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

FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED JUNE 30, 2010
ISSUED DECEMBER 22, 2010

LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 17, 2010

Independent Auditor's Report

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 year ended June 30, 2010, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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As disclosed in note 1-M to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, for the year ended June 30, 2010.

As disclosed in note 1-D, during the year ended June 30, 2010, the District began using a general fund to account for its general tax revenues, state appropriations, and nonoperating expenses that are not designated for a specific program or fund. Because of this change, these revenues and expenses and the resulting assets, liabilities, and net assets at year-end are not reported in the District's proprietary fund and business-type activity statements as in prior years but are now presented in the General Fund and Governmental Activities Statements. Therefore, the comparability of the District's current year financial statements to its prior years' financial statements is affected by this change in reporting. Also, as disclosed in note 1-D, the District created a new proprietary fund to account for the operations of Champions Square.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2010, 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 GASB. 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 audit was 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 audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Daryl Purpera

Daryl G. Purpera, CPA, CFE
Legislative Auditor

MH:JR:EFS:THC:dl

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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 year ended June 30, 2010. 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 11.

During the year ended June 30, 2010, the District began using a general fund to account for the general tax revenues, appropriations, and nonoperating expenses which are not designated for a specific program or fund. The result from this change is these revenues and expenses are no longer allocated and reported as nonoperating within the business-type activities. The general fund presentation does not change the intent or allocation of any funds before the 2010 fiscal year, but has caused the comparison of the fund financial statements to be less meaningful this year.

FINANCIAL HIGHLIGHTS

- The District's assets of business-type activities exceeded liabilities at the close of fiscal year 2010 by $309,786,064. The net assets increased by $1,403,178 during fiscal year 2010. The liabilities of governmental activities exceeded assets at the close of fiscal year 2010 by $245,259,722. The net assets of governmental activities increased by $14,484,046 during fiscal year 2010.

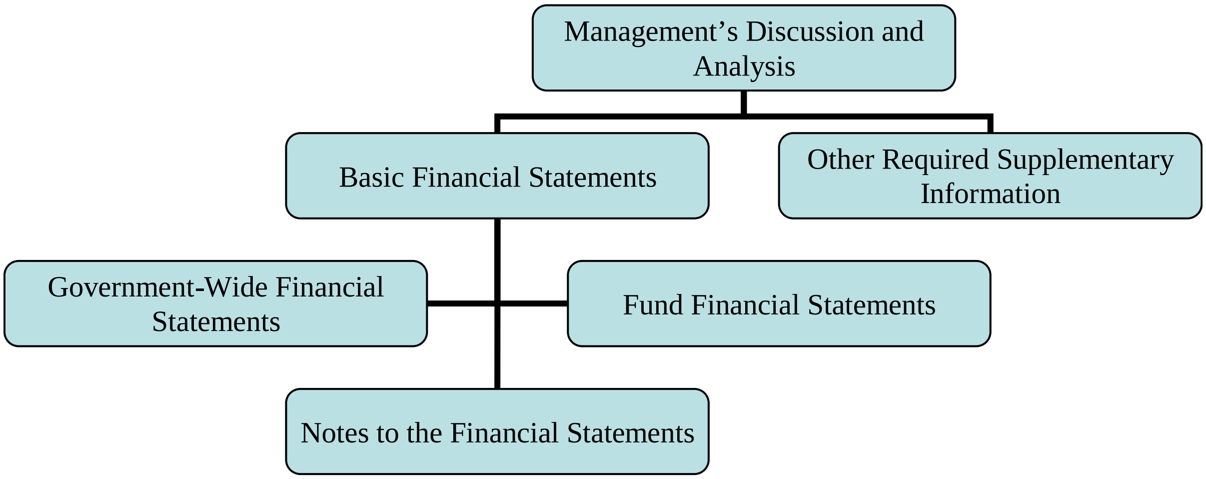
- The District established a new enterprise fund during the fiscal year ended June 30, 2010, which is identified as Champions Square. It has been established to track the operations of the leased facility formerly known as the New Orleans Centre Shopping Mall and parking garage. The facility is currently being redeveloped as a venue for entertainment.

- The District has received $31,583,464 in capital contributions to its business-type activities for the year ended June 30, 2010. This represents an increase of $12,059,171 over the prior fiscal year. The contributions are various capital projects for improvements to the Louisiana Superdome and the New Orleans Arena.

- A settlement was reached on the ongoing litigation resulting from damages to the Superdome's roof during Hurricane Katrina. The District was awarded $13,276,611 toward the expenditures incurred to repair the damage in prior years.

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 the general fund, debt service, and capital projects

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Net Assets
As of June 30, 2010 and 2009
(in thousands)

	2010	2009
Current and other assets	$106,715	$67,546
Capital assets	351,963	340,637
Total assets	458,678	408,183
Current and other liabilities	112,393	49,072
Long-term debt outstanding	281,759	280,802
Total liabilities	394,152	329,874
Net assets:		
Invested in capital assets, net of debt	76,273	63,515
Restricted	37,042	29,633
Unrestricted	(48,789)	(14,839)
Total net assets	$64,526	$78,309

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, 2010 and 2009
(in thousands)

	2010	2009 (Reclassified)
REVENUES		
Program revenues:		
Charges for services	$40,561	$35,244
Grants and contributions	47,759	19,524
General revenues:		
Hotel occupancy taxes	29,858	27,138
State appropriations	18,200	20,446
New Orleans Sports Franchise Fund	4,511	3,667
Pari-Mutuel Live Racing Facility Slots	3,277	2,642
Players' tax	3,217	4,200
Interest and other income	14,041	711
Total revenues	161,424	113,572
PROGRAM EXPENSES		
Interest on long-term debt	19,227	11,196
Facility operation	113,744	101,466
Total expenditures	132,971	112,662
Investment loss, net	12,531	
Loss on disposal of capital assets	35	72
INCREASE IN NET ASSETS	$15,887	$838

The District's total revenues increased from 2009 to 2010 by $47,852,722. The total cost of all programs and services increased by $20,308,451. The increase in total revenues is due primarily to state capital contributions to fund capital improvements and operating grants to assist with the accumulated unrestricted deficit of the District. The increase in cost of programs and services results from unfavorable results of the interest rate hedge agreement, the purchase of the TPC golf facility, and increased sports franchise inducements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010 and 2009, the District has $351,963,041 and $340,637,240, respectively, invested in capital assets, net of accumulated depreciation of $123,201,200 and $98,934,957, respectively, including land, buildings and improvements, and furniture, fixtures, and equipment.

(in thousands)

	2010	2009
Land	$13,944	$13,944
Building and improvements	281,722	302,229
Furniture, fixtures, and equipment	9,066	9,824
Construction-in-progress	47,231	14,640
Total	$351,963	$340,637

Debt

The District has $294,325,000 in revenue bonds outstanding at June 30, 2010 and June 30, 2009. 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, 2010 and June 30, 2009, the District was not required to make principal payments on the Series 2006 bonds.

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

The District has incurred operating losses for fiscal years ended June 30, 2010 and June 30, 2009. During fiscal years 2010 and 2009, the District's net assets increased $15,887,224 and $837,851, respectively. The operating losses are funded by statutorily dedicated revenues, state appropriations, and hotel occupancy taxes. 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 franchises.

CONTACTING THE DISTRICT'S MANAGEMENT

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

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Net Assets
June 30, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents (note 2)	$17,693,258	$10,081,271	$27,774,529
Accounts receivable (net)	281,836	591,707	873,543
Due from State of Louisiana (note 3)	32,610,408	7,351,428	39,961,836
Inventory of materials and supplies		98,016	98,016
Prepaid expenses		42,743	42,743
Restricted assets: (notes 2 and 7)			
Working capital account - cash and cash equivalents	8,219,710		8,219,710
Renewal and Replacement Reserve Account - cash and cash equivalents	4,142,538	10,468,650	14,611,188
Concessionaire Fund - receivable		841,304	841,304
Deposits		33,269	33,269
Capital assets, net of accumulated depreciation (note 4)	30,138,604	321,824,437	351,963,041
Deferred Swap Outflow of Resources (note 6)	14,258,406		14,258,406
Total assets	107,344,760	351,332,825	458,677,585
LIABILITIES			
Accounts payable and accrued expenses	378,948	23,946,784	24,325,732
Payable to SMG	75,000	502,913	577,913
Sports franchise inducements payable (notes 14 and 15)	19,887,411		19,887,411
Deferred revenue and security deposits		196,247	196,247
Compensated absences (note 1-J)		367,633	367,633
Advance deposits on future events		9,022,908	9,022,908
Accrued bond interest payable	1,431,050		1,431,050
Advance from State of Louisiana		10,276	10,276
Noncurrent liabilities:			
Bonds payable (note 5), reported net of unamortized issuance and escrow costs of $20,066,467	274,258,533		274,258,533
Notes payable (note 16)		7,500,000	7,500,000
Investment Derivatives Swap Liability (note 6)	42,315,134		42,315,134
Hedging Derivative Swap Liability (note 6)	14,258,406		14,258,406
Total liabilities	352,604,482	41,546,761	394,151,243
NET ASSETS			
Invested in capital assets, net of related debt	(245,550,979)	321,824,437	76,273,458
Restricted for:			
Debt service	13,369,783		13,369,783
Capital projects	8		8
Working capital	8,219,710		8,219,710
Renewal and replacement	4,142,538	10,468,650	14,611,188
Concessionaire reserve		841,304	841,304
Unrestricted	(25,440,782)	(23,348,327)	(48,789,109)
TOTAL NET ASSETS	($245,259,722)	$309,786,064	$64,526,342

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Activities
For the Year Ended June 30, 2010

		PROGRAM REVENUES		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
Facility operation	$32,512,923	$158,333	$16,175,308	
Interest on bonds	19,226,667			
Total governmental activities	51,739,590	158,333	16,175,308	NONE
Business-type activities - facility operation	81,231,208	40,402,315	NONE	$31,583,464
Total	$132,970,798	$40,560,648	$16,175,308	$31,583,464

General revenues:
Taxes: (note 7)
Hotel occupancy taxes, levied for general purposes
Hotel occupancy taxes, levied for debt service
State appropriations
New Orleans Sports Franchise Fund
Pari-Mutuel Live Racing Facility Slots
Players' tax
Miscellaneous
Litigation settlement
Investment earnings, net
Transfers in (out)
Loss on disposal of capital assets
Total general revenues and transfers

Change in net assets

NET ASSETS, BEGINNING OF YEAR

Prior period adjustment (note 19)

NET ASSETS, BEGINNING OF YEAR, AS RESTATED

TOTAL NET ASSETS, END OF YEAR

The accompanying notes are an integral part of this statement.

