased $52,681,487, respectively. The increase in 2007 was primarily due to capital contributions for construction at the Louisiana Superdome to repair damages from Hurricane Katrina. Without the capital contributions, program expenses would have exceeded program revenues for the year ended June 30, 2007. The decrease in 2008 was primarily due to decreased capital appropriations for construction projects that were substantially completed during the year, increased operations, increased depreciation, and increased inducement payments to sports franchises. Current projections by management of the District indicate that losses are anticipated in future years because of increased interest expense and contractual obligations to sports teams.

CONTACTING THE LOUISIANA STADIUM AND EXPOSITION DISTRICT 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, P.O. Box 52439, New Orleans, Louisiana 70152.

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LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Net Assets, June 30, 2008 and June 30, 2007

	2008		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents (note 2)	$10,524,164	$15,898,503	$26,422,667
Accounts receivable (net)		331,800	331,800
Due from State of Louisiana (note 3)	2,000,000	33,281,691	35,281,691
Due from other funds (note 4)	335,162		335,162
Inventory of materials and supplies		151,531	151,531
Prepaid expenses		58,415	58,415
Restricted assets: (notes 2 and 9)			
Working capital account - cash		1,028,282	1,028,282
Renewal and Replacement Reserve Account - cash and cash equivalents		1,760,288	1,760,288
Economic Development Fund Account - cash and cash equivalents		9,733	9,733
New Orleans Area Tourism and Economic Development Fund - cash and cash equivalents		111,525	111,525
Community Development Block Grant - cash and cash equivalents		2,135	2,135
Construction and Operations Trust Account - cash and equivalents			
Concessionaire Fund - receivable		174,723	174,723
Capital assets, net of accumulated depreciation (note 5)	31,119,027	315,566,413	346,685,440
Total assets	43,978,353	368,375,039	412,353,392
LIABILITIES			
Accounts payable and accrued expenses		22,814,070	22,814,070
Payable to SMG		1,664,560	1,664,560
Due to other funds (note 4)		335,162	335,162
Saints inducements payable (note 15)			
Deferred revenue and security deposits		19,645,010	19,645,010
Compensated absences (note 1-J)		299,873	299,873
Advance deposits on future events		8,095,907	8,095,907
Accrued bond interest payable	1,025,762		1,025,762
Advance from State of Louisiana (note 17)		270,000	270,000

(Continued)

The accompanying notes are an integral part of this statement.

2007		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
$9,075,474	$19,943,822	$29,019,296
	892,985	892,985
1,598,129	7,672,129	9,270,258
	5,513,429	5,513,429
	46,275	46,275
	63,444	63,444
	1,650,233	1,650,233
	1,178,133	1,178,133
	9,452	9,452
	108,299	108,299
	546	546
32,749,011		32,749,011
	138,505	138,505
30,690,785	316,828,047	347,518,832
74,113,399	354,045,299	428,158,698
	21,896,714	21,896,714
	2,964,755	2,964,755
5,513,429		5,513,429
	6,278,796	6,278,796
	32,096	32,096
	210,998	210,998
	6,262,563	6,262,563
	270,000	270,000

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
Statement of Net Assets, June 30, 2008 and June 30, 2007

	2008		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES (CONT.)			
Noncurrent liabilities:			
Due in more than one year:			
Bonds payable (note 6), reported net of unamortized issuance and escrow costs of $21,978,863 (2008) and $22,935,061 (2007)	$272,346,137		$272,346,137
Notes payable (note 18)		$7,500,000	7,500,000
Total liabilities	273,371,899	60,624,582	333,996,481
NET ASSETS			
Invested in capital assets, net of related debt	(242,252,872)	315,566,413	73,313,541
Restricted for:			
Debt service	12,859,318		12,859,318
Capital projects	8		8
Working capital		1,028,282	1,028,282
Renewal and replacement		1,760,288	1,760,288
Economic development		9,733	9,733
Community Development Block Grant		2,135	2,135
New Orleans Area Tourism and Economic Development Fund		111,525	111,525
Concessionaire reserve		174,723	174,723
Unrestricted		(10,902,642)	(10,902,642)
TOTAL NET ASSETS	($229,393,546)	$307,750,457	$78,356,911

(Concluded)

The accompanying notes are an integral part of this statement.

2007		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
$271,389,939		$271,389,939
	$7,500,000	7,500,000
276,903,368	45,415,922	322,319,290
(213,463,572)	316,828,047	103,364,475
10,673,595		10,673,595
8		8
	1,650,233	1,650,233
	1,178,133	1,178,133
	9,452	9,452
	546	546
	108,299	108,299
	138,505	138,505
	(11,283,838)	(11,283,838)
($202,789,969)	$308,629,377	$105,839,408

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Activities
For the Year Ended June 30, 2008

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE CHARGES FOR SERVICES	PROGRAM REVENUE CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:			
Facility operation	$1,700,675		
Interest on bonds	12,802,224		
Total governmental activities	14,502,899	NONE	NONE
Business-type activities - facility operation	103,617,512	$34,292,958	$10,562,999
TOTAL	$118,120,411	$34,292,958	$10,562,999
General revenues:			
Taxes: (note 9)			
Hotel occupancy taxes, levied for general purposes			
Hotel occupancy taxes, levied for debt service			
State appropriations			
Players' tax			
Pari-Mutuel Live Racing Facility Slots			
Unrestricted investment earnings			
Transfers in (out)			
Total general revenues and transfers			
Change in net assets			
NET ASSETS, BEGINNING OF YEAR			
TOTAL NET ASSETS, END OF YEAR			

(Continued)

The accompanying notes are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
($1,700,675)		($1,700,675)
(12,802,224)		(12,802,224)
(14,502,899)	NONE	(14,502,899)
NONE	($58,761,555)	(58,761,555)
(14,502,899)	(58,761,555)	(73,264,454)
	21,357,652	21,357,652
12,281,468		12,281,468
	7,382,786	7,382,786
	1,531,228	1,531,228
	991,461	991,461
1,797,225	440,137	2,237,362
(26,179,371)	26,179,371	
(12,100,678)	57,882,635	45,781,957
(26,603,577)	(878,920)	(27,482,497)
(202,789,969)	308,629,377	105,839,408
($229,393,546)	$307,750,457	$78,356,911

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
Statement of Activities
For the Year Ended June 30, 2007

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE CHARGES FOR SERVICES	PROGRAM REVENUE CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:			
Facility operation	$1,696,954		$108,916
Interest on bonds	6,902,897		
Total governmental activities	8,599,851	NONE	108,916
Business-type activities - facility operation	70,490,867	$22,529,842	75,813,064
TOTAL	$79,090,718	$22,529,842	$75,921,980
General revenues:			
Taxes: (note 9)			
Hotel occupancy taxes, levied for general purposes			
Hotel occupancy taxes, levied for debt service			
Players' tax			
Unrestricted investment earnings			
Transfers in (out)			
Loss on disposal of capital assets			
Total general revenues and transfers			
Change in net assets			
NET ASSETS, BEGINNING OF YEAR, RESTATED (note 22)			
TOTAL NET ASSETS, END OF YEAR			

(Concluded)

The accompanying notes are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
($1,588,038)		($1,588,038)
(6,902,897)		(6,902,897)
(8,490,935)	NONE	(8,490,935)
NONE	$27,852,039	27,852,039
(8,490,935)	27,852,039	19,361,104
	21,766,497	21,766,497
7,790,280		7,790,280
	1,007,495	1,007,495
2,225,374	813,791	3,039,165
(32,479,181)	32,479,181	
	(283,054)	(283,054)
(22,463,527)	55,783,910	33,320,383
(30,954,462)	83,635,949	52,681,487
(171,835,507)	224,993,428	53,157,921
($202,789,969)	$308,629,377	$105,839,408

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

GOVERNMENTAL FUNDS
Balance Sheet, June 30, 2008 and June 30, 2007

	2008		
	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents (note 2)	$10,524,156	$8	$10,524,164
Due from State of Louisiana (note 3)	2,000,000		2,000,000
Due from other funds	335,162		335,162
TOTAL ASSETS	$12,859,318	$8	$12,859,326
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds (note 4)			
Total liabilities	NONE	NONE	NONE
Fund balance reserved for:			
Debt service	$12,859,318		$12,859,318
Operating capital			
Construction			
Capital projects		$8	8
Total fund balance	12,859,318	8	12,859,326
TOTAL LIABILITIES AND FUND BALANCES	$12,859,318	$8	$12,859,326
Total fund balances, as presented in this statement			$12,859,326
Amounts presented for governmental activities in the Statement of Net Assets are different because:			
Accrued bond interest is reported in the Statement of Net Assets but is not due and payable in the current period and therefore is not reported as a liability of the fund balance sheet.			(1,025,762)
Long-term liabilities are reported in the Statement of Net Assets but are not due and payable in the current period and therefore are not reported as liabilities of the fund balance sheet.			(272,346,137)
Capital assets reported in the Statement of Net Assets are not financial resources.			31,119,027
NET ASSETS OF GOVERNMENTAL ACTIVITIES			($229,393,546)

The accompanying notes are an integral part of this statement.

2007		
DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
$41,824,477	$8	$41,824,485
1,598,129		1,598,129
$43,422,606	$8	$43,422,614
$5,513,429		$5,513,429
5,513,429	NONE	5,513,429
10,673,595		10,673,595
20,531,587		20,531,587
6,703,995		6,703,995
	$8	8
37,909,177	8	37,909,185
$43,422,606	$8	$43,422,614
		$37,909,185
		(271,389,939)
		30,690,785
		($202,789,969)

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Years Ended June 30, 2008 and June 30, 2007

	2008		
	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Hotel occupancy tax (note 9)	$12,281,468		$12,281,468
Interest earnings	1,797,225		1,797,225
Total revenues	14,078,693	NONE	14,078,693
EXPENDITURES			
Capital outlay		$1,335,790	1,335,790
Debt service:			
Interest	10,820,264		10,820,264
Other	793,127		793,127
Total expenditures	11,613,391	1,335,790	12,949,181
Excess (deficiency) of revenues over expenditures	2,465,302	(1,335,790)	1,129,512
OTHER FINANCING SOURCES (Uses)			
Transfers in		1,335,790	1,335,790
Transfers out	(27,515,161)		(27,515,161)
State funds			
Total other financing sources (uses)	(27,515,161)	1,335,790	(26,179,371)
Net change in fund balances	(25,049,859)	NONE	(25,049,859)
Fund balances at beginning of year	37,909,177	8	37,909,185
Fund balances at end of year	$12,859,318	$8	$12,859,326

(Continued)

The accompanying notes are an integral part of this statement.

