LOUISIANA STADIUM AND EXPOSITION DISTRICT

A COMPONENT UNIT OF THE STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Financial Statement Audit for the
Year Ended June 30, 2023
Issued April 24, 2024

LOUISIANA LEGISLATIVE AUDITOR

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

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.lla.la.gov. When contacting the office, you may refer to Agency ID No. 3427 or Report ID No. 80230105 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Two copies of this public document were produced at an approximate cost of $2.90. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

TABLE OF CONTENTS

LOUISIANA LEGISLATIVE AUDITOR

MICHAEL J. "MIKE" WAGUESPACK, CPA
LOUISIANA LEGISLATIVE AUDITOR

April 18, 2024

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently-known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with *GAAS* and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2024, 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 solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KPD:CJH:RR:BQD:ch
LSED2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the Louisiana Stadium and Exposition District's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently-known facts in comparison with the prior-year's information. Please read this document in conjunction with the information contained in the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

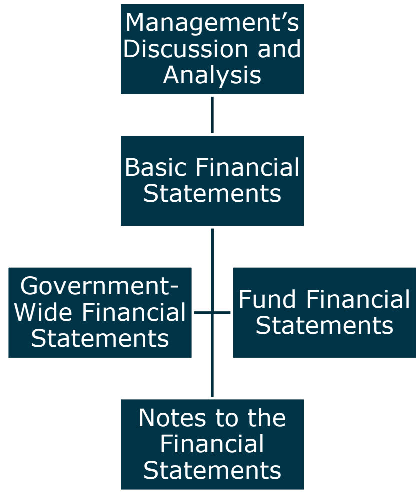
- The District's assets and deferred outflows of resources of business-type activities exceeded liabilities and deferred inflows of resources at the close of fiscal year 2023 by $549,843,217. The net position of business-type activities increased by $142,038,725 during fiscal year 2023. The liabilities of governmental activities exceeded assets and deferred outflows of resources at the close of fiscal year 2023 by $355,408,526. The net position of governmental activities decreased by $29,253,443 during fiscal year 2023.

- The District has received $107,648,055 in capital contributions to its governmental and business-type activities for the year ended June 30, 2023. This represents an increase of $79,027,812 over the prior fiscal year. The contributions fund various capital projects for improvements to the Caesars Superdome.

- The District received $57,989,146 of hotel occupancy taxes in its governmental activities for the year ended June 30, 2023. This represents a decrease of $5,527,671 over the prior fiscal year. The decrease reflects a one-time settlement payment received in 2022 offset by quarterly settlement payments received in 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and related notes. 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 position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current-year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position (the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) 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 Fund, and Capital Projects Fund

- Business-type activities, which include the operation of the Caesars Superdome, Smoothie King Center, Champions Square, and the Shrine on Airline.

Fund Financial Statements

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

The District has two kinds of funds:

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

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

FINANCIAL ANALYSIS OF THE DISTRICT

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

Net Position
As of June 30, 2023, and 2022
(in thousands)

	2023	2022, Restated
Current and other assets	$213,651	$175,528
Capital assets	645,822	494,842
Total assets	859,473	670,370
Total deferred outflows of resources	10,154	22,221
Current and other liabilities	74,656	116,574
Long-term debt outstanding	597,986	491,200
Total liabilities	672,642	607,774
Total deferred inflows of resources	2,551	3,168
Net Position:		
Net investment in capital assets	113,350	130,781
Restricted	46,959	85,562
Unrestricted	34,125	(134,694)
Total net position	$194,434	$81,649

The District's total revenues of its governmental and business-type activities increased by $96,728,000 from 2022 to 2023. The total cost of all governmental and business-type activities programs and services decreased by $3,366,000. The increase in total revenues is due primarily to the capital contributions received for completion of the Master Plan.