Statement B

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
($16,179,282)		($16,179,282)
(19,226,667)		(19,226,667)
(35,405,949)	NONE	(35,405,949)
NONE	($9,245,429)	(9,245,429)
(35,405,949)	(9,245,429)	(44,651,378)
11,466,627		11,466,627
18,391,869		18,391,869
18,200,000		18,200,000
4,510,734		4,510,734
3,277,362		3,277,362
3,216,881		3,216,881
765,122		765,122
13,276,611		13,276,611
(12,590,417)	59,053	(12,531,364)
(10,624,794)	10,624,794	
	(35,240)	(35,240)
49,889,995	10,648,607	60,538,602
14,484,046	1,403,178	15,887,224
(230,073,732)	308,382,886	78,309,154
(29,670,036)	NONE	(29,670,036)
(259,743,768)	308,382,886	48,639,118
($245,259,722)	$309,786,064	$64,526,342

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LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2010

	GENERAL FUND	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents (note 2)	$6,609,019	$11,084,231	$8	$17,693,258
Accounts receivable	281,836			281,836
Due from State of Louisiana (note 3)	30,324,856	2,285,552		32,610,408
Restricted assets: (notes 2 and 7)				
Working Capital Account - cash and cash equivalents	8,219,710			8,219,710
Renewal and Replacement Reserve Account - cash and cash equivalents	4,142,538			4,142,538
TOTAL ASSETS	$49,577,959	$13,369,783	$8	$62,947,750
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	$378,948			$378,948
Payable to SMG	75,000			75,000
Sports team inducements payable (notes 14 and 15)	19,887,411			19,887,411
Total liabilities	20,341,359	NONE	NONE	20,341,359
Fund Balance:				
Reserved for:				
Debt service		$13,369,783		13,369,783
Capital projects			$8	8
Working capital	8,219,710			8,219,710
Renewal and replacement	4,142,538			4,142,538
Unreserved	16,874,352			16,874,352
Total fund balance	29,236,600	13,369,783	8	42,606,391
TOTAL LIABILITIES AND FUND BALANCES	$49,577,959	$13,369,783	$8	$62,947,750

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2010

	TOTAL GOVERNMENTAL FUNDS
Total fund balances, as presented in this statement	$42,606,391
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.	(1,431,050)
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.	(274,258,533)
Derivative instruments and the related deferred outflow of resources used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	(42,315,134)
Capital assets reported in the Statement of Net Assets are not financial resources.	30,138,604
NET ASSETS OF GOVERNMENTAL ACTIVITIES	($245,259,722)

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2010

	GENERAL FUND	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Hotel occupancy tax (note 7)	$11,466,627	$18,391,869		$29,858,496
State appropriations	18,200,000			18,200,000
New Orleans Sports Franchise Fund	4,510,734			4,510,734
Pari-Mutuel Live Racing Facility Slots	3,277,362			3,277,362
Players' tax	3,216,881			3,216,881
Community Development Block Grant (note 17)	8,025,308			8,025,308
Land rental (note 9)	158,333			158,333
Interest earnings	64,216			64,216
Miscellaneous income	765,122			765,122
Total revenues	49,684,583	18,391,869	NONE	68,076,452
EXPENDITURES				
Salaries, wages, and benefits	321,983			321,983
Utilities	11,962			11,962
Management fee - SMG (note 12)	150,000			150,000
Professional fees	1,469,212			1,469,212
Insurance	278,588			278,588
Other Saints inducements (note 14)	16,440,245			16,440,245
Other Hornets inducements (note 15)	3,447,166			3,447,166
Other facility obligations	8,791,670			8,791,670
Other expenses	92,544			92,544
Capital outlay			$246,430	246,430
Investment expenses, net		9,535		9,535
Debt service:				
Interest		20,659,765		20,659,765
Other		586,623		586,623
Total expenditures	31,003,370	21,255,923	246,430	52,505,723
Excess (deficiency) of revenues over expenditures	18,681,213	(2,864,054)	(246,430)	15,570,729

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2010

	GENERAL FUND	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
OTHER FINANCING SOURCES (USES)				
Transfers in			$246,430	$246,430
Transfers out	($10,871,224)			(10,871,224)
Litigation settlement	13,276,611			13,276,611
State contribution to TPC facility (note 17)	8,150,000			8,150,000
Total other financing sources (uses)	10,555,387	NONE	246,430	10,801,817
Net change in fund balances	29,236,600	($2,864,054)	NONE	26,372,546
Fund balances at beginning of year	NONE	16,233,837	8	16,233,845
Fund balances at end of year	$29,236,600	$13,369,783	$8	$42,606,391

Net change in fund balances, as presented in this statement	$26,372,546
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.	2,389,296
Governmental funds do not include amortization expense for bonds, escrow and issuance costs.	(956,198)
Governmental funds report changes in investment derivative instruments only when those instruments provide or use financial resources. However, in the Statement of Activities, changes in the fair value of investment derivative instruments are changes in economic resources and are reported in each period in which there is a change in the fair value of the investment. This is the amount of change in fair value of investment derivatives in the current period.	(12,645,098)
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 depreciation ($922,930) exceeded capital outlay ($246,430) in the current period.	(676,500)
Change in net assets of governmental activities as reported on the Statement of Activities	$14,484,046

(Concluded)

The accompanying notes are an integral part of this statement.

Statement E

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Balance Sheet
June 30, 2010

	ENTERPRISE FUNDS			
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
ASSETS				
Current assets:				
Cash and cash equivalents (note 2)	$7,740,242	$2,273,292	$67,737	$10,081,271
Accounts receivable	497,476	70,979	23,252	591,707
Due from State of Louisiana (note 3)	7,351,428			7,351,428
Due from other funds	3,613,121			3,613,121
Inventory	80,384	17,632		98,016
Prepaid expenses	42,743			42,743
Total current assets	19,325,394	2,361,903	90,989	21,778,286
Restricted assets: (notes 2 and 7)				
Renewal and Replacement Reserve Account - cash and cash equivalents		402,173	10,066,477	10,468,650
Concessionaire Fund - receivable	580,682	260,622		841,304
Total restricted assets	580,682	662,795	10,066,477	11,309,954
Capital assets, net of accumulated depreciation (note 4)	243,229,613	77,443,716	1,151,108	321,824,437
Deposits			33,269	33,269
TOTAL ASSETS	$263,135,689	$80,468,414	$11,341,843	$354,945,946
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	$19,820,850	$3,968,425	$157,509	$23,946,784
Payable to SMG	352,039	150,874		502,913
Deferred revenue and security deposits	196,247			196,247
Compensated absences (note 1-J)	319,255	46,915	1,463	367,633
Funds held in escrow for future events	6,926,752	2,096,156		9,022,908
Advance from State of Louisiana	10,276			10,276
Due to other funds		3,600,000	13,121	3,613,121
Total current liabilities	27,625,419	9,862,370	172,093	37,659,882
Noncurrent liabilities - note payable (note 16)	7,500,000			7,500,000
Total liabilities	35,125,419	9,862,370	172,093	45,159,882

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Balance Sheet
June 30, 2010

	ENTERPRISE FUNDS			
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
NET ASSETS				
Invested in capital assets, net of related debt	$243,229,613	$77,443,716	$1,151,108	$321,824,437
Restricted	580,682	662,795	10,066,477	11,309,954
Unrestricted	(15,800,025)	(7,500,467)	(47,835)	(23,348,327)
Total net assets	228,010,270	70,606,044	11,169,750	309,786,064
TOTAL LIABILITIES AND NET ASSETS	$263,135,689	$80,468,414	$11,341,843	$354,945,946