2007		
DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
$7,790,280		$7,790,280
2,225,374		2,225,374
10,015,654	NONE	10,015,654
	$167,110	167,110
6,389,113		6,389,113
822,801		822,801
7,211,914	167,110	7,379,024
2,803,740	(167,110)	2,636,630
	58,194	58,194
(32,537,375)		(32,537,375)
	108,916	108,916
(32,537,375)	167,110	(32,370,265)
(29,733,635)	NONE	(29,733,635)
67,642,812	8	67,642,820
$37,909,177	$8	$37,909,185

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Years Ended June 30, 2008 and June 30, 2007

	2008		
	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
Net change in fund balances, as presented in this statement			($25,049,859)
Amounts presented for governmental activities in the Statement of Activities are different because:			
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.			(1,025,762)
Governmental funds do not include amortization expense for bond issuance costs.			(956,198)
Governmental funds report the acquisition of capital assets as expenditures of the period in which the asset is acquired, but this amount is reported as capital assets and depreciated each period in the government-wide financial statements. This is the amount by which capital outlay ($1,335,790) exceeded depreciation ($907,548) in the current period (2008) and by which depreciation ($874,153) exceeded capital outlay ($167,110) in the prior period (2007).			428,242
Change in net assets of governmental activities as reported on the Statement of Activities			($26,603,577)

(Concluded)

The accompanying notes are an integral part of this statement.

2007		
DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
		($29,733,635)
		442,414
		(956,198)
		(707,043)
		($30,954,462)

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

PROPRIETARY FUNDS
Balance Sheet, June 30, 2008 and June 30, 2007

	JUNE 30, 2008		
	ENTERPRISE FUNDS		
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
ASSETS			
Current assets:			
Cash and cash equivalents (note 2)	$11,206,296	$4,692,207	$15,898,503
Accounts receivable	293,330	38,470	331,800
Due from State of Louisiana (note 3)	33,052,322	229,369	33,281,691
Due from other fund	3,600,000		3,600,000
Inventory	93,343	58,188	151,531
Prepaid expenses	54,074	4,341	58,415
Total current assets	48,299,365	5,022,575	53,321,940
Restricted assets: (notes 2 and 9)			
Working Capital Account - cash	1,028,282		1,028,282
Renewal and Replacement Reserve Account - cash and cash equivalents	803,917	956,371	1,760,288
Economic Development Fund Account - cash and cash equivalents	9,733		9,733
Community Development Block Grant - cash and cash equivalents	2,135		2,135
New Orleans Area Tourism and Economic Development Fund - cash and cash equivalents	111,525		111,525
Concessionaire Fund - receivable		174,723	174,723
Total restricted assets	1,955,592	1,131,094	3,086,686
Capital assets, net of accumulated depreciation (note 5)	228,948,206	86,618,207	315,566,413
TOTAL ASSETS	$279,203,163	$92,771,876	$371,975,039

(Continued)

The accompanying notes are an integral part of this statement.

JUNE 30, 2007		
ENTERPRISE FUNDS		
LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
$16,721,703	$3,222,119	$19,943,822
578,408	314,577	892,985
7,672,129		7,672,129
9,113,429		9,113,429
20,787	25,488	46,275
58,730	4,714	63,444
34,165,186	3,566,898	37,732,084
1,650,233		1,650,233
29,004	1,149,129	1,178,133
9,452		9,452
546		546
108,299		108,299
	138,505	138,505
1,797,534	1,287,634	3,085,168
225,572,792	91,255,255	316,828,047
$261,535,512	$96,109,787	$357,645,299

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Balance Sheet, June 30, 2008 and June 30, 2007

	JUNE 30, 2008		
	ENTERPRISE FUNDS		
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$11,206,506	$11,607,564	$22,814,070
Payable to SMG	1,263,100	401,460	1,664,560
Saints inducements payable (note 15)			
Deferred revenue and security deposits	19,645,010		19,645,010
Compensated absences (note 1-J)	263,842	36,031	299,873
Funds held in escrow for future events	4,999,477	3,096,430	8,095,907
Advance from State of Louisiana (note 17)		270,000	270,000
Due to other fund	335,162	3,600,000	3,935,162
Total current liabilities	37,713,097	19,011,485	56,724,582
Noncurrent liabilities - note payable (note 18)	7,500,000	NONE	7,500,000
Total liabilities	45,213,097	19,011,485	64,224,582
NET ASSETS			
Invested in capital assets, net of related debt	228,948,206	86,618,207	315,566,413
Restricted	1,955,592	1,131,094	3,086,686
Unrestricted	3,086,268	(13,988,910)	(10,902,642)
Total net assets	233,990,066	73,760,391	307,750,457
TOTAL LIABILITIES AND NET ASSETS	$279,203,163	$92,771,876	$371,975,039

(Concluded)

The accompanying notes are an integral part of this statement.

JUNE 30, 2007		
ENTERPRISE FUNDS		
LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
$17,203,548	$4,693,166	$21,896,714
2,396,755	568,000	2,964,755
6,278,796		6,278,796
32,096		32,096
180,982	30,016	210,998
4,365,254	1,897,309	6,262,563
	270,000	270,000
	3,600,000	3,600,000
30,457,431	11,058,491	41,515,922
7,500,000	NONE	7,500,000
37,957,431	11,058,491	49,015,922
225,572,792	91,255,255	316,828,047
1,797,534	1,287,634	3,085,168
(3,792,245)	(7,491,593)	(11,283,838)
223,578,081	85,051,296	308,629,377
$261,535,512	$96,109,787	$357,645,299

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

PROPRIETARY FUNDS
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Years Ended June 30, 2008 and June 30, 2007

	JUNE 30, 2008		
	ENTERPRISE FUNDS		
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
OPERATING REVENUES			
Event rental:			
Football	$1,200,000	$145,394	$1,345,394
Basketball		133,364	133,364
Conventions and trade shows	351,655		351,655
High school sports	74,001		74,001
Musical events and entertainment	228,000	1,157,321	1,385,321
Other events	329,100	91,000	420,100
Reimbursement event costs	4,096,434	3,270,160	7,366,594
Total event rental	6,279,190	4,797,239	11,076,429
Parking	2,324,589	1,377,786	3,702,375
Concessions	6,802,066	3,390,393	10,192,459
Box suite rental	5,757,683	739,310	6,496,993
Advertising and broadcasting	112,854		112,854
Commercial office rental	329,169		329,169
Land rental	205,388		205,388
Ticket incentive	252,704	826,322	1,079,026
Other	949,607	148,658	1,098,265
Total operating revenues	23,013,250	11,279,708	34,292,958
OPERATING EXPENSES			
Salaries, wages, and benefits	8,561,021	2,052,940	10,613,961
Utilities	4,754,619	1,727,136	6,481,755
Repairs and maintenance	1,478,660	408,012	1,886,672
Management fee - SMG (note 13)	936,739	401,460	1,338,199
Marketing Fund contribution	1,100,000		1,100,000
Saints lease inducement payments (note 15)	11,170,002		11,170,002
Other inducement payments (note 16)		3,642,952	3,642,952
Professional fees	986,765	225,548	1,212,313
Insurance	3,892,682	1,249,016	5,141,698
Direct event expense	4,319,841	4,449,012	8,768,853
Advertising and public relations	532,840	248,934	781,774
Other operating expenses	2,370,651	838,009	3,208,660
Total operating expenses	40,103,820	15,243,019	55,346,839

(Continued)

The accompanying notes are an integral part of this statement.

JUNE 30, 2007		
ENTERPRISE FUNDS		
LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
$1,100,000	$58,767	$1,158,767
	208,775	208,775
166,210		166,210
61,467		61,467
	930,000	930,000
117,250	709,401	826,651
1,949,883	1,610,360	3,560,243
3,394,810	3,517,303	6,912,113
1,987,003	751,755	2,738,758
4,525,529	1,838,990	6,364,519
4,046,362	854,029	4,900,391
323,427		323,427
227,280		227,280
205,388		205,388
47,180	707,504	754,684
91,449	11,833	103,282
14,848,428	7,681,414	22,529,842
5,859,962	1,642,021	7,501,983
3,724,214	1,384,940	5,109,154
1,122,594	366,338	1,488,932
1,325,000	568,000	1,893,000
500,000		500,000
9,405,037		9,405,037
	647,790	647,790
1,215,109	89,083	1,304,192
1,910,413	683,757	2,594,170
2,515,673	2,241,111	4,756,784
201,592	39,159	240,751
1,710,046	716,084	2,426,130
29,489,640	8,378,283	37,867,923

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Statement of Revenues, Expenses, and Changes in Net Assets
For the Years Ended June 30, 2008 and June 30, 2007

	JUNE 30, 2008		
	ENTERPRISE FUNDS		
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
Operating loss before depreciation	($17,090,570)	($3,963,311)	($21,053,881)
Depreciation	14,556,510	5,794,529	20,351,039
Operating loss	(31,647,080)	(9,757,840)	(41,404,920)
NONOPERATING REVENUE (Expenses)			
Hotel occupancy tax (note 9)	21,357,652		21,357,652
Interest revenue	320,242	119,895	440,137
State appropriations	7,382,786		7,382,786
Other Saints inducements (note 15)	(18,775,784)		(18,775,784)
Other Hornets inducements (note 16)		(9,143,850)	(9,143,850)
Pari-mutuel Live Racing Facility Slots	991,461		991,461
State grants	731,561	229,369	960,930
Transfers from other agencies			
FEMA	568,909		568,909
Remediation expense (note 5)			
NFL grant income (note 5)			
Players' tax	1,192,705	338,523	1,531,228
Loss on disposal of capital assets			
Total nonoperating revenue (expenses)	13,769,532	(8,456,063)	5,313,469
Gain (loss) before transfers	(17,877,548)	(18,213,903)	(36,091,451)
Transfers in	19,970,611	6,650,674	26,621,285
Transfers (out)	(441,914)		(441,914)
Net transfers	19,528,697	6,650,674	26,179,371
Capital contributions	8,760,836	272,324	9,033,160
Change in net assets	10,411,985	(11,290,905)	(878,920)
Net assets, beginning of year, restated (note 22)	223,578,081	85,051,296	308,629,377
NET ASSETS, END OF YEAR	$233,990,066	$73,760,391	$307,750,457

(Concluded)

The accompanying notes are an integral part of this statement.