Changes in Net Position
For the Years Ended June 30, 2023, and 2022
(in thousands)

	2023	2022
Revenues		
Program revenues:		
Charges for services	$66,401	$59,994
Grants and contributions	116,690	28,620
General revenues:		
Hotel occupancy taxes	57,989	63,517
New Orleans Sports Franchise Fund	11,026	9,312
Pari-mutuel live racing facility slots	2,049	2,637
Players' tax	6,150	5,204
Interest and other income	6,872	1,165
Total revenues	267,177	170,449
Program Expenses		
Interest on long-term debt	10,098	17,143
Facility operation	144,294	140,615
Total expenses	154,392	157,758
Special item		34,349
Change in Net Position	$112,785	$47,040

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, and 2022, the District had $645,822,316 and $494,841,573, respectively, invested in capital assets, net of accumulated depreciation/amortization of $568,200,768 and $538,911,228, respectively, including land, buildings and improvements, furniture, fixtures, equipment, leased/subscription assets, and construction-in-progress.

Capital assets as of June 30 (in thousands):

	2023	2022, Restated
Land	$20,069	$20,069
Building and improvements	321,260	340,992
Furniture, fixtures, and equipment	4,950	4,182
Right-to-use leased asset and IT subscription assets	31,240	33,585
Construction-in-progress	268,303	96,014
Total	$645,822	$494,842

Debt

The District had $526,930,000 and $228,575,000 in revenue bonds outstanding at June 30, 2023, and 2022, respectively. In January 2013, the District issued Series 2013A, 2013B, and 2013C Revenue Refunding Bonds totaling $361,345,000 for the purpose of refunding the District's existing debt, providing funds for the termination of the fixed-rate hedge agreement and the interest rate swap agreement, and providing for the costs of issuance of the bonds. The District issued $28,595,000 of Bond Anticipation Notes Series 2022A on January 26, 2022, $70,000,000 of Bond Anticipation Notes Series 2021 on June 30, 2021, $90,000,000 of Bond Anticipation Notes Series 2020 on July 1, 2020, and $30,000,000 of Bond Anticipation Notes Series 2019 on September 11, 2019 to provide construction financing for the Caesars Superdome Master Plan project and retire the Series 2013C Bond. The District's required principal payments on the Series 2013 Bonds of $11,775,000 were due and paid on July 1, 2022. During June 2023, the District issued Series 2023A and 2023B Bonds to refund the outstanding Series 2013 Bonds and all Bond Anticipation Notes; pay costs of constructing, improving, equipping and furnishing facilities of the District; fund an account in the Reserve Fund; and pay certain costs associated with the issuance of the Series 2023 Bonds

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 based on the number of potential events in the Caesars Superdome, the Smoothie King Center, Champions Square, and the Shrine on Airline.

- Hotel occupancy tax revenue based on projections of events and conventions in New Orleans.

- Contractual obligations to professional sports franchises.

During fiscal year 2023, the District's net position increased $112,785,000 and during fiscal year 2022, the District's net position increased $47,040,000. During fiscal year 2023, the enterprise funds were funded by statutorily dedicated revenues, grants, and hotel occupancy taxes, which were transferred from the General Fund, and capital contributions from the State. Current projections by management of the District indicate that operating losses will continue. Plans to manage the deficit will be through budget management efforts.