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2010

	ENTERPRISE FUNDS			
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
OPERATING REVENUES				
Event rental:				
Football	$315,000			$315,000
Basketball		$210,426		210,426
Conventions and trade shows	184,679			184,679
High school sports	67,089			67,089
Musical events and entertainment	197,141	1,450,777		1,647,918
Other events	379,554	63,117		442,671
Reimbursement event costs	4,521,369	3,015,942		7,537,311
Total event rental	5,664,832	4,740,262	NONE	10,405,094
Parking	2,418,452	1,049,015	$903,367	4,370,834
Concessions	11,369,193	5,413,737		16,782,930
Box suite rental	6,069,234	896,018		6,965,252
Advertising and broadcasting	32,311	68,537		100,848
Commercial office rental (note 9)	373,910	6,445		380,355
Land rental (note 9)	51,347			51,347
Ticket incentive	331,276	643,096		974,372
Other	187,539	121,901	61,843	371,283
Total operating revenues	26,498,094	12,939,011	965,210	40,402,315
OPERATING EXPENSES				
Salaries, wages, and benefits	8,368,546	2,413,800	206,565	10,988,911
Utilities	4,198,945	1,316,207	146,461	5,661,613
Repairs and maintenance	1,019,755	413,354	18,539	1,451,648
Management fee - SMG (note 12)	980,839	420,360		1,401,199
Saints lease inducement payments (note 14)	13,071,816			13,071,816
Hornets inducement payments (note 15)		2,659,265		2,659,265
Professional fees	123,614	43,147	13,378	180,139
Professional sports staffing	1,499,778	1,447,525		2,947,303
Insurance	3,676,497	1,318,809	4,355	4,999,661
Direct event expense	3,817,652	4,410,135		8,227,787
Advertising and public relations	78,480	78,083	434	156,997
Rent (note 11)			555,039	555,039
Other operating expenses	3,679,587	1,842,864	20,439	5,542,890
Total operating expenses	40,515,509	16,363,549	965,210	57,844,268

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2010

	ENTERPRISE FUNDS			
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
Operating loss before depreciation	($14,017,415)	($3,424,538)	NONE	($17,441,953)
Depreciation	16,904,001	6,482,939		23,386,940
Operating loss	(30,921,416)	(9,907,477)	NONE	(40,828,893)
NONOPERATING REVENUE (EXPENSES)				
Interest revenue	11,575	15,258	$32,220	59,053
Loss on disposal of capital assets	(19,383)	(15,857)		(35,240)
Total nonoperating revenue (expenses)	(7,808)	(599)	32,220	23,813
Income (loss) before transfers and capital contributions	(30,929,224)	(9,908,076)	32,220	(40,805,080)
Transfers in		4,155,001	11,137,530	15,292,531
Transfers (out)	(4,667,737)			(4,667,737)
Net transfers	(4,667,737)	4,155,001	11,137,530	10,624,794
Capital contributions	30,557,911	1,025,553	NONE	31,583,464
Change in net assets	(5,039,050)	(4,727,522)	11,169,750	1,403,178
Net assets, beginning of year	233,049,320	75,333,566	NONE	308,382,886
NET ASSETS, END OF YEAR	$228,010,270	$70,606,044	$11,169,750	$309,786,064

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Cash Flows
For the Year Ended June 30, 2010

	ENTERPRISE FUNDS			
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$27,034,116	$11,423,118	$941,958	$39,399,192
Payments to suppliers	(29,366,715)	(13,790,895)	(634,405)	(43,792,015)
Payments for salaries and related expenses	(8,257,034)	(3,260,706)	(191,981)	(11,709,721)
Net cash (used) provided by operating activities	(10,589,633)	(5,628,483)	115,572	(16,102,544)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants/transfers	(4,584,368)	4,155,001	11,137,530	10,708,163
Net cash (used) provided by noncapital financing activities	(4,584,368)	4,155,001	11,137,530	10,708,163
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital appropriations	12,623,698	1,025,553		13,649,251
Purchases of capital assets	(14,367,742)	(2,231,142)	(1,151,108)	(17,749,992)
Net cash (used) by capital and related financing activities	(1,744,044)	(1,205,589)	(1,151,108)	(4,100,741)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	11,575	15,258	32,220	59,053
Net cash provided by investing activities	11,575	15,258	32,220	59,053
Net (decrease) increase in cash and cash equivalents	(16,906,470)	(2,663,813)	10,134,214	(9,436,069)
Cash and cash equivalents, beginning of year	24,646,712	5,339,278	NONE	29,985,990
CASH AND CASH EQUIVALENTS, END OF YEAR	$7,740,242	$2,675,465	$10,134,214	$20,549,921

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2010

	ENTERPRISE FUNDS			
	LOUISIANA SUPERDOME	NEW ORLEANS ARENA	CHAMPIONS SQUARE	TOTAL
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES				
Operating loss	($30,921,416)	($9,907,477)		($40,828,893)
Adjustments to reconcile operating loss to net cash (used) provided by operating activities:				
Depreciation expense	16,904,001	6,482,939		23,386,940
Changes in net assets and liabilities:				
(Increase) decrease in restricted assets	(416,523)	99,422		(317,101)
Decrease (increase) in receivables	575,927	120,343	($23,252)	673,018
Decrease in inventory	19,075	33,040		52,115
(Increase) decrease in prepaid expenses	(4,360)	2,984		(1,376)
(Increase) in deposits			(33,269)	(33,269)
Increase (decrease) in accounts payable and accrued expenses	3,810,449	(1,391,814)	157,509	2,576,144
Increase in deferred revenue	1,023			1,023
(Decrease) increase in due to other funds	(576,261)	563,140	13,121	
Decrease in funds held in escrow	(40,928)	(1,636,236)		(1,677,164)
Increase in compensated absences	59,380	5,176	1,463	66,019
Net cash (used) provided by operating activities	($10,589,633)	($5,628,483)	$115,572	($16,102,544)
NONCASH CAPITAL FINANCING ACTIVITIES				
State construction projects	$12,511,933	NONE	NONE	$12,511,933

(Concluded)

The accompanying notes are an integral part of this statement.

INTRODUCTION

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

The District acquired a site and constructed thereon the Louisiana Superdome (the Superdome) which opened in August 1975. The Louisiana Superdome is leased by the District to the State pursuant to a Lease Agreement. The District initially managed and operated the Louisiana Superdome on behalf of the State pursuant to a management and operating agreement dated 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 New Orleans Arena (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 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 State Legislature and the Legislative Auditor information concerning the finances of the District.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

Governmental Funds

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

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

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

Proprietary Funds

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

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

E. BASIS OF ACCOUNTING

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

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

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

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

F. RESTRICTED ASSETS AND LIABILITIES

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

G. INVENTORIES

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

H. CAPITAL ASSETS

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

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

The District is also party to various leases of office space. Those leases contain provisions whereby improvements were paid for by the lessee. These leasehold improvements have not been recorded by the District.

I. REVENUE RECOGNITION

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

J. COMPENSATED ABSENCES

Under the Management Agreement with SMG, all employees engaged in managing and operating the Superdome, Arena, and Champions Square are employees of SMG. SMG provides for compensated absences for its employees. SMG employees can earn 10 to 30 days per year of vacation leave, depending on their length of employment and on certain collective bargaining and union agreements. At the end of any fiscal year, 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, 2010, was $367,633.

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, 2010, the general fund transferred $10,624,794 to the proprietary funds and $246,430 to the capital projects fund. Funds transferred from governmental funds are no longer restricted for debt service or capital projects and are available for allowable uses of the proprietary funds.

M. ADOPTION OF NEW ACCOUNTING PRINCIPLE

For the year ended June 30, 2010, the District implemented GASB Statement No. 53, *Accounting and Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments.

2. CASH AND CASH EQUIVALENTS

The District maintains cash on hand, cash on deposit with banks in demand deposit accounts, and cash in interest-bearing deposit accounts. The District maintains cash equivalents that consist of money market funds held in escrow by the bond trustee. Cash and cash equivalents are recorded at cost, which approximates market. Cash and cash equivalents consisted of the following at June 30, 2010:

	2010	
	Bank Balance	Book Balance
Cash on hand		$62,430
Demand deposits	$39,459,859	39,458,758
Money market funds	11,084,239	11,084,239
Total	$50,544,098	$50,605,427

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

	June 30, 2010		
	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	$17,693,258	$10,081,271	$27,774,529
Restricted assets	12,362,248	10,468,650	22,830,898
Total	$30,055,506	$20,549,921	$50,605,427

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

Custodial credit risk 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. Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The District's investment policy does not limit the amount of its holdings of securities by counterparties. At June 30, 2010, the District's cash and cash equivalents invested in money market funds are held by a counterparty in the name of the District. Money market investments for 2010 consisted of the Dreyfus Institutional Reserves Treasury Fund (Symbol DRRXX), which is rated Aaa by Moody's and AAAm by Standard and Poor's. The funds' holdings consist exclusively of short-term U.S. Treasury bills, notes and other obligations issued or guaranteed by the U.S. Treasury, and repurchase agreements collateralized by such obligations. The investments are not exposed to custodial credit risk or concentration of credit risk.

As a means of limiting its exposure to fair value losses arising from rising interest rates (interest rate risk), the investment policy prescribed by Louisiana law establishes limits for investments with maturities of 30 days or longer and establishes parameters for interest rates of certain investments. As of June 30, 2010, all cash equivalents had maturities of 30 days or less; therefore, the District was not exposed to interest rate risk. The type of investments allowed by the investment policy (as detailed above) ensures that the District is not exposed to credit risk, concentration of credit risk, and foreign currency risk.

3. DUE FROM STATE OF LOUISIANA

Amounts due from the State for hotel occupancy tax collections, appropriations, and grants total $39,961,836 at June 30, 2010.