JUNE 30, 2007		
ENTERPRISE FUNDS		
LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
($14,641,212)	($696,869)	($15,338,081)
6,100,812	5,871,327	11,972,139
(20,742,024)	(6,568,196)	(27,310,220)
21,766,497		21,766,497
588,180	225,611	813,791
(19,005,970)		(19,005,970)
	(619,573)	(619,573)
146,283		146,283
11,884,137		11,884,137
1,025,262		1,025,262
(1,025,262)		(1,025,262)
15,000,000		15,000,000
387,922	619,573	1,007,495
(172,338)	(110,716)	(283,054)
30,594,711	114,895	30,709,606
9,852,687	(6,453,301)	3,399,386
32,807,906		32,807,906
	(328,725)	(328,725)
32,807,906	(328,725)	32,479,181
46,448,242	1,309,140	47,757,382
89,108,835	(5,472,886)	83,635,949
134,469,246	90,524,182	224,993,428
$223,578,081	$85,051,296	$308,629,377

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

PROPRIETARY FUNDS
Statement of Cash Flows
For the Years Ended June 30, 2008 and June 30, 2007

	JUNE 30, 2008		
	ENTERPRISE FUNDS		
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$23,298,328	$11,519,597	$34,817,925
Payments to suppliers	(37,752,628)	(11,749,284)	(49,501,912)
Payments for salaries and related expenses	(8,372,538)	(1,942,727)	(10,315,265)
Net cash provided (used) by operating activities	(22,826,838)	(2,172,414)	(24,999,252)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Players' tax	1,192,705	338,523	1,531,228
Other Hornets inducements		(2,774,191)	(2,774,191)
Operating grants/transfers	18,950,726	6,650,674	25,601,400
Tax revenue	21,875,288		21,875,288
State appropriations	1,032,786		1,032,786
Other Saints inducements	(25,054,580)		(25,054,580)
Net cash provided (used) by noncapital financing activities	17,996,925	4,215,006	22,211,931
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital appropriations	4,086,167	272,324	4,358,491
Purchases of capital assets	(4,933,845)	(1,157,481)	(6,091,326)
Net cash provided (used) by capital and related financing activities	(847,678)	(885,157)	(1,732,835)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	320,242	119,895	440,137
Net cash provided by investing activities	320,242	119,895	440,137
Net increase (decrease) in cash and cash equivalents	(5,357,349)	1,277,330	(4,080,019)
Cash and cash equivalents, beginning of year	18,519,237	4,371,248	22,890,485
CASH AND CASH EQUIVALENTS, END OF YEAR	$13,161,888	$5,648,578	$18,810,466

(Continued)

The accompanying notes are an integral part of this statement.

JUNE 30, 2007		
ENTERPRISE FUNDS		
LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
$14,798,595	$7,590,053	$22,388,648
(20,901,481)	(5,851,935)	(26,753,416)
(5,810,797)	(1,639,755)	(7,450,552)
(11,913,683)	98,363	(11,815,320)
387,922	619,573	1,007,495
	(619,573)	(619,573)
11,030,420	(328,725)	10,701,695
18,219,683		18,219,683
(12,727,174)		(12,727,174)
16,910,851	(328,725)	16,582,126
24,784,455		24,784,455
(20,248,537)	19,231	(20,229,306)
4,535,918	19,231	4,555,149
588,180	225,611	813,791
588,180	225,611	813,791
10,121,266	14,480	10,135,746
8,397,971	4,356,768	12,754,739
$18,519,237	$4,371,248	$22,890,485

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Statement of Cash Flows
For the Years Ended June 30, 2008 and June 30, 2007

	JUNE 30, 2008		
	ENTERPRISE FUNDS		
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES			
Operating loss	($31,647,080)	($9,757,840)	($41,404,920)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation expense	14,556,510	5,794,529	20,351,039
Changes in net assets and liabilities:			
(Increase) in restricted assets		(36,218)	(36,218)
(Increase) decrease in receivables	285,078	276,107	561,185
(Increase) decrease in inventory	(72,556)	(32,700)	(105,256)
(Increase) decrease in prepaid expenses	4,656	373	5,029
(Decrease) increase in accounts payable and accrued expenses	(7,130,697)	378,199	(6,752,498)
(Decrease) increase in deferred revenue	125,006	1,199,121	1,324,127
Increase in due to other funds	335,162		335,162
Increase in funds held in escrow	634,223		634,223
Increase in compensated absences	82,860	6,015	88,875
Net cash provided (used) by operating activities	($22,826,838)	($2,172,414)	($24,999,252)
NONCASH CAPITAL FINANCING ACTIVITIES			
State construction projects	$4,226,452	NONE	$4,226,452

(Concluded)

The accompanying notes are an integral part of this statement.

JUNE 30, 2007		
ENTERPRISE FUNDS		
LOUISIANA SUPERDOME	NEW ORLEANS ARENA	TOTAL
($20,742,024)	($6,568,196)	($27,310,220)
6,100,812	5,871,327	11,972,139
	(63,997)	(63,997)
(49,833)	(27,364)	(77,197)
2,002	(25,488)	(23,486)
(53,730)	(561)	(54,291)
(1,189,730)	1,674,044	484,314
3,969,655	(763,668)	3,205,987
49,165	2,266	51,431
($11,913,683)	$98,363	($11,815,320)
$46,448,242	$1,309,140	$47,757,382

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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 of 1921, as amended and continued as a statute by Article XIV, Section 16 of the Constitution of the State of Louisiana (State) for the year 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 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 the Lease Agreement. The District initially managed and operated the Louisiana Superdome on behalf of the State pursuant to a management and operating agreement dated as of 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 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 ("Act No. 64") 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 Superdome), which was signed by the parties under date of June 30, 1977.

Act 640 of the 1993 Regular Session of the State Legislature amended Act No. 541 to provide, among other things, for the construction of the Arena and further to provide 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 New Orleans Arena (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 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 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). The District applies the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) unless those pronouncements conflict with or contradict GASB pronouncements. The District has elected to not apply FASB pronouncements issued after that date.

B. REPORTING ENTITY

The District is a component unit of the State of Louisiana as defined by GASB Statement Number 14, *The Financial Reporting Entity*. 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 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.

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 Assets, both the governmental and business-type activities 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 District's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets;

and unrestricted net assets. 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 and business-type activities. 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 revenue (property, sales or gas 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 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, 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 general or special revenue funds. The following fund types are used by the District:

Governmental Funds

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 the receipt and disbursement of the proceeds of general bond issues used for the acquisition or construction of major capital facilities, renovations, major repairs, and improvements for the District, as well as activities performed on behalf of other entities. The Capital Projects Fund maintained by the District accounts for certain on-going construction projects of the District.

Proprietary Fund

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 two enterprise funds that are used to account for the operations of the Superdome and the Arena. The District has contracted with SMG to manage both 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 fund 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 and 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 are as follows:

Plant, building and improvements:	
Structure:	
Superdome	40 years
Arena	25 years
Baseball stadium	40 years
Practice facilities	40 years
Major components	10-20 years
Furniture and 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.

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 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, an employee can carry forward no more than 192 hours in vacation, and upon termination, an employee is paid for 192 hours of accumulated vacation, if applicable. Members of the Teamsters Union earn eight to 15 days of vacation per year with no carryforward provision. The accumulated net provision by the District for unpaid vacation benefits due employees of SMG as of June 30, 2008 and June 30, 2007 was $299,873 and $210,998, respectively.

SMG employees 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 with no limit. 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. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. During the year ended June 30, 2008, the Debt Service Fund transferred $26,621,285 to the Proprietary Funds and $893,876 to the Capital Projects Funds and the Proprietary Funds transferred $441,914 to the Capital Projects Funds. For the year ended June 30, 2007, the Debt Service Fund transferred $32,537,375 to the Proprietary Funds and the Proprietary Funds transferred $58,194 to the Capital Projects Funds. Funds transferred from Governmental Funds are no longer restricted for debt service or capital project and are available for allowable uses of the Proprietary Funds.

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, a repurchase agreement, and guaranteed investment contracts with

maturities of three months or less. Cash and cash equivalents are recorded at cost, which approximates market. Cash and cash equivalents consist of the following at June 30, 2008 and June 30, 2007:

	2008		2007	
	Bank Balance	Book Balance	Bank Balance	Book Balance
Cash on hand		$80,171		$30,250
Demand deposits	$16,308,253	3,418,931	$18,252,467	18,913,863
Money market funds	5,286,348	5,286,349	17,293,701	17,293,701
Repurchase agreements	15,311,372	15,311,372	3,946,381	3,946,381
Guaranteed investment contracts	5,237,807	5,237,807	24,530,775	24,530,775
Total	$42,143,780	$29,334,630	$64,023,324	$64,714,970

A reconciliation of cash and cash equivalents to the statement of net assets is as follows:

	June 30, 2008			June 30, 2007		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	$10,524,164	$15,898,503	$26,422,667	$41,824,485	$19,943,822	$61,768,307
Restricted assets		2,911,963	2,911,963		2,946,663	2,946,663
Total	$10,524,164	$18,810,466	$29,334,630	$41,824,485	$22,890,485	$64,714,970

The District's deposits are exposed to custodial credit risk. Custodial credit risk 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 Louisiana 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.

The District's investments in cash equivalents are exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, 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. The District's investment policy does not limit the amount of its holdings of securities by counterparties. At June 30, 2008 and June 30, 2007, the District's funds invested in guaranteed investment contracts, Repurchase Agreements, and Money Market funds were held by a counterparty in the name of the District. Money Market investments for 2008 consist of the Bank of New York Hamilton Treasury Money Fund, which is rated 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.

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, 2008 and June 30, 2007, 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 OTHER GOVERNMENTAL UNITS

Amounts due from the State of Louisiana for hotel occupancy tax collections, appropriations, and grants totaled $35,281,691 and $9,270,258 at June 30, 2008 and June 30, 2007, respectively.

4. DUE TO/DUE FROM OTHER FUNDS

The financial statements include due to/due from other funds totaling $335,162 at June 30, 2008, and $5,513,429 at June 30, 2007, which represents bond proceeds due to or from the debt service fund construction and operation trust accounts to the Superdome fund for construction expenses.