CONTACTING THE DISTRICT'S MANAGEMENT

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

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Net Position
June 30, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents (note 2)	$64,794,847	$25,684,871	$90,479,718
Accounts receivable	358,909	9,856,820	10,215,729
Interest receivable	173,313		173,313
Due from State of Louisiana (note 3)	13,397,529		13,397,529
Lease receivable, current portion (note 10)		610,003	610,003
Internal balances	(1,268,123)	1,268,123	
Prepaid expenses		263,659	263,659
Restricted assets: (notes 2, 6, and 9)			
Capital Outlay Reserve Account - cash and cash equivalents	93,375,097	2,984,466	96,359,563
Energy savings performance trust - cash and cash equivalents	116,113		116,113
Concessionaire Fund - receivable		4,715	4,715
Deposits		35,869	35,869
Long-term lease receivable, net (note 10)		1,994,627	1,994,627
Capital assets, net of accumulated depreciation/amortization (note 4)	43,835,670	601,986,646	645,822,316
Total assets	214,783,355	644,689,799	859,473,154
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding (note 7)	10,154,165		10,154,165
Total deferred charge on refunding	10,154,165	NONE	10,154,165
LIABILITIES			
Accounts payable and accrued expenses	1,005,983	3,475,486	4,481,469
Sports franchise obligations payable (notes 16 and 17)	3,835,086	468,705	4,303,791
Unearned revenue and security deposits	679,039	141,664	820,703
Compensated absences (note 1-K)		214,849	214,849
Advance deposits on future events		21,128,440	21,128,440
Other facility obligations payable	825,043		825,043
Construction contracts payable	1,017,713	29,712,117	30,729,830
Concessionaire payable		4,991,191	4,991,191
Accrued bond interest payable, current portion	297,782		297,782
Bonds payable, current portion, net (note 7)	1,348,204		1,348,204
Lease obligations, current portion (note 12)		3,423,320	3,423,320
Finance purchase liability, current portion (note 6)	1,341,541		1,341,541
SBITA obligations, current portion (note 11)		279,894	279,894
Judgements and settlements payable, current portion (note 5)	470,000		470,000
Noncurrent liabilities:			
Bonds payable, net (note 7)	566,027,928		566,027,928
Lease obligations, net (note 12)		27,586,401	27,586,401
Finance purchase liability, net (note 6)	3,262,727		3,262,727
SBITA obligations, net (note 11)		873,721	873,721
Judgements and settlements payable (note 5)	235,000		235,000
Total liabilities	580,346,046	92,295,788	672,641,834

(Continued)
The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Net Position
June 30, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
DEFERRED INFLOWS OF RESOURCES			
Leases (note 10)		$2,550,794	$2,550,794
Total deferred inflows of resources	NONE	2,550,794	2,550,794
NET POSITION			
Net investment in capital assets	($426,760,910)	540,111,193	113,350,283
Restricted for:			
Debt service	42,726,235		42,726,235
Capital outlay reserve	1,244,382	2,984,466	4,228,848
Concessionaire reserve		4,715	4,715
Unrestricted	27,381,767	6,742,843	34,124,610
TOTAL NET POSITION	($355,408,526)	$549,843,217	$194,434,691

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA

Statement of Activities
For the Year Ended June 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental activities:				
Facility operation	$16,662,867		$813,493	$28,162,346
Interest on bonds and financed purchases	9,752,402			
Total governmental activities	26,415,269	NONE	813,493	28,162,346
Business-type activities:				
Facility operation	127,631,172	$66,401,156	8,228,250	79,485,709
Interest on leases and SBITAs	345,528			
Total business-type activities	127,976,700	66,401,156	8,228,250	79,485,709
TOTAL PRIMARY GOVERNMENT	$154,391,969	$66,401,156	$9,041,743	$107,648,055

General revenues:
Taxes:
Hotel occupancy taxes (note 9)
New Orleans Sports Franchise Fund
Pari-mutuel live racing facility slots
Players' tax
Vehicle license plate royalties
Miscellaneous
Investment earnings
Transfers in (out)
Total general revenues and transfers

Change in net position

NET POSITION, BEGINNING OF YEAR

TOTAL NET POSITION, END OF YEAR

The accompanying notes are an integral part of this statement.

Statement B

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
$12,312,972		$12,312,972
(9,752,402)		(9,752,402)
2,560,570	NONE	2,560,570
	$26,483,943	26,483,943
	(345,528)	(345,528)
NONE	26,138,415	26,138,415
$2,560,570	$26,138,415	$28,698,985
$57,989,146		$57,989,146
11,026,031		11,026,031
2,049,395		2,049,395
6,150,430		6,150,430
420,637		420,637
1,584,699	$2,293,876	3,878,575
2,133,193	438,890	2,572,083
(113,167,544)	113,167,544	
(31,814,013)	115,900,310	84,086,297
(29,253,443)	142,038,725	112,785,282
($326,155,083)	$407,804,492	$81,649,409
($355,408,526)	$549,843,217	$194,434,691