4. CAPITAL ASSETS

Following are schedules of capital assets for the year ended June 30, 2010:

Governmental Activities

	Balance July 1, 2009	Additions	Deletions/ Transfers	Balance June 30, 2010
Building and improvements:				
Baseball stadium	$26,743,380	$246,430		$26,989,810
Outdoor practice facility complex	6,565,115			6,565,115
Indoor practice facility	6,459,360			6,459,360
TPC golf facility	149,346			149,346
Total	39,917,201	246,430	NONE	40,163,631
Less accumulated depreciation	(9,102,097)	(922,930)	NONE	(10,025,027)
Capital assets, net	$30,815,104	($676,500)	NONE	$30,138,604

Business-Type Activities

	Balance July 1, 2009	Additions	Deletions/ Transfers	Balance June 30, 2010
Capital assets not being depreciated:				
Land	$13,944,160			$13,944,160
Construction-in-progress	14,639,562	$34,684,885	($2,093,893)	47,230,554
Total capital assets not being depreciated	$28,583,722	$34,684,885	($2,093,893)	$61,174,714
Other capital assets:				
Building and improvements	$354,352,790	$1,038,504		$355,391,294
Leasehold improvements		289,420		289,420
Furniture, fixtures and equipment	16,718,484	1,505,105	($78,407)	18,145,182
Less accumulated depreciation	(89,832,860)	(23,386,940)	43,627	(113,176,173)
Total other capital assets	$281,238,414	($20,553,911)	($34,780)	$260,649,723
Capital asset summary:				
Capital assets not depreciated	$28,583,722	$34,684,885	($2,093,893)	$61,174,714
Other capital assets, at cost	371,071,274	2,833,029	(78,407)	373,825,896
Total cost of capital assets	399,654,996	37,517,914	(2,172,300)	435,000,610
Less accumulated depreciation	(89,832,860)	(23,386,940)	43,627	(113,176,173)
Capital assets, net	$309,822,136	$14,130,974	($2,128,673)	$321,824,437

At June 30, 2010, 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. The post-Katrina repairs and remodeling were accomplished in three phases since 2006. The final phase includes additional escalators to access club lounges and replacement of the entire exterior skin of the Superdome, which is expected to conclude in the fall of 2010. The final phase of the project is funded by $12,000,000 from the State and $6,000,000 from FEMA.

A component of the recently finalized 15-year extension of the New Orleans Saints lease agreement with the Superdome through 2025 was the State's approval to fund $85,000,000 in upgrades and improvements to the facility. These improvements will be completed in two phases during the summers of 2010 and 2011.

The baseball stadium, home to the Zephyr's, and the two practice facilities, New Orleans Saints Training Facility and Alario Center, 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.

5. BONDS PAYABLE

The bond issues outstanding at June 30, 2010, and changes in long-term debt for the year then ended are as follows:

Governmental Activities

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	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 oustanding principal	294,325,000	NONE	NONE	294,325,000	NONE
Less unamortized issuance and escrow costs	(21,022,665)	NONE	$956,198	(20,066,467)	NONE
Total bonds payable, net	$273,302,335	NONE	$956,198	$274,258,533	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. See note 7 for additional information on pledged revenues. The bonds are reported in the 2010 Statement of Net Assets, net of unamortized issuance costs of $13,020,938 and escrow costs of $7,045,529.

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. As of June 30, 2010, no amounts remained outstanding on the refunded bonds. All outstanding bonds were called on July 1, 2009.

The annual requirements to amortize all District bonds outstanding at June 30, 2010, (excluding support fees) are presented in the following schedule. The schedule uses rates as of June 30, 2010, 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 6)	Principal	Interest	Total
2011	$12,866,710		$3,875,236	$16,741,946
2012	12,866,710	$5,900,000	4,154,486	22,921,196
2013	12,612,468	6,225,000	4,074,351	22,911,819
2014	12,344,138	6,575,000	4,396,979	23,316,117
2015	12,060,423	6,925,000	4,300,780	23,286,203
2016-2020	55,504,819	40,225,000	19,863,541	115,593,360
2021-2025	45,790,483	52,125,000	16,497,197	114,412,680
2026-2030	33,144,623	67,600,000	12,033,816	112,778,439
2031-2035	16,621,145	88,125,000	6,087,036	110,833,181
2036	911,487	20,625,000	336,274	21,872,761
Total	$214,723,006	$294,325,000	$75,619,696	$584,667,702

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 before maturity at the sole discretion of the District.

The debt service fund has assets available of $13,369,783 at June 30, 2010, 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 2008 did not clear causing the bonds’ debt service requirements of the District to dramatically increase. On December 22, 2009, 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 March 25, 2009, is no longer rated 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.

Pursuant to additional guidance by the Internal Revenues Service (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 (SBC) and the Joint Legislative Committee on the Budget (JLCB) 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. A resolution was adopted on December 17, 2009, by SBC and approved by JLCB on December 18, 2009, to allow the State to extend the deadline through December 31, 2010, or such shorter time period as agreed to by the parties. The State participated in auctions occurring in October 2008, August 2009, and October 2009 and anticipates participating in future auctions until steps are taken to refund or restructure the bonds. The State currently owns $84,575,000 (99.9%) of the Series 2006A bonds at an interest rate of 1.25%; $84,650,000 (100%) of the Series 2006B bonds at an interest rate of 1.25%; and $67,525,000 (97.65%) of the Series 2006C Bonds at an interest rate of 1.25%.

6. 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, when compared against fixed-rate bonds, specifically for the first several years, 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%.

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 a 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 values of derivative instruments outstanding at June 30, 2010, which are reported as liabilities in the financial statements, total $56,573,540 in favor of MLCS. The fair values were provided by an independent third party and are based on mid-market levels as of the close of business on June 30, 2010. The fair value balances and notional amounts of the derivative instruments outstanding at June 30, 2010, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2010 financial statements are as follows:

	Changes in Fair Value		Fair Value at June 30, 2010		Notional
	Classification	Amount	Classification	Amount	Amount
Governmental activities:					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	($4,446,107)	Debt	($14,258,406)	$55,850,000
Investment derivatives:					
Pay-fixed interest rate swaps	Investment expense	(12,645,098)	Debt	(42,315,134)	238,475,000
		($17,091,205)		($56,573,540)	$294,325,000

As of June 30, 2010, the District determined that the pay-fixed interest rate swap associated with the Series A, B, and C bonds did not meet the criteria for effectiveness. Accordingly, the changes in the fair market values of these instruments are netted and reported in the Statement of Activities within investment earnings. The combined fair market value as of June 30, 2010, is reflected as investment derivatives within the Statement of Net Assets.

Credit risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2010, the District is not exposed to credit risk because the fair value of the agreement is in MLCS's favor. However, should interest rates change and the fair value of the agreement turn 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” by Standard and Poor’s effective April 2, 2010. 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, 2010, 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 2006A, 2006B, and 2006C 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 hedge agreements if the other party fails to perform under the terms of the contract. The hedge agreements 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 hedge agreements 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.

7. REVENUE SOURCES AND REQUIRED RESTRICTED ASSETS

The District's bonds are secured by a pledge of all revenues of the District that are not previously dedicated for another use; however, the hotel occupancy tax revenues in the parishes of Orleans and Jefferson are expected to be the primary source of funding. These revenues will cover principal and interest requirements until the bonds are fully paid and discharged in 2037. Total revenue pledged for fiscal year ended June 30, 2010, was $100,502,977. Total principal and interest remaining on the bonds was $294,325,000 and $75,619,695, respectively. For the current year, the interest payment and swap payment were $7,603,200 and $13,056,665, respectively, with no principal payment due.

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

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

Of the $29,858,496 of hotel occupancy tax earned for the year ended June 30, 2010, $18,391,869 was used for debt service requirements and $11,466,627 was used by the District for operational needs. No monies were available for funding of the other requirements.

Various acts of the state legislature, bond resolutions, and indentures and agreements impose the establishment of various restricted accounts that are restricted as to the use of monies deposited therein. 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 year ended June 30, 2010, no funds from operations were required to be deposited into the reserve. Deposits to the account were made from nonoperating sources. An amount of $10,500,000 was required to be deposited for Champions Square to establish the construction reserve account to fund the capital improvements in accordance with the lease agreement (see note 11).

Of the total net assets reported in the Statement of Net Assets for the year ended June 30, 2010, $14,611,188 was restricted by enabling legislation.

8. 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.

9. RENTALS FROM NONCANCELABLE OPERATING LEASES (LESSOR LEASES)

Commitments for future revenue under noncancelable operating leases as of June 30, 2010, are as follows:

Year Ended June 30,	Cellular Tower Leases	Office Space Lease	Total
2011	$116,351	$98,587	$214,938
2012	72,206	98,587	170,793
2013	28,466	98,587	127,053
2014		98,587	98,587
Total	$217,023	$394,348	$611,371

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 year ended June 30, 2010, were $590,035, as follows:

	Governmental Activities	Business-Type Activities	Total
Land rental	$158,333	$51,347	$209,680
Commercial office rental		380,355	380,355
Total	$158,333	$431,702	$590,035

10. PENSION AND PROFIT SHARING PLANS

On April 1, 1992, the employees of SMG, paid indirectly by the District, became members of SMG's 401(k) plan (the Plan). Employees who are eligible to participate in the 401(k) plan may contribute between 1% and 60% of their eligible compensation for non-highly compensated employees and 5% for highly compensated employees up to the limits established by federal law. SMG will match 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 the Plan was $39,855 for the year ended June 30, 2010.

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.

11. LEASE AND RENTAL COMMITMENTS

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

Year Ended June 30,	Amount
2011	$2,228,571
2012	2,345,371
2013	2,463,893
2014	2,574,163
2015	2,706,209
2016-2020	14,740,181
2021-2025	17,617,274
2026	3,945,723

The annual base rental payments include an annual 2% increase and a fixed incremental increase over the life of the lease. During the fiscal year ended June 30, 2010, the initial rental payment was equal to the net operating revenues of the parking garage which totaled $555,039. The lease agreement provides for additional rent calculated to be 50% of net operating revenues after recovery of the first component of the base rent.