5. CAPITAL ASSETS

Following are schedules of capital assets for the year ended June 30, 2008:

Governmental Activities

	Balance July 1, 2007	Additions	Deletions/ Transfers	Balance June 30, 2008
Buildings and improvements:				
Baseball stadium	$24,941,663	$1,335,790		$26,277,453
Outdoor practice facility complex	6,565,115			6,565,115
Indoor practice facility	6,459,360			6,459,360
Total	37,966,138	1,335,790	NONE	39,301,928
Less accumulated depreciation	(7,275,353)	(907,548)	NONE	(8,182,901)
Total	$30,690,785	$428,242	NONE	$31,119,027

Business-Type Activities

	Balance July 1, 2007	Additions	Deletions/ Transfers	Balance June 30, 2008
Capital assets not being depreciated:				
Land	$13,944,160			$13,944,160
Construction-in-progress	62,426,428	$3,074,150	($58,577,171)	6,923,407
Total	$76,370,588	$3,074,150	($58,577,171)	$20,867,567
Other capital assets:				
Buildings and improvements	$278,262,230	$69,173,471	($101,894)	$347,333,807
Furniture and fixtures and equipment	8,798,215	5,585,746	(95,963)	14,287,998
Less accumulated depreciation	(46,602,986)	(20,319,973)	NONE	(66,922,959)
Total other capital assets	$240,457,459	$54,439,244	($197,857)	$294,698,846
Capital asset summary:				
Capital assets not being depreciated	$76,370,588	$3,074,150	($58,577,171)	$20,867,567
Other capital assets, at cost	287,060,445	74,759,217	(197,857)	361,621,805
Total cost of capital assets	363,431,033	77,833,367	(58,775,028)	382,489,372
Less accumulated depreciation	(46,602,986)	(20,319,973)	NONE	(66,922,959)
Capital assets, net	$316,828,047	$57,513,394	($58,775,028)	$315,566,413

Following are schedules of capital assets for the year ended June 30, 2007:

Governmental Activities

	Balance July 1, 2006	Additions	Deletions/ Transfers	Balance June 30, 2007
Buildings and improvements:				
Baseball stadium	$24,774,553	$167,110		$24,941,663
Outdoor practice facility complex	6,565,115			6,565,115
Indoor practice facility	6,459,360			6,459,360
Total	37,799,028	167,110	NONE	37,966,138
Less accumulated depreciation	(6,401,200)	(874,153)	NONE	(7,275,353)
Total	$31,397,828	($707,043)	NONE	$30,690,785

Business-Type Activities

	Balance July 1, 2006	Additions	Deletions/ Transfers	Balance June 30, 2007
Capital assets not being depreciated:				
Land	$13,944,160			$13,944,160
Construction-in-progress	85,303,311	$47,327,384	($70,204,267)	62,426,428
Total	$99,247,471	$47,327,384	($70,204,267)	$76,370,588
Other capital assets:				
Buildings and improvements	$294,251,335	$47,080,583	($63,069,688)	$278,262,230
Furniture and fixtures and equipment	23,285,913	4,251,137	(18,738,835)	8,798,215
Less accumulated depreciation	(185,493,654)	(12,119,947)	151,010,615	(46,602,986)
Total other capital assets	$132,043,594	$39,211,773	$69,202,092	$240,457,459

Business-Type Activities (Cont.)

	Balance July 1, 2006	Additions	Deletions/ Transfers	Balance June 30, 2007
Capital asset summary:				
Capital assets not being depreciated	$99,247,471	$47,327,384	($70,204,267)	$76,370,588
Other capital assets, at cost	317,537,248	51,331,720	(81,808,523)	287,060,445
Total cost of capital assets	416,784,719	98,659,104	(152,012,790)	363,431,033
Less accumulated depreciation	(185,493,654)	(12,119,947)	151,010,615	(46,602,986)
Capital assets, net	$231,291,065	$86,539,157	($1,002,175)	$316,828,047

At June 30, 2008, the Louisiana Superdome, which is included in the District's business-type activities capital assets, had substantially completed an extensive construction project to repair damages resulting from Hurricane Katrina and its aftermath and to provide upgrades and enhancements to portions of the existing building. Phase I of the project, which consists of repairing the existing Superdome structure and its contents to pre-hurricane Katrina condition, was originally budgeted at $129,000,000. Phase I of the project was completed for the reopening of the Louisiana Superdome on September 25, 2006.

Phase II of the project includes approximately $55,000,000 of enhancements and upgrades to the existing building. The upgrades and enhancements will be funded by approximately $40,000,000 of bond proceeds from the District's Series 2006 Revenue and Refunding bonds which were issued in March 2006. Additional enhancement funding of $15,000,000 was provided by the National Football League under the terms of a funding agreement with the State of Louisiana, the District, and SMG, Inc., (manager of the Louisiana Superdome) dated September 22, 2006. Phase II of the project was completed during the year ended June 30, 2008.

Program expenses for business-type activities on the statement of activities for 2007 include $1,025,262 in costs for remediation of mold and environmental contamination at the Louisiana Superdome. Remediation expenses for 2007 of $568,434 for the New Orleans Arena are not included in expenses in the accompanying financial statements because they were paid directly by the state's Office of Risk Management. In addition, certain remediation projects contracted directly by agencies of the federal government immediately after Hurricane Katrina also are not included in the accompanying financial statements.

The baseball stadium and the two practice facilities 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. BONDS PAYABLE

The bond issues outstanding at June 30, 2008, and changes in long-term debt for the year then ended are as follows:

Governmental Activities

	Balance July 1, 2007	Additions	Payments	Balance June 30, 2008	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	
Total	$294,325,000	NONE	NONE	$294,325,000	NONE

The bond issues outstanding at June 30, 2007, and changes in long-term debt for the year then ended are as follows:

Governmental Activities

	Balance July 1, 2006	Additions	Payments	Balance June 30, 2007	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	
Total	$294,325,000	NONE	NONE	$294,325,000	NONE

On March 23, 2006, the District issued $294,325,000 of Series 2006 Revenue and Refunding bonds. The purposes of the issue were to refund approximately $197,000,000 of the District's existing outstanding bonds and other long-term debt, to provide approximately $40,000,000 for construction of enhancements to the Louisiana Superdome, to provide approximately $25,000,000 for future operations of the District, 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. The bonds are reported in the 2008 Statement of Net Assets, net of unamortized issuance costs of $14,034,883 and escrow costs of $7,943,980. The bonds are reported in the 2007 Statement of Net Assets, net of unamortized issuance costs of $14,541,855 and escrow costs of $8,393,206.

The 2006 bonds consist of Series 2006A, Insured Tax-Exempt Revenue and Refunding Bonds ($84,675,000); Series 2006B, Insured Tax-Exempt Revenue and Refunding Bonds ($84,650,000); Series 2006C, Insured Taxable/Tax-Exempt Convertible Revenue and Refunding

Bonds ($69,150,000); and Series 2006D, Uninsured Taxable Revenue and Refunding Bonds ($55,850,000). During the year ended June 30, 2007, the Series 2006C bonds were converted to a tax exempt bond rate.

The 2006 bonds refunded all of the outstanding bonds and other long-term debt of the District issued for prior debt refunding, construction of various sports facilities in and around New Orleans, Louisiana, and was used to fund operations of the District.

The annual requirements to amortize all District bonds outstanding at June 30, 2008, (excluding support fees) are presented in the following schedule. The schedule uses rates as of June 30, 2008, for debt service requirements of the variable-rate bonds and interest rate swap payments, assuming current interest rates remain the same for their term. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year	Interest Rate Swap (Note 8)	Principal	Interest	Total
2009	($297,644)		$8,989,206	$8,691,562
2010	8,163,214		8,989,206	17,152,420
2011	8,163,214		8,989,206	17,152,420
2012	8,163,214	$5,900,000	9,268,456	23,331,670
2013	8,000,918	6,225,000	9,087,513	23,313,431
2014-2018	37,243,567	36,375,000	44,317,400	117,935,967
2019-2023	31,672,164	47,050,000	37,835,606	116,557,770
2024-2028	24,440,662	60,850,000	29,330,394	114,621,056
2029-2033	15,033,395	79,200,000	18,135,163	112,368,558
2034-2036	3,334,206	58,725,000	4,042,178	66,101,384
	$143,916,910	$294,325,000	$178,984,328	$617,226,238

Other significant bond features are as follows:

1. The Series 2006A, 2006B, and 2006C bonds are insured by Financial Guaranty Insurance Company (FGIC).

2. The bonds are not guaranteed by the State of Louisiana.

3. The bonds may be redeemed prior to maturity at the sole discretion of the District.

The debt service fund has assets available of $12,859,318 and $10,673,595 at June 30, 2008 and June 30, 2007, respectively, 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.

The 2006 bonds Series 2006A, 2006B, 2006C were issued in the auction rate mode. During the year ended June 30, 2008, a disruption in the auction rate market occurred because of, among other reasons, FGIC being downgraded below the "triple-A" ratings originally assigned to the bonds. As a result of the disruption, many auctions for the bonds during the year did not clear causing the bonds to be traded as high as the Maximum Rate of 12%, and the debt service requirements of the District dramatically increased. As provided by recent guidelines issued by the Internal Revenue Service (IRS) and a letter dated March 14, 2008, from the Securities and Exchange Commission, the State of Louisiana is permitted to purchase the bonds by participating in the auctions for up to 180 days from the first day the state is owner of each series of Bonds. Act No. 2 of the 2008 Second Extraordinary Session of the Louisiana Legislature (the Act) provides that the bonds are an authorized investment of the state's General Fund, and on April 15, 2008, the governor directed the state treasurer to invest monies on deposit in the State Treasury in the bonds. On April 17, 2008 and April 18, 2008, respectively, the State Bond Commission and the Joint Legislative Committee on the Budget agreed to and approved of the governor's directive and pursuant to the Act participated in auctions occurring on April 23, 2008, to May 20, 2008. As a result of the state's participation in these auctions, the state purchased $75,425,000 (89%) Series 2006A; $84,200,000 (99%) Series 2006B; and $66,150,000 (96%) Series 2006C bonds at an interest rate of 2.9%. The state will hold these bonds for 154 days from the date of purchase.

7. DEFEASED BONDS

To refund prior outstanding bonds of the District during the year ended June 30, 2006, portions of the proceeds of the Series 2006A ($59,312,451); Series 2006B ($59,312,451); Series 2006C ($64,775,534); and Series 2006D ($22,734,345) were deposited and held in irrevocable trust escrow accounts created pursuant to escrow deposit agreements dated March 1, 2006, between the District and the escrow trustee. In addition, portions of the proceeds of the Series 1998A and Series 1998B bonds ($144,910,260), plus an additional $4 million of sinking fund monies together with certain other funds and/or securities, were previously deposited and held in irrevocable trust escrow accounts created pursuant to an escrow deposit agreement dated December 1, 1998, between the District and the escrow trustee. On the date of delivery of the bonds, the District directed the escrow trustee to enter into escrow reinvestment agreements. Pursuant to the escrow reinvestment agreements, the reinvestment agreement provider provided monies and government obligations to be deposited to an irrevocable trust. The monies and government obligations on deposit in the escrow accounts, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due through and including the earliest redemption dates for each series of bonds refunded by the Series 2006 and Series 1998A and Series 1998B bonds. As a result, the refunded bonds are considered to be legally defeased and no longer a liability of the District. At June 30, 2008 and 2007, the amounts outstanding on the refunded bonds are $140,865,000 and $142,850,000, respectively.