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2023

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents (note 2)	$27,210,021	$37,584,818	$8	$64,794,847
Accounts receivable	358,909			358,909
Interest receivable		173,313		173,313
Due from State of Louisiana (note 3)	7,956,570	4,968,104	472,855	13,397,529
Due from other funds			544,858	544,858
Restricted assets: (notes 2, 6, and 9)				
Capital Outlay Reserve Account - cash and cash equivalents	93,375,097			93,375,097
Energy savings performance trust - cash and cash equivalents	116,113			116,113
TOTAL ASSETS	$129,016,710	$42,726,235	$1,017,721	$172,760,666
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	$1,005,983			$1,005,983
Due to other funds	1,812,981			1,812,981
Sports franchise obligations payable (notes 16 and 17)	3,835,086			3,835,086
Unearned revenue	679,039			679,039
Other facility obligations payable	825,043			825,043
Construction contracts payable			$1,017,713	1,017,713
Total liabilities	8,158,132	NONE	1,017,713	9,175,845
Fund Balances:				
Restricted for - debt service		$42,726,235		42,726,235
Restricted for - capital outlay reserve	93,375,097			93,375,097
Restricted for - energy savings performance	116,113			116,113
Assigned for - capital projects			8	8
Unassigned	27,367,368			27,367,368
Total fund balances	120,858,578	42,726,235	8	163,584,821
TOTAL LIABILITIES AND FUND BALANCES	$129,016,710	$42,726,235	$1,017,721	$172,760,666

(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, 2023

	TOTAL GOVERNMENTAL FUNDS
Total fund balances, as presented in this statement	$163,584,821
Amounts presented for governmental activities in the Statement of Net Position are different because:	
Accrued interest is reported in the Statement of Net Position but is not due and payable in the current period and, therefore, is not reported as a liability of the fund balance sheet.	(297,782)
Deferred charges on refunding of bonds payable are not reported in the funds.	10,154,165
Long-term liabilities are reported in the Statement of Net Position but are not due and payable in the current period and, therefore, are not reported as liabilities of the fund balance sheet.	(572,685,400)
Capital assets reported in the Statement of Net Position are not current financial resources.	43,835,670
NET POSITION OF GOVERNMENTAL ACTIVITIES	($355,408,526)

(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, 2023

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Hotel occupancy tax (note 9)	$30,756,645	$27,232,501		$57,989,146
New Orleans Sports Franchise Fund	11,026,031			11,026,031
Pari-mutuel live racing facility slots	2,049,395			2,049,395
Players' tax	6,150,430			6,150,430
Vehicle license plate royalties	420,637			420,637
Interest earnings	802,653	1,330,540		2,133,193
Miscellaneous income	1,584,699			1,584,699
Total revenues	52,790,490	28,563,041	NONE	81,353,531
EXPENDITURES				
Salaries, wages, and benefits	413,276			413,276
Utilities	15,519			15,519
Management fee - ASM (note 14)	75,000			75,000
Professional fees	816,035			816,035
Insurance	1,394,061			1,394,061
Other Saints obligations (note 16)	3,583,406			3,583,406
Other Pelicans obligations (note 17)	5,398,144			5,398,144
Other facility obligations	825,043			825,043
Other expenditures	697,024			697,024
Capital outlay			$1,362,346	1,362,346
Debt service:				
Principal	1,752,057	271,469,624		273,221,681
Interest	207,148	23,323,994		23,531,142
Issuance costs	669,351	1,450,443		2,119,794
Total expenditures	15,846,064	296,244,061	1,362,346	313,452,471
Excess (deficiency) of revenues over expenditures	36,944,426	(267,681,020)	(1,362,346)	(232,098,940)