The Co-development Agreement required the District to establish a separate Construction Account and deposit $10,500,000 to fund the capital improvements at Champions Square (formerly known as the Entertainment District or Mall Project) and any remaining funds are to be used for other District capital projects. An amount of $3,500,000 was set aside as a deferred charge during the year ended June 30, 2009. The remaining $7,000,000 was set aside during the year ended June 30, 2010.

12. MANAGEMENT AND SUPPORT SERVICES AGREEMENTS

Effective July 1, 1977, the State 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, beginning in the year ended June 30, 2007, compensation paid to SMG for its services at the Louisiana Superdome and Arena will consist of a combination of base fee, incentive fee, and bonus fee. The annual "base fee" is $700,000 for the Louisiana Superdome and $300,000 for the Arena. The "incentive fee" will consist of 10% of the adjusted net income of the Louisiana Superdome and Arena, subject to limits established in the agreement. The "bonus fee" will be computed using a percentage of the combined base fees derived from comparing the actual financial performance of the two buildings to budgeted performance. The combined fee paid to SMG for the year may not exceed $1,500,000 as adjusted for the Consumer Price Index, outstanding manager's capital contributed by SMG, and a fee increment determined by comparing actual fees earned for fiscal years ended June 30, 2004, 2005, and 2006, to those that would have been earned for those years had the revised fee structure been in effect for those years.

Effective October 1, 2008, the District entered into a Support Services Agreement with SMG to provide personnel and resources necessary to perform the administrative, accounting and finance, asset management, public relations, governmental matters and other support services for other facilities. The services with respect to the other facilities and related matters are outside the current scope of the Management Agreement. These services are performed by SMG on behalf of the District which retains final authority over the other facilities and approval for services. The other facilities consists of the Alario Center in Westwego, Louisiana; the Saints Training Facility in Jefferson, Louisiana; the TPC Louisiana Golf Course in Avondale, Louisiana; and Zephyrs Field in Metairie, Louisiana. For their services, SMG shall be entitled to receive an annual fee of $150,000.

13. 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, 2010, the District is involved in pending and threatened litigation. The District's legal counselors assess the likelihood of material adverse judgments as remote or are unable to express opinions on the probable outcomes of the proceedings.

14. SUPERDOME LEASE AGREEMENT

The New Orleans Saints lease the Superdome, under an agreement dated September 15, 2009, as amended, with the State, the District, SMG, and the New Orleans Louisiana Saints L.L.C. (the Club), a National Football League (NFL) football franchise. The agreement amends and restates the previous lease agreement dated September 30, 1994, as amended. The agreement provides, among other things, certain inducements in the form of reduced rentals and the assignment of certain revenues attributable, directly or indirectly, to the presence of the Club in the Louisiana Superdome in exchange for the Club remaining in the Louisiana Superdome through the end of the 2025 NFL season. The assignment of revenues resulted in inducements of $13,071,816 being paid to the Club for the year ended June 30, 2010.

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

During the year ended June 30, 2010, the Club was scheduled to receive $16,800,000 of other inducements for the 2009 football season. This gross inducement amount was reduced by eligible payments of $359,755 to the Club in accordance with the lease agreement. The net other inducements for the 2009 football season totaled $16,440,245, which was accrued as an accounts payable at June 30, 2010, and paid to the Club in July 2010. The Club could receive future inducements of $23,800,000, in addition to the assignment of revenues during the year ending June 30, 2011.

15. ARENA USE AGREEMENTS

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 (NBA), 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. Under the amended agreement for the 2008 fiscal year, the State's cap on this reimbursement was $6.5 million, increased at a rate of 5% for each subsequent fiscal year. The additional inducement for the revenue benchmark of $2,044,840 and from the players' tax of $1,402,326 was accrued as an accounts payable at June 30, 2010, and paid to the Hornets in July 2010.

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

2009-2010 season amounted to $2,659,265 and was recorded as operating expenses for the year ended June 30, 2010.

16. 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.

17. 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 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, $16,073,035 has been expended as of June 30, 2010.

Effective November 25, 2008, the State, The Players Club (TPC), the District, and the Division of Administration (DOA) entered into a purchase agreement and a cooperative endeavor in order for the State to acquire the TPC's Louisiana golf course property and to transfer from the State and DOA to the District all State and DOA jurisdiction over, and authority for, the oversight and administration of the Tournament Players Club Golf Facility (the Golf Facility) as well as oversight and administration of all funds appropriated, or to be appropriated, by the State related to the supervision, operation, and management of the Golf Facility. During the year ended June 30, 2010, the State provided $8,150,000 in funding in accordance with the purchase agreement to the District to close the agreement with the seller.

On May 13, 2010, the District entered into a cooperative endeavor agreement with the DOA, Office of Community Development to obtain Community Development Block Grant Disaster Recovery Program funds. The New Orleans Superdome was severely damaged by hurricanes Katrina and Rita and their aftermath. This agreement is for the funding and/or reimbursement of the expeditious and effective recovery and repair of the New Orleans Superdome facilities damaged by hurricanes Katrina and/or Rita. The Office of Community Development, as administrator of the Community Development Block Grant Disaster Recovery Program, will make available to the District up to $40,000,000 in Community Development Block Grant disaster recovery funds to fund and/or reimburse certain repairs to the New Orleans Superdome. During the year ended June 30, 2010, the Office of Community Development provided $8,025,308 in funding.

18. WORKING CAPITAL AND FINANCIAL POSITION

During the year ended June 30, 2010, the District experienced an operating loss because of inducement payments required by lease agreements with professional sports franchises (see notes 14 and 15) and continued unfavorable results of the interest rate hedge agreement (see note 6). As a result of the unfavorable results of the interest rate hedge agreement, the debt service requirements of the District continue to increase and have 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 $8,025,308 for fiscal year 2010, and in December 2009, the State Bond Commission approved the State to continue to own most of the Series 2006A, 2006B, and 2006C auction-rate bonds at an interest rate of 1.25% until December 31, 2010, the length of time permitted by the IRS.

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

19. PRIOR PERIOD ADJUSTMENT

As of July 1, 2009, the District adopted GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses the manner in which state and local governments recognize, measure, and disclose derivative instruments. As disclosed in note 6, the District had entered into a cash flow hedge agreement which is covered under the standard. The effect of adopting the new standard was to decrease beginning net assets as reported in the Statement of Activities, by $29,670,036 to record the fair market value of the swap liability as of date of implementation.

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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, 2010

The annual fiscal report presents the financial position of the District, as of June 30, 2010, 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.

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Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2010

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

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

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1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, M. David Weidler, Senior Director of Finance and Administration of the Louisiana Stadium and Exposition District who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Stadium and Exposition District at June 30, 2010 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 17th day of November, 2010.

Signature of Agency Official — NOTARY PUBLIC

Prepared by: M. David Weidler

Title: Senior Director of Finance and Administration

Telephone No.: (504) 587-3850

Date: ________________

Email Address: David.Weidler@superdome.com

Louisiana Stadium and Exposition District
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2010

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LaPorte Sehrt Romig Hand
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying financial statements of the Louisiana Stadium and Exposition District, component unit of the State of Louisiana, as of and for the year ended June 30, 2010, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute for Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the State of Louisiana Division of Administration Office of Statewide Reporting and Accounting Policy information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do no express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) and required supplemental schedules are presented in accordance with the requirements of the State of Louisiana Division of Administration Office of Statewide Reporting and Accounting Policy, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

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

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

LaPorte, Sehrt, Romig & Hand
A Professional Accounting Corporation

September 15, 2010

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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 year ended June 30, 2010. 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.

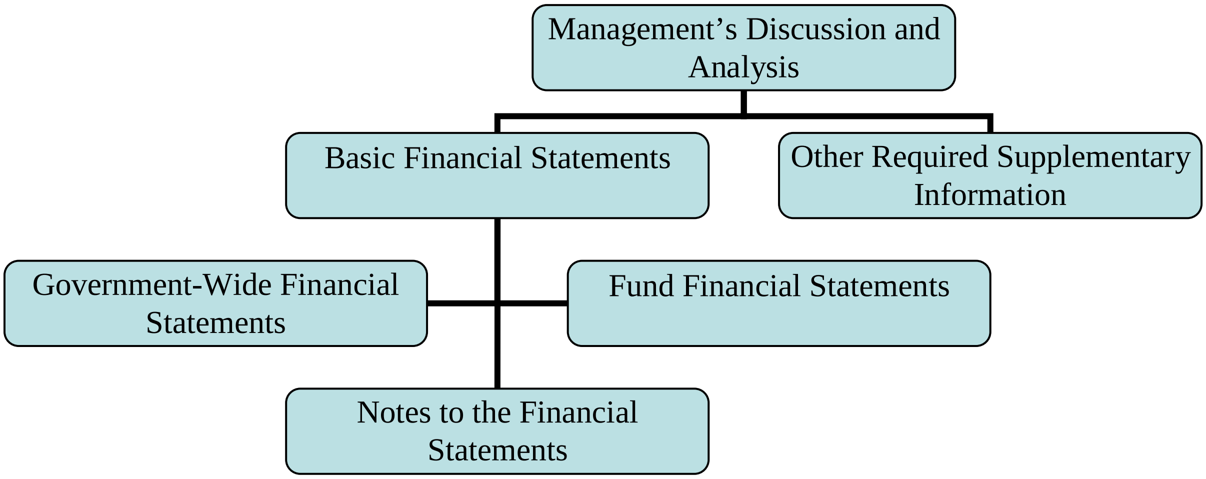
During the year ended June 30, 2010, the District began using a general fund to account for the general tax revenues, appropriations, and nonoperating expenses which are not designated for a specific program or fund. The result from this change is these revenues and expenses are no longer allocated and reported as nonoperating within the business-type activities. The general fund presentation does not change the intent or allocation of any funds prior to the 2010 fiscal year, but has caused the comparison of the fund financial statements to be less meaningful this year.