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) to reduce the impact of changes in interest rates on its Series 2006 Revenue and Refunding Bonds.

Objective of the interest rate hedge agreements: As a means to lower its overall borrowing costs, specifically for the first several years, when compared against fixed-rate bonds, the District entered into the interest rate hedge agreements, the intention of which was to effectively change the variable interest rate on the bonds to a fixed rate of 2% for all series from inception up to but excluding July 1, 2009. After July 1, 2009, the fixed rate would change to 4.414% for the 2006A and 2006B bonds, 4.463% for the 2006C bonds, and 6.781% for the 2006D bonds. In addition to the fixed rates paid under the swap agreements, each of the variable rate bond series has annual support costs of approximately 0.25%. The net borrowing costs of the synthetic fixed rate structure, when compared to a traditional fixed rate bond issue, should be lower through 2009.

Terms: The bonds and the related hedge agreements mature on July 1, 2036, and the agreement's notional amount of $294,325,000 matches the principal amount of the variable-rate bonds. On March 23, 2006, the hedge agreements were consummated at the same time the bonds were issued. Starting in fiscal year 2013, the notional value of the agreements and the principal amount of the associated bonds will begin to amortize according to the sinking fund schedule in the official statement. Under the agreements, the District pays MLCS a fixed payment and receives a variable payment computed as 70% of the one month USD BBA London Interbank Offered Rate (LIBOR) for the Series 2006A, Series 2006B, and 2006C tax exempt bonds and variable rate computed as LIBOR plus 1.25% for the 2006D taxable bonds. Conversely, the District is required to pay the floating rate on the variable-rate bonds.

Fair value: The fair value of the swap agreement as of June 30, 2008, which is not reported in the financial statements, was $34,768,500 in favor of MLCS. The fair value was provided by MLCS and is based on mid-market levels at the close of business on June 30, 2008.

Credit risk: Credit risk is the risk that a counterparty will not fulfill its obligations. At June 30, 2008, the District is not exposed to credit risk because the fair value of the agreement was in MLCS's favor. However, should interest rates change and the fair value of the agreement become in the District's favor, the District would become exposed to credit risk. Merrill Lynch & Co., Inc., who guarantees all payments of MLCS, was rated "A/Negative/A-1" by Standard & Poor's effective June 2, 2008. To mitigate the potential for credit risk, the hedge agreement includes provisions for collateral thresholds and transfer amounts that correspond to the credit rating of Merrill Lynch & Co., Inc.'s senior unsecured debt and rating.

Interest rate risk: Interest rate risk is the risk that an adverse change in variable interest rates will increase the overall cost of borrowing for the District. Interest rate hedge agreements used to hedge variable rate bonds that extend through the maturity of the related debt effectively eliminate the interest rate risk, unless the hedge agreement is terminated prior to maturity. At June 30, 2008, the District has no plans to terminate the hedge agreements but maintains the right to actively manage its debt portfolio as opportunities arise.

Basis risk: Basis risk arises when the variable payment component of a fixed payer interest rate swap does not match the associated underlying variable-rate bonds. This variance can adversely affect the District's payments and/or synthetic fixed debt cost might not be realized. To minimize basis risk, the District has used a higher percentage of LIBOR fixed payer hedge (70%) for the Series A, B, and C bonds.

Termination risk: Termination risk is the risk that an unscheduled early termination of the hedge agreements will affect the District's asset/liability strategy or will result in a significant unanticipated termination payment to the counterparty. The District or the counterparty may terminate the hedges if the other party fails to perform under the terms of the contract. The hedges may also be terminated by the District or the counterparty if the other party's credit quality rating falls below "Baa3" as issued by Moody's Investors Service or "BBB-" as issued by Standard & Poor's. If the hedges are terminated, the variable-rate bonds would no longer carry a synthetic fixed interest rate. Also, if at the time of termination the hedge has a fair value in favor of MLCS, the District would be liable to the counterparty for a payment equal to the agreement's fair value.

9. REVENUE SOURCES AND REQUIRED RESTRICTED ASSETS

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.

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 both 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 $33,639,120 of Hotel Occupancy Tax earned for the year ended June 30, 2008, $12,281,468 was used for debt service requirements and $21,357,652 was used by the District for operational needs. No monies were available for funding of the other requirements.

Of the $29,556,777 of Hotel Occupancy Tax earned for the year ended June 30, 2007, $7,790,280 was used for debt service requirements and $21,766,497 was used by the District for operational needs. No monies were available for funding of the other requirements.

Various acts of the 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. These accounts are as follows:

Working Capital Account

This fund was initially established using $500,000 from the proceeds of the first Series of revenue bonds to provide a reserve for payment of the District's operating and maintenance costs. Section 11 of the Amended and Restated Lease Agreement between the District and the State dated April 1, 1994, re-created this fund using the $500,000 from the old working capital account plus an additional $1,000,000 transferred from the Bond Fund established by the Basic Bond Resolution of Series 1994A.

The monies on deposit in the Working Capital Fund shall be disbursed and paid out solely for the payment of invoices and unpaid operating expenses. However, transfers from the fund must be replenished from operations and may be made in annual installments at the end of each fiscal year over a period of more than one year.

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 years ended June 30, 2008 and June 30, 2007, no funds from operations were required to be deposited into the reserve. Deposits to the account were made from nonoperating sources.

Economic Development Fund Account

This account was established by Act 624 of the 1991 Regular Session of the Louisiana Legislature for the purpose of developing and engaging in marketing, promotional, and economic development activities on behalf of the District, the development of special projects benefiting the District and the State, and facility planning and expansion programs.

Community Development Block Grant Account

This account was established in 2007 to deposit funds from the Community Development Block Grant cooperative endeavor.

New Orleans Area Tourism and Economic Development Fund Account

This account was established by Act 1380 of the 1997 Regular Session of the Louisiana Legislature for funding grants for activities, projects, or programs undertaken for a public purpose, including, but not limited to, tourism, recreation, economic development, capital outlay, education, and services for youth and the elderly of Orleans Parish.

Construction and Operations Trust Fund Account

This account was established by the official statement of the Series 2006 Revenue and Refunding bonds which provided for deposit of approximately $40,000,000 of Series 2006A and 2006B bond proceeds to be deposited in the account and expended for ongoing construction of enhancements and improvements to the Louisiana Superdome and deposit of approximately $25,000,000 of Series 2006D bond proceeds to be expended for future operations of the District. The construction was substantially complete and the remaining operations funds transferred to the Dome in the year ended June 30, 2008.

Of the total net assets reported in the Statement of Net Assets for the year ended June 30, 2008 and 2007, $1,881,546 and $1,295,884, respectively, were restricted by enabling legislation.

10. 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.

11. RENTALS FROM NONCANCELABLE OPERATING LEASES (LESSOR LEASES)

Commitments for future revenue under noncancelable operating leases as of June 30, 2008, are as follows:

Year Ended June 30	Commercial Office Space	Real Estate	Total
2009	$76,100	$205,388	$281,488
2010	79,101	205,388	284,489
2011	58,299		58,299
2012	55,837		55,837
2013	28,466		28,466
Total	$297,803	$410,776	$708,579

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 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 years ended June 30, 2008 and June 30, 2007, were $559,557 and $482,668, respectively.

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. 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 66 2/3% 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 this plan was $124,130 and $101,146 for the years ended June 30, 2008 and June 30, 2007, respectively.

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. MANAGEMENT AGREEMENT

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.

Pursuant to the amendment to the Management Agreement on July 1, 2003, the compensation to SMG for its services beginning the year ended June 30, 2007, is the combination of a fixed fee, incentive fee, and bonus fee capped at $1,500,000, subject to adjustments per the Management Agreement. The cap is increased if SMG contributes manager's capital to the District and decreased in the succeeding fiscal year if repaid by the District. The increase in the cap is 30% of the manager's contribution outstanding. However, if any outstanding manager's contribution is repaid to SMG on or before July 1, 2006, the decreased cap will not be effective for the year beginning July 1, 2006. On March 23, 2006, the District repaid a $2,000,000 contribution made

by SMG during the year ended June 30, 2003. During the fiscal years ended June 30, 2008 and June 30, 2007, SMG made no additional contributions.

Pursuant to the amendment, beginning in the year ended June 30, 2007, compensation paid to SMG for its services at the Louisiana Superdome and New Orleans Arena will consist of a base fee, incentive fee, and bonus fee. The annual "base fee" is $700,000 for the Louisiana Superdome and $300,000 for the New Orleans Arena. The "incentive fee" will consist of 10% of the adjusted net income of the Louisiana 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.

14. 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, 2008, 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 outcome of the proceedings.

15. SUPERDOME LEASE AGREEMENT

The New Orleans Saints lease the Superdome, under an agreement dated September 30, 1994, as amended, with the State of Louisiana, the District, SMG, and the New Orleans Saints Limited Partnership (the Club), a National Football League (NFL) football franchise. 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 Louisiana Superdome in exchange for the Club remaining in the Louisiana Superdome through the end of the 2010 NFL season. The assignment of revenues resulted in inducements of $11,170,002 and $9,405,037 for the years ended June 30, 2008 and June 30, 2007, respectively.

During the year ended June 30, 2008, the Club was scheduled to receive $20,000,000 of other inducements for the 2007 football season. Of the additional inducements, $1,224,216 was paid to the Club from operating revenue during the year ended June 30, 2008.

During the year ended June 30, 2007, the Club was scheduled to receive $20,000,000 of other inducements for the 2006 football season. Of the additional inducements, $800,000 was paid to the Club from operating revenue and $581,952 of the additional inducements was paid to the Club from nonoperating revenue during the year ended June 30, 2007. On July 2, 2007, the Club was paid the remainder of the additional inducement for the 2006 football season in the amount

of $6,278,796 from nonoperating revenue for the year ended June 30, 2007. This amount was accrued as an expense for the year ended June 30, 2007.

The Club could receive future inducements in addition to the assignment of revenues as follows:

Year Ended June 30	Amount
2009	$23,500,000
2010	23,500,000
2011	23,500,000

Beginning January 2008, the State can decide not to pay the final three inducements. The Club could then terminate the Stadium Agreement without penalty.