FINANCIAL HIGHLIGHTS

- The District's assets of business-type activities exceeded liabilities at the close of fiscal year 2010 by $309,786,064. The net assets increased by $1,403,178 during fiscal year 2010. The liabilities of governmental activities exceeded assets at the close of fiscal years 2010 by $245,259,722. The net assets of governmental activities increased by $14,484,046 during fiscal year 2010.
- The District established a new enterprise fund during fiscal year ending June 30, 2010 which is identified as Champions Square. It has been established to track the operations of the leased facility formerly known as the New Orleans Shopping Mall and parking garage. The facility is currently being redeveloped as a venue for entertainment.
- The District has received $31,583,464 in capital contributions to its business-type activities for the year ended June 30, 2010. This represents an increase of $12,059,171 over the prior fiscal year. The contributions are various capital projects for improvements to the Superdome and the Arena.
- A settlement was reached on the ongoing litigation resulting from damages to the Superdome's roof during Hurricane Katrina. The District was awarded $13,276,611 toward the expenditures incurred to repair the damage in prior years.

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 the general fund, debt service and capital projects
- Business-type activities, which include the operation of the Louisiana Superdome, Arena, and Champions Square

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 yearend 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 detailed and additional information such as cash flows.

FINANCIAL ANALYSIS OF THE ENTITY

Net Assets
As of June 30, 2010 and 2009
(in thousands)

	2010	2009
Current and other assets	$ 106,715	$ 67,546
Capital assets	351,963	340,637
Total assets	458,678	408,183
Current and other liabilities	112,393	49,072
Long-term debt outstanding	281,759	280,802
Total liabilities	394,152	329,874
Net assets:		
Invested in capital assets, net of debt	76,273	63,515
Restricted	37,042	29,633
Unrestricted	(48,789)	(14,839)
Total net assets	$ 64,526	$ 78,309

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, 2010 and 2009
(in thousands)

	2010	2009
REVENUES		
Program revenues:		
Charges for services	$ 40,561	$ 35,244
Grants and contributions	47,759	19,524
General revenues:		
Hotel occupancy taxes	29,858	27,138
State appropriations	18,200	20,446
New Orleans Sports Franchise Fund	4,511	3,667
Pari-Mutuel Live Racing Facility Slots	3,277	2,642
Players' tax	3,217	4,200
Interest and other income	14,041	711
Total revenues	161,424	113,572
PROGRAM EXPENSES		
Interest on long-term debt	19,227	11,196
Facility operation	113,744	101,466
Total expenditures	132,971	112,662
Investment expenditures, net	12,531	-
Loss on disposal of capital assets	35	72
INCREASE IN NET ASSETS	$ 15,887	$ 838

The District's total revenues increased from 2009 to 2010 by $47,852,722. The total cost of all programs and services increased by $20,308,451. The increase in total revenues is due primarily to state capital contributions to fund capital improvements and operating grants to assist with the accumulated unrestricted deficit of the District. The increase in cost of programs and services results from unfavorable results of the interest rate hedge agreement, the purchase of the TPC golf facility, and increase sports franchise inducements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010 and 2009, the District has $351,963,041 and $340,637,240, respectively, invested in capital assets, net of accumulated depreciation of $123,201,200 and $98,934,957, respectively, including land, buildings and improvements, and furniture, fixtures and equipment.

(in thousands)

	2010	2009
Land	$ 13,944	$ 13,944
Building and improvements	281,722	302,229
Furniture, fixtures, and equipment	9,066	9,824
Construction in progress	47,231	14,640
Total	$ 351,963	$ 340,637

Debt

The District has $294,325,000 in revenue bonds outstanding at June 30, 2010 and June 30, 2009. 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, 2010 and June 30, 2009, the District was not required to make principal payments on the Series 2006 bonds.

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 and operating expenses due to the Louisiana Superdome and Arena being fully operational
- Events anticipated based on contracts and historical cost

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

The District has incurred operating losses for fiscal years ended June 30, 2010 and June 30, 2009. During fiscal years 2010 and 2009, the District's net assets increased $15,887,224 and $837,851, respectively. The operating losses are funded by statutorily dedicated revenues, state appropriations, and hotel occupancy taxes. 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 franchises.

CONTACTING THE DISTRICT'S MANAGEMENT

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

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
BALANCE SHEET
AS OF JUNE 30, 2010

Statement A

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	27,774,529
Investments		
Receivables (net of allowance for doubtful accounts)(Note U)		40,835,379
Due from other funds (Note Y)		
Due from federal government		
Inventories		98,016
Prepayments		42,743
Notes receivable		
Other current assets		
Total current assets		68,750,667
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		22,830,898
Investments		
Receivables		841,304
Investments		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		13,944,160
Buildings and improvements		281,722,209
Machinery and equipment		9,066,118
Infrastructure		
Construction-in-progress		47,230,554
Other noncurrent assets		14,291,675
Total noncurrent assets		389,926,918
Total assets	$	458,677,585
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	46,222,106
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		9,219,155
Amounts held in custody for others		
Other current liabilities		10,276
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		367,633
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Bonds payable		
Other long-term liabilities		
Total current liabilities		55,819,170
NONCURRENT LIABILITIES: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		7,500,000
Bonds payable (net of $20,066,467 unamortized costs)		274,258,533
OPEB payable		
Other long-term liabilities		56,573,540
Total noncurrent liabilities		338,332,073
Total liabilities		394,151,243
NET ASSETS		
Invested in capital assets, net of related debt		76,273,458
Restricted for:		
Capital projects		8
Debt service		13,369,783
Unemployment compensation		
Other specific purposes		23,672,202
Unrestricted		(48,789,109)
Total net assets		64,526,342
Total liabilities and net assets	$	458,677,585

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

STATE OF LOUISIANA **Statement B**
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

OPERATING REVENUES		
Sales of commodities and services	$	40,560,648
Assessments		
Use of money and property		
Licenses, permits, and fees		
Other		
Total operating revenues		40,560,648
OPERATING EXPENSES		
Cost of sales and services		58,122,856
Administrative		2,045,701
Depreciation		24,309,870
Amortization		
Total operating expenses		84,478,427
Operating income(loss)		(43,917,779)
NON-OPERATING REVENUES(EXPENSES)		
State appropriations		18,200,000
Intergovernmental revenues(expenses)		8,150,000
Taxes		40,863,473
Use of money and property		(12,531,364)
Gain on disposal of fixed assets		
Loss on disposal of fixed assets		(35,240)
Federal grants		8,025,308
Interest expense		(19,226,667)
Other revenue		14,041,733
Other expense		(29,265,704)
Total non-operating revenues(expenses)		28,221,539
Income(loss) before contributions, extraordinary items, & transfers		(15,696,240)
Capital contributions		31,583,464
Extraordinary item - Loss on impairment of capital assets		
Transfers in		
Transfers out		
Change in net assets		15,887,224
Total net assets – beginning		48,639,118
Total net assets – ending	$	64,526,342

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

STATE OF LOUISIANA **Statement C**
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	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	$ 132,970,798	$ 40,560,648	$ 16,175,308	$ 31,583,464	$ (44,651,378)
General revenues:					
Taxes					40,863,473
State appropriations					18,200,000
Grants and contributions not restricted to specific programs					
Interest (investment expenses)					(12,531,364)
Miscellaneous					729,882
Special items - Litigation settlement					13,276,611
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					60,538,602
Change in net assets					15,887,224
Net assets - beginning					48,639,118
Net assets - ending					$ 64,526,342

See Accountant’s Compilation Report
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, 2010

Statement D
(continued)

Cash flows from operating activities		
Cash received from customers	$ 39,275,689	
Cash payments to suppliers for goods and services	(45,662,356)	
Cash payments to employees for services	(11,709,721)	
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		(18,096,388)
Cash flows from non-capital financing activities		
State appropriations	18,200,000	
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received	8,150,000	
Transfers in		
Transfers out		
Other	23,611,805	
Net cash provided(used) by non-capital financing activities		49,961,805
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities	(20,659,765)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(17,996,422)	
Proceeds from sale of capital assets		
Capital contributions	13,649,251	
Other	(586,623)	
Net cash provided(used) by capital and related financing activities		(25,593,559)
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	113,734	
Net cash provided(used) by investing activities		113,734
Net increase(decrease) in cash and cash equivalents		6,385,592
Cash and cash equivalents at beginning of year		44,219,835
Cash and cash equivalents at end of year		$ 50,605,427

See Accountant's Compilation Report
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, 2010

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

Operating income(loss)		$ (43,917,779)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	24,309,870	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	74,081	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	(1,376)	
(Increase)decrease in inventories	52,115	
(Increase)decrease in other assets	(33,269)	
Increase(decrease) in accounts payable and accruals	3,030,092	
Increase(decrease) in compensated absences payable	66,019	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues	(1,676,141)	
Increase(decrease) in OPEB payable		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		$ (18,096,388)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	$
Contributions of fixed assets	12,511,933
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	$ 12,511,933

See Accountant's Compilation Report
The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2010

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.