In addition, the Club, in accordance with the Agreement, constructed additional box suites as permanent alterations to the Louisiana Superdome. Title to these suites vest in the District, subject to the rights of the State under the lease of the Louisiana Superdome and the rights of the Club as set forth in the Agreement. The Club has the right throughout the term of the Agreement to receive lease receipts derived from these additional box suites. In the event the Club is entitled to cancel the Agreement as the result of insufficient State funding under its lease of the Louisiana Superdome, the Club will have the right to a reduction in the rent payable to the District until such time as the Club receives the various inducements, in full, as defined in the Agreement.

On September 22, 2006, the Stadium Agreement was amended to provide the Club with additional revenue from certain fixed and temporary advertising and signage, beverage pouring and product service rights, and merchandising at the stadium.

16. ARENA USE AGREEMENTS

Hornets NBA Limited Partnership

On May 2, 2002, the District entered into a use agreement with the Hornets NBA Limited Partnership (Hornets), a franchise of the National Basketball Association, under which the Hornets would relocate to New Orleans and play all home basketball games in the Arena. In January 2008, the Arena use agreement was amended to end June 30, 2014. The Hornets shall pay a termination fee of at least $10 million to the State if the lease is terminated before June 30, 2013. The rent payable by the Hornets for use of the Arena shall equal 60% of concession revenue for the season.

Should the Hornets revenue fall below certain benchmark amounts, the State is required to reimburse the Hornets an amount to cause the Hornets revenue to equal the benchmark. For the year ended June 30, 2007, the State's cap on this reimbursement shall be $2 million, increased at a rate of 5% annually for each basketball season subsequent to the 2002-2003 season. No reimbursements were made for the year ended June 30, 2007. Under the amended agreement for 2008, the State's cap on this reimbursement was $6.5 million. During the year ended June 30,

2008, the Hornets were paid $6,369,659 as an additional inducement for the revenue benchmark and $338,523 from the players' tax. In addition, the Hornets were paid a special capital reimbursement of $2,435,668 during 2008 per the terms of the amended agreement.

The Hornets are paid 40% of the total concession revenue while the remaining 60% is retained by the District for the Hornets rent. The 40% paid to the Hornets is recorded as inducements expense. The Hornets are also paid the parking revenue, net of the parking expenses as inducements. The total payments to the Hornets for concessions and parking revenue for the 2007-2008 and 2006-2007 seasons amounted to $3,413,052 and $408,104, respectively, and are recorded as operating expenses for the years ended June 30, 2008 and June 30, 2007.

New Orleans VooDoo Football, Inc.

On December 4, 2003, SMG, in its capacity as manager of the Arena, and New Orleans VooDoo Football, Inc. (the VooDoo) entered into a use agreement under which the VooDoo would play all home football games in the Arena. The initial term of the agreement ends with the last home game in the season ending in 2005 with two two-year renewal options available.

The rent payable by the VooDoo for the use of the Arena under the initial term of the agreement is a per game fee equal to $1 per person of turnstile attendance, subject to a minimum fee of $6,750 per game and a maximum fee of $10,000 per game. Upon renewal of the agreement, the per person fee and the minimum and maximum per game fees will increase. Should turnstile attendance exceed certain levels during the regular season, the District shall pay an annual per person attendance credit to the VooDoo, not to exceed $45,000 for any regular season.

The VooDoo shall pay all costs associated with staffing for home games, other than personnel for concessions and security, not to exceed a total of $23,120 per game (not on a holiday). The VooDoo shall also pay costs for conversion and setup and additional costs for games on holidays.

As inducements, the VooDoo receives an amount equal to the greater of 35% of gross parking revenues or 50% of net parking revenues for each home game. The VooDoo also receives an amount equal to the greater of 50% of net concession revenues from food, beverage, and catering sales or 15% of gross concession revenues from all areas of the facility except the Courtside Restaurant. The total payments to the VooDoo for parking and concessions amounted to $229,900 and $239,686 and are recorded as operating expenses for the years ended June 30, 2008 and 2007, respectively.

17. ADVANCE FROM THE STATE OF LOUISIANA

In August 2006, the State established a new seed money advance to the District for $770,000 of which $500,000 was repaid in the year ended June 30, 2007. The balance due to the State at June 30, 2008, is $270,000.

18. NOTE PAYABLE

The District received a $7,500,000 loan from the Louisiana Economic Development Corporation on June 30, 2004. The purpose of the loan is for the payment of contractual obligations of the State through the District relative to professional franchises. The loan bears interest at a rate per annum equal to the yield on six-month U.S. Treasury Bonds, to be adjusted annually. The note is to be paid on an annual basis, beginning after the end of fiscal year 2006, only after the payment in full of all contractual, necessary, statutory, and usual charges of the District, and if the District's revenue for such fiscal year exceeds the District's revenue for fiscal year 2005, as adjusted by the increase in the consumer price index. All unpaid principal and accrued interest shall be due and payable on June 30, 2012. It is not possible to estimate the future maturities of the loan on an annual basis because of the repayment terms.

19. 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 Hornets 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 $14,702,982 has been expended as of June 30, 2008.

On January 11, 2007, the District entered into a cooperative endeavor agreement with the Louisiana Department of Culture, Recreation and Tourism to receive Community Development Block Grant funds as reimbursement of funds expended for marketing in the New Orleans region and southwest Louisiana. The District will be reimbursed up to a maximum of $1,000,000. The District has received reimbursements, totaling $860,951, of Community Development Block Grant funds as of June 30, 2008.

In August 2007, the District entered into a cooperative endeavor agreement with Jefferson Parish for use of the Alario Center as a temporary practice facility for the Hornets for the years ended June 30, 2008 and June 30, 2009. The agreement requires the District to provide funding to Jefferson Parish for its expenses, costs, and foregone revenues. The parties agreed that the funding for the year ended June 30, 2008, would be a minimum of $250,000 and a maximum of $457,000. For the year ended June 30, 2008, the District's expenses include $250,000 paid under this agreement. The agreement requires the parties to establish the amount of funding for the year ending June 30, 2009, in August 2008. Management of the Hornets and Jefferson Parish are still negotiating the amount of times that the Hornets will use the Alario Center for training.

20. WORKING CAPITAL AND FINANCIAL POSITION

During the year ended June 30, 2008, the District experienced losses because of inducement payments required by lease agreements with professional sports franchises (see notes 15 and 16), and a disruption in the auction rate market for the District's bonds (see note 6). As a result of this disruption, many auctions for the bonds did not clear causing the bonds to be traded as high

as the Maximum Rate, which caused the debt service requirements of the District to dramatically increase and affected the monies available to the District to meet the debt service payments and other financial obligations. The losses were financed by a supplemental appropriation to the District of $6,350,000 for fiscal year 2008 and $19,487,908 for fiscal year 2009, and in May 2008, the state purchased most of the Series 2006A, 2006B, and 2006C auction rate bonds for 154 days at an interest rate of 2.9%.

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 commitment, or renegotiate the inducements packages with the professional sports franchises. Management of the District is working to obtain other revenue sources and operating efficiencies to improve the financial position of the District.

21. SUBSEQUENT EVENTS

District's Bonds

On July 8, 2008, Moody's Investors Service (Moody's) confirmed the Baa3 ratings on the District's Series 2006A, 2006B, 2006C, and 2006D bonds. The Series 2006A, 2006B, and 2006C bonds are insured by FGIC which, as of September 5, 2008, is rated B1 with a negative outlook by Moody's. Confirmation of the District's Baa3 rating was based upon the credit strength supplied by a trustee-controlled first lien on the pledged revenue stream of the 4% tax on hotel occupancy in Orleans and Jefferson parishes, along with revenues generated by the District from events taking place in the Louisiana Superdome and New Orleans Arena. Equally considered in the confirmation of the rating is the strong and ongoing support provided by the State of Louisiana.

Pursuant to additional guidance by the IRS and Act No. 2 of the 2008 Second Extraordinary Session of the Louisiana Legislature, the Louisiana Governor, on October 2, 2008, issued a second directive and certification directing the State to continue to own the bonds for the length of time permitted by the IRS, or such other shorter time period as determined by the District and the State. On October 3, 2008, the State Bond Commission and the Joint Legislative Committee on the Budget agreed and approved of the governor's directive authorizing the State's continued investment in the Series 2006A, 2006B, and 2006C bonds by participating in auctions until the IRS deadline of December 31, 2009. The State participated in auctions occurring in October 2008 and anticipates participating in future auctions. The State currently owns $84,575,000 (99.9%) of the Series 2006A bonds at an interest rate of 3.75%; $84,350,000 (99.6%) of the Series 2006B bonds at an interest rate of 5%; and $66,275,000 (95.8%) of the Series 2006C Bonds at an interest rate of 5%.

VooDoo Terminates Operations

On October 13, 2008, Tom Benson, owner of New Orleans VooDoo Football, Inc., informed the Arena Football League of his plans to terminate operations of the franchise.

22. RESTATEMENT OF BEGINNING NET ASSETS

The beginning net assets as reflected on Statements B and F for fiscal year 2007 have been restated to reflect the following changes:

	Statement B		
	Governmental Activities	Business-Type Activities	Total
Net assets at June 30, 2006	($171,835,507)	$226,005,622	$54,170,115
Prior year insurance expense		(1,012,194)	(1,012,194)
Net assets at July 1, 2006, restated	($171,835,507)	$224,993,428	$53,157,921

	Statement F - Enterprise Funds		
	Louisiana Superdome	New Orleans Arena	Total
Net assets at June 30, 2006	$135,481,440	$90,524,182	$226,005,622
Prior year insurance expense	(1,012,194)		(1,012,194)
Net assets at July 1, 2006, restated	$134,469,246	$90,524,182	$224,993,428

SCHEDULE OF PER DIEM PAID TO COMMISSIONERS
For the Year Ended June 30, 2008

Included in the operating expenses of the financial statements of the District is the compensation of the commissioners of the District. In accordance with the State of Louisiana, the commissioners are allowed to receive a per diem to attend board meetings of the District. The accompanying schedule presents the per diem expenses incurred for the fiscal year ended June 30, 2008.