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

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, 2010, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Government securities Money Market	Total
Deposits per Balance Sheet (Reconciled bank balance)	$ 39,458,758	$	$ 11,084,239	$ 50,542,997
Deposits in bank accounts per bank	$ 39,459,859	$	$ 11,084,239	$ 50,544,098
Bank balances exposed to custodial credit risk:	$ 39,459,859	$	$ 11,084,239	$ 50,544,098
a. Uninsured and uncollateralized	$	$	$	$
b. Uninsured and collateralized with securities held by the pledging institution	$ 39,459,859	$	$ 11,084,239	$ 50,544,098
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name	$	$	$	$

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "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	$ 20,327,114
2. Capital One	General Fund	19,132,745
3. Bank of New York	Debt Service Fund	11,084,239
4.		
Total		$ 50,544,098

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	$ 62,430

2. INVESTMENTS (not applicable)

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

4. DERIVATIVES (GASB 53)

A. Summary of Derivative Instruments

The fair values of derivative instruments outstanding at June 30, 2010, which are reported as liabilities in the financial statements, totaled $56,573,540 in favor of MLCS. The fair values were provided by an independent third party and are based on mid-market levels as of the close of business on June 30, 2010. The fair value balances and notional amounts of the derivative instruments outstanding at June 30, 2010, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2010 financial statements are as follows:

Summary of Derivative Instruments

		Changes in Fair Value		Fair Value at June 30	
Type	**Notional**	**Classification**	**Amount**	**Classification**	**Amount**
Investment Derivative Instruments:					
Pay-fixed interest rate swaps	$ 238,475,000	Investment expense	$ (12,645,098)	Debt	$(42,315,134)
Fair Value Hedges:					
None					
Cash Flow Hedges:					
Pay-fixed interest rate swaps	$ 55,850,000	Deferred outflow	$ (4,446,107)	Debt	$(14,258,406)

B. Investment Derivative Instruments

Investment derivative instruments include derivative instruments that are not effective or are no longer effective and cannot be classified as hedging derivative instruments. As of June 30, 2010, the District determined that the pay-fixed interest rate swap associated with the Series A, B, and C Bonds did not meet the criteria for effectiveness. Accordingly, the changes in the fair market values of these instruments are netted and reported in the statement of activities within investment earnings. The combined fair market value as of June 30, 2010 is reflected as investment derivatives within the statement of net assets.

1. Credit Risk of Investment Derivative Instruments

Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2010, 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 turn 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” by Standard and Poor’s effective April 2, 2010. 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.

2. Interest Rate Risk of Investment Derivative Instruments

Investment Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years) Less than 1	1 - 5	6 - 10	More than 10
Bond Series A&B Swap	169,325,000	(29,829,326)		20,200,000	25,500,000	123,625,000
Bond Series C Swap	69,150,000	(12,485,808)		8,250,000	10,375,000	50,525,000

The bonds and the related hedge agreements mature on July 1, 2036, and the agreement's notional amount of $238,475,000 matches the principal amount of the Series 2006A, Series 2006B, and 2006C 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. Conversely, the District is required to pay the floating rate on the variable-rate bonds.

C. Hedging Derivative Instruments

As a means to lower its overall borrowing costs, when compared against fixed-rate bonds, specifically for the first several years, 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 bonds and the related hedge agreements mature on July 1, 2036, and the agreement's notional amount of $55,850,000 matches the principal amount of the Series 2006D 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 100% of the one month USD BBA London Interbank Offered Rate (LIBOR) plus 1.25% for the Series 2006D taxable bonds. Conversely, the District is required to pay the floating rate on the variable-rate bonds.

Terms and Objectives of Hedging Derivative Instruments

Type	Notional	Objective	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap Series 2006D	55,850,000	Variable to fixed rate debt	3/23/2006	7/1/2036	See Above	A/Negative/A

Hedging Derivative Instrument	Counterparty Swap Payment To (Estimated)	Counterparty Swap Payment From (Estimated)	Counterparty Swap Payment Net (Actual)	Interest Payments to Bondholders	Total Payments
Pay-fixed interest rate swap Series 2006D	3,787,189	(369,354)	3,417,835	854,268	4,272,103

1. Credit Risk of Hedging Derivative Instruments

   Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2010, 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 turn 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" by Standard and Poor's effective April 2, 2010. 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.

2. Interest Rate Risk of Hedging Derivative Instruments

   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, 2010, the District has no plans to terminate the hedge agreements but maintains the right to actively manage its debt portfolio as opportunities arise.

Investment Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years) Less than 1	1 - 5	6 - 10	More than 10
Bond Series D Swap	55,850,000	(14,258,406)		4,400,000	6,525,000	44,925,000

3. Basis Risk of Hedging Derivative Instruments

   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 2006A, 2006B, and 2006C bonds.

4. Termination Risk of Hedging Derivative Instruments

   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 hedge agreements if the other party fails to perform under the terms of the contract. The hedge agreements 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 hedge agreements 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.

Debt Obligations for Hedged Debt – Series 2006D Bonds

Fiscal Year Ending June 30	Principal	Interest	Hedging Derivative Instruments, Net	Total
2011	$ -	$ 894,298	$ 2,892,890	$ 3,787,188
2012	750,000	1,173,548	2,892,890	4,816,438
2013	800,000	1,157,789	2,854,042	4,811,831
2014	875,000	1,548,229	2,812,604	5,235,833
2015	950,000	1,523,280	2,767,281	5,240,561
2016-2020	6,025,000	7,164,478	13,015,417	26,204,895
2021-2025	8,925,000	6,151,572	11,175,311	26,251,883
2026-2030	13,175,000	4,655,378	8,457,237	26,287,615
2031-2035	19,450,000	2,449,224	4,449,405	26,348,629
2036-2040	4,900,000	139,711	253,808	5,293,519
Total	$ 55,850,000	$ 26,857,507	$ 51,570,885	$ 134,278,392

5. POLICIES

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

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

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. Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The District's investment policy does not limit the amount of its holdings of securities by counterparties. At June 30, 2010, the District's funds invested in Money Market funds held by a counterparty in the name of the District. Money Market investments for 2010 consist of the Dreyfus Institutional Reserves Treasury Fund (Symbol DRRXX), which is rated Aaa by Moody's and AAAm by Standard and Poor's. The funds holdings consist exclusively of short-term U.S. Treasury bills, notes and other obligations issued or guaranteed by the U.S. Treasury, and repurchase agreements collateralized by such obligations. The investments are not exposed to custodial credit risk or concentration of credit risk.

As a means of limiting its exposure to fair value losses arising from rising interest rates (interest rate risk), the investment policy prescribed by Louisiana law establishes limits for investments with maturities of 30 days or longer and establishes parameters for interest rates of certain investments. As of June 30, 2010 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, 2010							
		Prior Period Adjustments						
	Balance 6/30/2009	Adj. after submitted to OSRAP (+or-)	Restatements (+or-)	Adjusted Balance 6/30/2009	Additions	Transfers	Retirements	Balance 6/30/2010
Capital assets not being depreciated								
Land	$ 13,944,160	$	$	$ 13,944,160	$	$	$	$ 13,944,160
Non-depreciable land improvements				--				--
Capitalized collections				--				--
Construction in progress	14,639,562			14,639,562	34,778,904	(2,187,912)		47,230,554
Total capital assets not being depreciated	28,583,722	--	–	28,583,722	34,778,904	(2,187,912)	--	61,174,714
Other capital assets								
Machinery and equipment	16,718,484			16,718,484	445,532	1,059,573	(78,407)	18,145,182
Less accumulated depreciation	(6,894,200)			(6,894,200)	(2,228,491)		43,627	(9,079,064)
Total Machinery and equipment	9,824,284	--	–	9,824,284	(1,782,959)	1,059,573	(34,780)	9,066,118
Buildings and improvements	394,269,991			394,269,991	446,015	1,128,339		395,844,345
Less accumulated depreciation	(92,040,757)			(92,040,757)	(22,081,379)			(114,122,136)
Total buildings and improvements	302,229,234	--	–	302,229,234	(21,635,364)	1,128,339	--	281,722,209
Depreciable land improvements				--				--
Less accumulated depreciation				--				--
Total depreciable land improvements	--	--	–	--	–	--	--	--
Infrastructure				--				--
Less accumulated depreciation				--				--
Total infrastructure	--	--	–	--	–	--	--	--
Total other capital assets	312,053,518	--	–	312,053,518	(23,418,323)	2,187,912	(34,780)	290,788,327
Capital Asset Summary:								
Capital assets not being depreciated	28,583,722	--	–	28,583,722	34,778,904	(2,187,912)	--	61,174,714
Other capital assets, at cost	410,988,475	--	–	410,988,475	891,547	2,187,912	(78,407)	413,989,527
Total cost of capital assets	439,572,197	--	–	439,572,197	35,670,451	--	(78,407)	475,164,241
Less accumulated depreciation	(98,934,957)	--	–	(98,934,957)	(24,309,870)	--	43,627	(123,201,200)
Capital assets, net	$ 340,637,240	$ --	$ –	$ 340,637,240	$ 11,360,581	$ --	$ (34,780)	$ 351,963,041

E. INVENTORIES

The BTA'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, 2010, reflected at $23,672,202 in the non-current assets section on Statement A, consist of $22,830,898 in cash with fiscal agent, and $841,304 in receivables. The cash and receivables are restricted for construction, renewals and replacements, and the restricted use for concessionaire.

G. LEAVE

1. COMPENSATED ABSENCES

Under the Management Agreement with SMG, all employees engaged in managing and operating the Superdome, the Arena, and Champions Square are employees of SMG. SMG provides for compensated absences for its employees. SMG employees can earn 10 to 30 days per year of vacation leave, depending on their length of employment and on certain collective bargaining and union agreements. At the end of any fiscal year, 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, 2010, was $367,633.