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, 2008

The annual fiscal report presents the financial position of the Louisiana Stadium and Exposition District, as of June 30, 2008, and the results of its changes in fund net assets 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.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Schedule of Per Diem Paid to Commissioners
For the Year Ended June 30, 2008

Edward Pratt, Commissioner	$350
David Chozen, Commissioner	300
Rosemary Patterson, Commissioner	300
Sara Roberts, Commissioner	50
Total	$1,000

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Louisiana Stadium and Exposition District
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2008

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STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
BALANCE SHEET
AS OF JUNE 30, 2008

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	26,422,667
Investments		
Receivables (net of allowance for doubtful accounts)(Note U)		35,613,491
Due from other funds (Note Y)		
Due from federal government		
Inventories		151,531
Prepayments		58,415
Notes receivable		
Other current assets		
Total current assets		62,246,104
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		2,911,963
Investments		
Receivables		174,723
Notes receivable		
Investments		
Capital assets (net of depreciation)(Note D)		
Land		13,944,160
Buildings and improvements		316,446,896
Machinery and equipment		9,370,978
Infrastructure		
Construction in progress		6,923,406
Other noncurrent assets		
Total noncurrent assets		349,772,126
Total assets	$	412,018,230
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	24,478,630
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		27,740,917
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		299,873
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Bonds payable		
Other long-term liabilities		1,295,762
Total current liabilities		53,815,182
NON-CURRENT LIABILITIES:		
Contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations (Note J)		
Claims and litigation payable (Note K)		
Notes payable		7,500,000
Bonds payable (net)		272,346,137
OPEB payable		
Other long-term liabilities		
Total noncurrent liabilities		279,846,137
Total liabilities		333,661,319
NET ASSETS		
Invested in capital assets, net of related debt		73,313,541
Restricted for:		
Capital projects		8
Debt service		12,859,318
Unemployment compensation		
Other specific purposes		3,086,686
Unrestricted		(10,902,642)
Total net assets		78,356,911
Total liabilities and net assets	$	412,018,230

The accompanying notes are an integral part of this financial statement.

Statement A

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

OPERATING REVENUES	
Sales of commodities and services	$ 34,292,958
Assessments	
Use of money and property	
Licenses, permits, and fees	
Other	
Total operating revenues	34,292,958
OPERATING EXPENSES	
Cost of sales and services	55,346,839
Administrative	
Depreciation	21,258,587
Amortization	
Total operating expenses	76,605,426
Operating income(loss)	(42,312,468)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	7,382,786
Intergovernmental revenues(expenses)	
Taxes	36,161,809
Use of money and property	2,237,362
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	(12,802,224)
Other revenue	
Other expense	(28,712,761)
Total non-operating revenues(expenses)	4,266,972
Income(loss) before contributions, extraordinary items, and transfers	(38,045,496)
Capital contributions	10,562,999
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	(27,482,497)
Total net assets – beginning	105,839,408
Total net assets – ending	$ 78,356,911

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Entity	$ 118,120,411	$ 34,292,958	$	$ 10,562,999	$ (73,264,454)
General revenues:					
Taxes					36,161,809
State appropriations					7,382,786
Grants and contributions not restricted to specific programs					
Interest					2,237,362
Miscellaneous					
Special items					
Extraordinary Item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					45,781,957
Change in net assets					(27,482,497)
Net assets - beginning					105,839,408
Net assets - ending					$ 78,356,911

The accompanying notes are an integral part of this statement.

Statement C

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

Cash flows from operating activities		
Cash received from customers	$ 34,817,925	
Cash payments to suppliers for goods and services	(49,501,912)	
Cash payments to employees for services	(10,315,265)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		(24,999,252)
Cash flows from non-capital financing activities		
State appropriations	1,032,786	
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	10,777,800	
Transfers out		
Other	7,457,342	
Net cash provided(used) by non-capital financing activities		19,267,928
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities	(10,820,265)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(6,091,326)	
Proceeds from sale of capital assets		
Capital contributions	(14,181,661)	
Other	(793,127)	
Net cash provided(used) by capital and related financing activities		(31,886,379)
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	2,237,363	
Net cash provided(used) by investing activities		2,237,363
Net increase(decrease) in cash and cash equivalents		(35,380,340)
Cash and cash equivalents at beginning of year		64,714,970
Cash and cash equivalents at end of year		$ 29,334,630

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

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

Operating income(loss)		$ (42,312,468)
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	21,258,587	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	561,185	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	5,029	
(Increase)decrease in inventories	(105,256)	
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(6,752,498)	
Increase(decrease) in compensated absences payable	88,875	
Increase(decrease) in due to other funds	335,162	
Increase(decrease) in deferred revenues	1,958,350	
Increase(decrease) in OPEB payable		
Increase(decrease) in other liabilities	(36,218)	
Net cash provided(used) by operating activities		$ (24,999,252)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	$
Contributions of fixed assets	4,226,452
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	$ 4,226,452

The accompanying notes are an integral part of this statement.

Statement D (concluded)

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2008

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 of 1921, as amended and continued as a statute by Article XIV, Section 16 of the Constitution of the State of Louisiana (State) for the year 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 Act.

The District acquired a site and constructed thereon the Superdome which opened in August 1975. The Superdome is leased by the District to the State pursuant to the Lease Agreement. The District initially managed and operated the Superdome on behalf of the State pursuant to a management and operating agreement dated as of 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 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 ("Act No. 64") 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 Superdome), which was signed by the parties under date of June 30, 1977.

Act 640 of the 1993 Regular Session of the State Legislature amended Act No. 541 to provide, among other things, for the construction of the Arena and further to provide 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 New Orleans Arena (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 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 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 of Commissioners 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.

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2008

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 District 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 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 (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.

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 District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) 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, all highly liquid investments (including restricted assets 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 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.

Beginning in FY 2004, the implementation of 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 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, 2008, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other Contracts	Total
Balance per agency books	$ 3,418,931	$	$ 25,835,528	$ 29,254,459
Deposits in bank accounts per bank	$	$	$	$ -
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	$	$	$	$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	$ 16,308,253	$	$ 25,835,527	$ 42,143,780
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or ageny but not in the entity's name.	$	$	$	$ -

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

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

Banking Institution	Program	Amount
1. Capital One	Enterprise Funds	$ 31,619,625
2. Bank of New York	Debt Service Fund	5,286,348
3. Bayerische Landesbank	Debt Service Fund	5,237,807
4.		
Total		$ 42,143,780

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	$
Petty cash	$ 80,171

2. INVESTMENTS (**not applicable**)

3. DERIVATIVES (**not applicable**)

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES (**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, a repurchase agreement, and guaranteed investment contracts with maturities of three months or less.

The District is allowed to invest funds as prescribed and allowed by Louisiana 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.

The District's investments in Cash Equivalents are exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, 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. The District's investment policy does not limit the amount of its holdings of securities by counterparties. At June 30, 2008, the District's invested in Guaranteed Investment Contracts, Repurchase Agreements, and Money Market Funds were held by a counterparty in the name of the District. Money Market investments for 2008 consist of the Bank of New York Hamilton Treasury Money Fund, which is rated AAAm by Standard and Poors. 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

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, 2008 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.

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 balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2008						
	Balance 6/30/2007	Prior Period Adjustment	Adjusted Balance 6/30/2007	Additions	Transfers*	Retirements	Balance 6/30/2008
Capital assets not being depreciated							
Land	$ 13,944,160	$	$ 13,944,160	$	$	$	$ 13,944,160
Non-depreciable land improvements			–				–
Capitalized collections			–				–
Construction in progress	62,426,427		62,426,427	3,074,150	(58,577,171)		6,923,406
Total capital assets not being depreciated	76,370,587	–	76,370,587	3,074,150	(58,577,171)	–	20,867,566
Other capital assets							
Machinery and Equipment	8,802,768		8,802,768	5,585,746		(95,963)	14,292,551
Less accumulated depreciation	(3,692,887)		(3,692,887)	(1,228,686)			(4,921,573)
Total furniture, fixtures, and equipment	5,109,881	–	5,109,881	4,357,060	–	(95,963)	9,370,978
Buildings and improvements	316,223,816		316,223,816	11,932,090	58,577,171	(101,894)	386,631,183
Less accumulated depreciation	(50,185,452)		(50,185,452)	(19,998,835)			(70,184,287)
Total buildings and improvements	266,038,364	–	266,038,364	(8,066,745)	58,577,171	(101,894)	316,446,896
Depreciable land improvements			–				–
Less accumulated depreciation			–				–
Total depreciable land improvements	–	–	–	–	–	–	–
Infrastructure			–				–
Less accumulated depreciation			–				–
Total infrastructure	–	–	–	–	–	–	–
Total other capital assets	271,148,245	–	271,148,245	(3,709,685)	58,577,171	(197,857)	325,817,874
Capital Asset Summary:							
Capital assets not being depreciated	76,370,587	–	76,370,587	3,074,150	(58,577,171)	–	20,867,566
Other capital assets, at cost	325,026,584	–	325,026,584	17,517,836	58,577,171	(197,857)	400,923,734
Total cost of capital assets	401,397,171	–	401,397,171	20,591,986	–	(197,857)	421,791,300
Less accumulated depreciation	(53,878,339)	–	(53,878,339)	(21,227,521)	–	–	(75,105,860)
Capital assets, net	$ 347,518,832	$ –	$ 347,518,832	$ (635,535)	$ –	$ (197,857)	$ 346,685,440

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

The unit'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, 2008 reflected at $3,086,686 in the non-current assets section on Statement A, consist of $2,911,963 in cash with fiscal agent and $174,723 in receivables. These assets are restricted for use for construction and operations, renewals and replacements, and economic development. The receivable is for funds restricted for 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, an employee can carry forward no more than 192 hours in vacation, and upon termination, an employee is paid for 192 hours of accumulated vacation, if applicable. Members of the Teamsters Union earn eight to 15 days of vacation per year with no carry forward provision. The accumulated net provision by the District for unpaid vacation benefits due employees of SMG as of June 30, 2008, was $299,873.

2. COMPENSATORY LEAVE (**not applicable**)

H. RETIREMENT SYSTEM (not applicable)

I. OTHER POSTEMPLOYMENT BENEFITS (not applicable)

J. LEASES

1. OPERATING LEASES

In August 2007, LSED entered into a cooperative endeavor agreement with Jefferson Parish for use of the Alario Center as a temporary practice facility for the Hornets for the years ended June 30, 2008 and 2009. The agreement requires LSED to provide funding to Jefferson Parish for its expenses, costs, and foregone revenues. The parties agreed that the funding for the year ended June 30, 2008 would be a minimum of $250,000 and a maximum of $457,000. For the year ended June 30, 2008, LSED's expenses include $250,000 paid under this agreement. The agreement requires the parties to establish the amount of funding for the year ended June 30, 2009 in August 2008.