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

H. RETIREMENT SYSTEM (not applicable)

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

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year ended June 30, 2010 amounted to $555,039. A schedule of payments for operating leases follows:

Nature of lease	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016-2020	FY 2021-2025	FY 2026
Office Space	$	$	$	$	$	$	$	$
Equipment								
Land								
Other	2,228,571	2,345,371	2,463,893	2,574,163	2,706,209	14,740,181	17,617,274	3,945,723
- (New Orleans Center Complex)								
Total	$ 2,228,571	$ 2,345,371	$ 2,463,893	$ 2,574,163	$ 2,706,209	$ 14,740,181	$ 17,617,274	$ 3,945,723

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 (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of June 30, 2010.

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2011	$ 98,587	$	$	$ 116,351	$ 214,938
2012	98,587			72,206	170,793
2013	98,587			28,466	127,053
2014	98,587				98,587
Total	$ 394,348	$ -	$ -	$ 217,023	$ 611,371

Current year lease revenues received in fiscal year 2010 totaled $590,035.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2010: (Balances at June 30th should include current and non-current portion of long-term liabilities.)

	Year ended June 30, 2010				
	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	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	301,614	66,019		367,633	367,633
Capital lease obligations				--	
Claims and litigation				--	
OPEB payable				--	
Other long-term liabilities	270,000	56,573,540	270,000	56,573,540	
Total other liabilities	571,614	56,639,559	270,000	56,941,173	367,633
Total long-term liabilities	$ 302,396,614	$ 56,639,559	$ 270,000	$ 358,766,173	$ 367,633

Note: Bonds presented in the Balance Sheet are net of $20,066,467 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)

Hotel Occupancy Tax

Louisiana Stadium and Exposition District issued revenue bonds for $294,325,000 in 2006 to refund all or a portion of prior debt, to pay operational expenses of the District, and to finance the cost of the new construction projects in or around New Orleans, such as the betterments at the Superdome, the baseball stadium, basketball facility, the football training facility, and the multipurpose facility. The bonds are secured by a pledge of all revenues of the District that are not previously dedicated for another use; however, the hotel occupancy tax revenues in the parishes of Orleans and Jefferson are expected to be the primary source of funding. The District has committed all revenues, especially the hotel occupancy tax, to cover principal and interest requirements until the bonds are fully paid and discharged in 2037. Total revenue pledged for fiscal year ended June 30, 2010, is $100,502,977. Total principal and interest remaining on the bonds is $294,325,000 and $75,619,695 respectively. Interest paid for the current year was $20,659,765 with no principal payment due.

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, 2010, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Governmental Activities	$ 281,836	$	$ 32,610,408	$	$ 32,892,244
Business Type Activities	608,077		7,351,428		7,959,505
Gross receivables	$ 889,913	$ -	$ 39,961,836	$ -	$ 40,851,749
Less allowance for uncollectible accounts	(16,370)	-	-	-	(16,370)
Receivables, net	$ 873,543	$ -	$ 39,961,836	$ -	$ 40,835,379
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2010, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Governmental Activities	$ 453,948	$	$ 1,431,050	$ 19,887,411	$ 21,772,409
Business Type Activities	24,176,262	273,435			24,449,697
Total payables	$ 24,630,210	$ 273,435	$ 1,431,050	$ 19,887,411	$ 46,222,106

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

The following adjustments were made to restate beginning net assets for June 30, 2010.

Ending net assets 6/30/09 as reported to OSRAP on PY AFR	*Adjustments to ending net assets 6/30/09 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/09) + or (-)	Beg net assets @ 7/1/09 as restated
$ 78,309,154	$ -	$ (29,670,036)	$ 48,639,118
			-

As of July 1, 2009, the district adopted GASB 53, Accounting and Financial Reporting for Derivative Instruments, which addresses the manner in which state and local governments recognize, measure, and disclose derivative instruments. As disclosed in Note C, the District had entered into a cash flow hedge agreement which is covered under the standard. The effect of adopting the new standard was to decrease beginning net assets by $29,670,036 to record the fair market value of the swap liability as of date of implementation.

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

Of the total net assets reported on Statement A at June 30, 2010, $14,611,188 are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and 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 Replacement Reserve Account		$ 14,611,188
Total		$ 14,611,188

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

DD. EMPLOYEE TERMINATION BENEFITS (not applicable)

EE. POLLUTION REMEDIATION OBLIGATIONS (not applicable)

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

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2010
(Fiscal close)

See Accountant's Compilation Report

Name	Amount
NONE	$
Total	$ -

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.

SCHEDULE 1

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2010

See Accountant's Compilation Report

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/09	Redeemed (Issued)	Principal Outstanding 6/30/10	Interest Rates	Interest Outstanding 6/30/10
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 AND EXPOSITION DISTRICT (BTA)
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2010

See Accountant's Compilation Report

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/09	Redeemed (Issued)	Principal Outstanding 6/30/10	Interest Rates	Interest Outstanding 6/30/10
Series 2006A	March 2006	$84,675,000	$84,675,000	$	$84,675,000	Variable	$ 378,041
Series 2006B	March 2006	84,650,000	84,650,000		84,650,000	Variable	375,118
Series 2006C	March 2006	69,150,000	69,150,000		69,150,000	Variable	304,483
Series 2006D	March 2006	55,850,000	55,850,000		55,850,000	Variable	373,408
Total		$294,325,000	$294,325,000	$	$294,325,000		$ 1,431,050

*Send copies of new amortization schedules

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

See Accountant's Compilation Report

Ending:	Payment	Interest	Principal	Balance
2010	$	$	$	$ --
2011				--
2012				--
2013				--
2014				--
2015-2019				--
2020-2024				--
2025-2029				--
2030-2034				--
Total	$ --	$ --	$ --	$ --

STATE OF LOUISIANA

____________________________ (BTA)

SCHEDULE OF NOTES PAYABLE AMORTIZATION

For the Year Ended June 30, 20__

See Accountant's Compilation Report

Fiscal Year Ending:	Principal	Interest
2010	$ ____________	$ ____________
2011	____________	____________
2012	____________	____________
2013	____________	____________
2014	____________	____________
2015-2019	____________	____________
2020-2024	____________	____________
2025-2029	____________	____________
2030-2034	____________	____________
Total	$ --	$ --

STATE OF LOUISIANA
LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2010

See Accountant's Compilation Report

Fiscal Year Ending:	Principal	Interest
2011	$	$ 16,741,946
2012	5,900,000	17,021,196
2013	6,225,000	16,686,819
2014	6,575,000	16,741,117
2015	6,925,000	16,361,203
2016	7,225,000	15,960,331
2017	7,625,000	15,541,208
2018	8,025,000	15,098,415
2019	8,475,000	14,631,288
2020	8,875,000	14,137,118
2021	9,400,000	13,618,613
2022	9,875,000	13,068,349
2023	10,425,000	12,489,033
2024	10,900,000	11,876,589
2025	11,525,000	11,235,096
2026	12,175,000	10,555,092
2027	12,775,000	9,835,236
2028	13,475,000	9,078,239
2029	14,225,000	8,278,015
2030	14,950,000	7,431,857
2031	15,775,000	6,540,463
2032	16,675,000	5,597,753
2033	17,575,000	4,599,008
2034	18,550,000	3,543,577
2035	19,550,000	2,427,380
2036	20,625,000	1,247,761
Total	$ 294,325,000	$ 290,342,702

STATE OF LOUISIANA

____ (BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES

BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

JUNE 30, 2010

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/09	Revised Budget	Variance Positive/(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.

STATE OF LOUISIANA

____ (BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
June 30, 2010

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	
OPEB payable	
Other	
Change in Net Assets	$ -

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

STATE OF LOUISIANA

LOUISIANA STADIUM AND EXPOSITION DISTRICT (BTA)

COMPARISON FIGURES

See Accountant's Compilation Report

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than $1 million, explain the reason for the change.

	2010	2009	Difference	Percentage Change
1) Revenues	$ 161,538,360	$ 113,571,904	$ 47,966,456	$ 42%
Expenses	132,970,798	112,662,347	20,308,451	18%
2) Capital assets	351,963,041	340,637,240	11,325,801	3%
Long-term debt	281,758,533	280,802,335	956,198	0%
Net Assets	64,526,342	48,639,118	15,887,224	33%

Explanation for change:

Revenues increased due to an $8,150,000 contribution from the state to purchase the TPC golf facility, award of CDBG grant funding of $8,025,308, increase in operating revenues of $5,316,991, litigation settlement of $13,276,611 for Katrina damage to the Superdome roof, and increased construction projects funded by the State of $12,059,171.

Expenses increased due to an increase in debt service expenses of $8,030,105 resulting from unfavorable results of the interest rate hedge agreement, the purchase of the TPC golf facility of $8,125,017, increased additional professional sports team inducement to the Hornets of $2,452,221.

Capital assets increased by $11,325,801, the amount that current year capital acquisitions were in excess of depreciation expense.

The increase in Net Assets is predominately due to the capital contributions received within the enterprise funds that were invested in capital assets during the year.

SCHEDULE 16 – COOPERATIVE ENDEAVORS
FOR THE YEAR ENDED JUNE 30, 2010

AGENCY NUMBER_________
AGENCY NAME_______________________

Contract Financial Management System #	Parties to the Coop	Brief Description of the Coop	Multi-year, One-Time, or Other Appropriation	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, 2010							Inception to Date as of 6/30/2010	Net Liability as of 6/30/2010
							100% State	100% SGR	100% Stat. Ded.	100% G.O. Bonds	100% Federal	100% IAT	100% Combination		
															0.00
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		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 audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 17, 2010

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 year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 17, 2010. Our report was modified to include an explanatory paragraph for the implementation of a new reporting standard and an emphasis of a matter regarding financial statement comparability. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designated to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

MH:JR:EFS:THC:dl

LSED10