2. CAPITAL LEASES (**not applicable**)

3. LESSOR DIRECT FINANCING LEASES (**not applicable**)

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 (collectibility 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 lease(s) as of June 30, 2008: (Note: If lease receivables extend past FY2028, please create additional columns and report these future minimum lease payment receivables in five year increments.)

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2009	$ 76,100	$ 205,388	$	$	$ 281,488
2010	79,101	205,388			284,489
2011	58,299				58,299
2012	55,837				55,837
2013-2015	28,466				28,466
Total	$ 297,803	$ 410,776	$ -	$ -	$ 708,579

Current year lease revenues received in fiscal year 2008 totaled $559,557.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2008: (Balances at June 30th should include current and non-current portion of long-term liabilities.)

	Year ended June 30, 2008				
	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Amounts due within one year
Notes and bonds payable:					
Notes payable	$ 7,500,000	$	$	$ 7,500,000	$
Bonds payable	294,325,000			294,325,000	
Total notes and bonds	301,825,000	--	--	301,825,000	--
Other liabilities:					
Contracts payable				--	
Compensated absences payable				--	
Capital lease obligations				--	
Claims and litigation				--	
OPEB payable				--	
Other long-term liabilities	270,000			270,000	270,000
Total other liabilities	270,000	--	--	270,000	270,000
Total long-term liabilities	$ 302,095,000	$ --	$ --	$ 302,095,000	$ 270,000

Note: Bonds presented in the Balance Sheet net of $21,978,863 of unamortized Escrow and Issuance Costs.

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) (not applicable)

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, 2008, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Governmental Activities	$	$	$ 2,000,000	$	$ 2,000,000
Business Type Activities	345,707		33,281,691		33,627,398
Gross receivables	$ -	$ -	$ -	$ -	$ -
Less allowance for uncollectible accounts	13,907	-	-	-	13,907
Receivables, net	$ 331,800	$ -	$ 35,281,691	$ -	$ 35,613,491
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2008 were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Business Type Activities	$ 23,659,393	$ 819,237	$	$	$ 24,478,630
					-
Total payables	$ 23,659,393	$ 819,237	$ -	$ -	$ 24,478,630

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 ASSETS (not applicable)

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

Of the total net assets reported on Statement A at June 30, 2008, $1,881,546 are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation).

Purpose of Restriction	LA Revised Statute Authorizing Revenue		Amount
Renewal and Replacements Reserve Account		$	1,760,288
Economic Development Fund			9,733
New Orleans Tourism Development Fund			111,525
Total		$	1,881,546

CC. IMPAIRMENT OF CAPITAL ASSETS (not applicable)

DD. EMPLOYEE TERMINATION BENEFITS (not applicable)

STATE OF LOUISIANA
LOUISIANA STADIUM & EXPOSITION DISTRICT (BTA)
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended JUNE 30, 2008
(Fiscal Close)

Name	Amount
Rosemary Patterson, Commissioner	$ 300
Ed Pratt, Commissioner	350
Sara Roberts, Commissioner	50
David Chozen, Commissioner	300
	$ 1,000

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.

STATE OF LOUISIANA
LOUISIANA STADIUM & EXPOSITION DISTRICT (BTA)
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2008

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Louisiana Economic Development Corporation	June 2004	$7,500,000	$7,500,000	NONE	$7,500,000	Variable	$
				–			
				–			
				–			
				–			
				–			
				–			
				–			
				–			
				–			
				–			
				–			
				–			
Total		$7,500,000	$7,500,000	NONE	$7,500,000		$

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA STADIUM & EXPOSITION DISTRICT (BTA)
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/07	Redeemed (Issued)	Principal Outstanding 6/30/08	Interest Rates	Interest Outstanding 6/30/08
Series 2006A	March 2006	$84,675,000	$84,675,000	$	$84,675,000	Variable	$84,839,611
Series 2006B	March 2006	84,650,000	84,650,000		84,650,000	Variable	84,805,276
Series 2006C	March 2006	69,150,000	69,150,000		69,150,000	Variable	69,923,769
Series 2006D	March 2006	55,850,000	55,850,000		55,850,000	Variable	83,332,582
Total		$294,325,000	$294,325,000	$	$294,325,000		$322,901,238

*Send copies of new amortization schedules

STATE OF LOUISIANA
_____ (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 20__

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2009	$ _____	$ _____	$ _____	$ --
2010	_____	_____	_____	--
2011	_____	_____	_____	--
2012	_____	_____	_____	--
2013	_____	_____	_____	--
2014-2018	_____	_____	_____	--
2019-2023	_____	_____	_____	--
2024-2028	_____	_____	_____	--
2029-2033	_____	_____	_____	--
Total	$ _____ –	$ _____ –	$ _____ --	$ _____ --

STATE OF LOUISIANA

_____ (BTA)

SCHEDULE OF NOTES PAYABLE AMORTIZATION

For the Year Ended June 30, 20__

Fiscal Year Ending:	Principal	Interest
2009	$	$
2010		
2011		
2012		
2013		
2014-2018		
2019-2023		
2024-2028		
2029-2033		
Total	$ -	$ -

STATE OF LOUISIANA
LOUISIANA STADIUM & EXPOSITION DISTRICT (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2008

Fiscal Year Ending:	Principal	Interest
2009	$	$ 8,691,562
2010		17,152,420
2011		17,152,420
2012	5,900,000	17,431,670
2013	6,225,000	17,088,430
2014	6,575,000	17,133,390
2015	6,925,000	16,743,666
2016	7,225,000	16,332,508
2017	7,625,000	15,902,713
2018	8,025,000	15,448,690
2019	8,475,000	14,969,815
2020	8,875,000	14,463,295
2021	9,400,000	13,931,924
2022	9,875,000	13,368,104
2023	10,425,000	12,774,631
2024	10,900,000	12,147,299
2025	11,525,000	11,490,314
2026	12,175,000	10,794,044
2027	12,775,000	10,057,106
2028	13,475,000	9,282,293
2029	14,225,000	8,463,394
2030	14,950,000	7,597,613
2031	15,775,000	6,685,737
2032	16,675,000	5,721,554
2033	17,575,000	4,700,261
2034	18,550,000	3,621,248
2035	19,550,000	2,480,309
2036	20,625,000	1,274,828
Total	$ 294,325,000	$ 322,901,238

STATE OF LOUISIANA

_____ (BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2008

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/08	Revised Budget	Variance Postive/(Negative)
Revenues:					
Intergovernmental Revenues	$ -	$ -	$ -	$ -	$ -
Federal Funds	-	-	-	-	-
Sales of Commodities and Services	-	-	-	-	-
Other	-	-	-	-	-
Total appropriated revenues	-	-	-	-	-
Expenses:					
Cost of goods sold	$ -	$ -	$ -	$ -	$ -
Personal services	-	-	-	-	-
Travel	-	-	-	-	-
Operating Services	-	-	-	-	-
Supplies	-	-	-	-	-
Professional services	-	-	-	-	-
Other charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Interagency transfers	-	-	-	-	-
Debt service	-	-	-	-	-
Other:					
Bad debts	-	-	-	-	-
Depreciation	-	-	-	-	-
Compensated absences	-	-	-	-	-
Interest expense	-	-	-	-	-
Other (identify)	-	-	-	-	-
Total appropriated expenses	-	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	$ -	$ -	$ -	$ -	$ -

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

SCHEDULE 5

STATE OF LOUISIANA

_____ (BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES

BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

June 30, 2008

Excess (deficiency) of revenues over expenses (budget basis)	$	
Reconciling items:		
Cash carryover		
Use of money and property (interest income)		
Depreciation		
Compensated absences adjustment		
Capital outlay		
Disposal of fixed assets		
Change in inventory		
Interest expense		
Bad debts expense		
Prepaid expenses		
Principal payment		
Loan principal repayments included in Revenue		
Loan disbursements included in Expenses		
Accounts receivable adjustment		
Accounts payable/estimated liabilities adjustment		
Other		
Change in Net Assets	$	-

Note : Schedule 5 is only applicable for entities whose budget is appropriated by the legislature

SCHEDULE 5

STATE OF LOUISIANA

LOUISIANA STADIUM & EXPOSITION DISTRICT (BTA)

COMPARISON FIGURES

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 $1 million, explain the reason for the change.

	2008	2007	Difference	Percentage Change
1) Revenues	$ 90,637,914	$ 132,055,259	$(41,417,345)	$ -31%
Expenses	118,120,411	79,373,772	38,746,639	49%
2) Capital assets	346,685,440	347,518,832	(833,392)	0%
Long-term debt	279,846,137	278,889,939	956,198	0%
Net Assets	78,356,911	105,839,408	(27,482,497)	-26%

Explanation for change:

Revenues – decrease in capital grants and contributions, offset by increases in state appropriation, sales taxes, and operations.
Expenses – increased operations and interest expense.
Net Assets - decreased capital appropriations for construction, increased depreciation expense, and increased uses of bond proceeds for operations.

SCHEDULE 16 – COOPERATIVE ENDEAVORS
FOR THE YEAR ENDED JUNE 30, 2008
NAME________________________

AGENCY NUMBER________
AGENCY

Contract Financial Management System #	Parties to the Coop	Brief Description of the Coop	Multi-year, One-Time, or Other Appropriation	Original Amount of Coop, Plus Amendments, if any	Date of Original Coop was Effective	End Date of Coop, as Amended, if Applicable	Funding Source per Coop Agreement based on Net Liability as of June 30, 2008							Paid - Inception to Date as of 6/30/2008	Net Liability as of 6/30/2008
							100% State	100% SGR	100% Stat. Ded.	100% G.O. Bonds	100% Federal	100% IAT	100% Combination		
NONE															0.00
															0.00
															0.00
															0.00
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															0.00
															0.00
															0.00
		TOTAL		0.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

OTHER REPORT REQUIRED BY

GOVERNMENT AUDITING STANDARDS

The following pages contain a report on internal control over financial reporting, and on compliance with laws and regulations and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based on the audits 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
STEVE J. THERIOT, CPA

October 24, 2008

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic 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 the financial statements of the governmental activities, the business-type activities, 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 years ended June 30, 2008 and June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 24, 2008. Our report was modified to include an emphasis of a matter regarding the impact of hurricanes Katrina and Rita. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

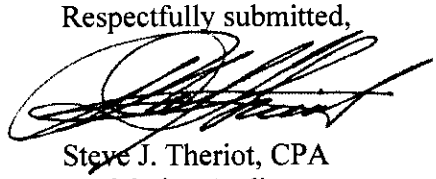
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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.*

This report is intended solely for the information and use of the District's management and Board of Commissioners and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

MH:JR:EFS:PEP:dl

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