(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, 2023

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
OTHER FINANCING SOURCES (USES)				
Transfers in		$1,145,206		$1,145,206
Transfers out	($114,312,750)			(114,312,750)
Proceeds from issuance of refunding bonds		438,030,881		438,030,881
Payment to refunded bond escrow agent		(181,003,295)		(181,003,295)
Proceeds from issuance of bonds	88,899,119			88,899,119
Proceeds from issuance of bond premium	40,446,132			40,446,132
Capital contributions	26,800,000		$1,362,346	28,162,346
State contributions	813,493			813,493
Total other financing sources (uses)	42,645,994	258,172,792	1,362,346	302,181,132
Net change in fund balances	79,590,420	(9,508,228)	NONE	70,082,192
Fund balances at beginning of year	$41,268,158	$52,234,463	$8	$93,502,629
Fund balances at end of year	$120,858,578	$42,726,235	$8	$163,584,821

Net change in fund balances, as presented in this statement	$70,082,192
Amounts presented for governmental activities in the Statement of Activities are different because:	
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(294,154,451)
Transactions in the Statement of Activities that do not provide or use current financial resources are not reported as revenues or expenses in the funds.	181,003,295
Governmental funds report interest expense only when the expense is due for payment, while the Statement of Activities reports bond interest as it is incurred.	9,445,501
Governmental funds do not include amortization for bond premium and deferred refunding costs.	4,333,239
Governmental funds report the acquisition of capital assets as expenditures of the period in which the asset is acquired. In the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay ($1,362,346) exceeded depreciation ($1,325,565) in the current period.	36,781
Change in net position of governmental activities as reported on the Statement of Activities	($29,253,443)

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Net Position
June 30, 2023

	ENTERPRISE FUNDS				
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
ASSETS					
Current assets:					
Cash and cash equivalents (note 2)	$9,929,991	$14,077,893	$1,534,172	$142,815	$25,684,871
Accounts receivable	8,809,288	676,332	20,540	350,660	9,856,820
Current lease receivable (note 10)	525,833	56,491		27,679	610,003
Due from other funds	4,535,881	467,679			5,003,560
Prepaid expenses	243,201	16,258	4,200		263,659
Total current assets	24,044,194	15,294,653	1,558,912	521,154	41,418,913
Restricted assets: (notes 2 and 9)					
Capital outlay reserve account - cash and cash equivalents		2,984,466			2,984,466
Concessionaire Fund - receivable		4,715			4,715
Total restricted assets	NONE	2,989,181	NONE	NONE	2,989,181
Other assets:					
Long-term lease receivable, net (note 10)	1,756,656	237,971			1,994,627
Capital assets, net of accumulated depreciation/amortization (note 4)	496,042,680	54,162,565	34,327,420	17,453,981	601,986,646
Deposits			35,869		35,869
Total other assets	497,799,336	54,400,536	34,363,289	17,453,981	604,017,142
TOTAL ASSETS	$521,843,530	$72,684,370	$35,922,201	$17,975,135	$648,425,236

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Net Position
June 30, 2023

	ENTERPRISE FUNDS				
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	$1,747,772	$1,490,103	$162,256	$75,355	$3,475,486
Unearned revenue and security deposits	5,900	106,050	29,714		141,664
Sports franchise inducement payable (note 17)		468,705			468,705
Compensated absences (note 1-K)	196,254	18,595			214,849
Funds held in escrow for future events	9,133,018	11,703,114	268,120	24,188	21,128,440
Construction contracts payable	29,712,117				29,712,117
Concessionaire payable	4,062,301	744,899	183,991		4,991,191
Lease obligations, current (note 12)			3,423,320		3,423,320
SBITA obligation, current (note 11)	249,915	29,979			279,894
Due to other funds		3,600,000	54,439	80,998	3,735,437
Total current liabilities	45,107,277	18,161,445	4,121,840	180,541	67,571,103
Noncurrent liabilities:					
Long-term lease and SBITA obligations (notes 11 and 12)	780,138	93,583	27,586,401		28,460,122
Total liabilities	$45,887,415	$18,255,028	$31,708,241	$180,541	$96,031,225
DEFERRED INFLOWS OF RESOURCES					
Leases (note 10)	$2,233,940	$289,608		$27,246	$2,550,794
Total deferred inflows of resources	$2,233,940	$289,608	NONE	$27,246	$2,550,794
NET POSITION					
Net investment in capital assets	$465,300,510	$54,039,003	$3,317,699	$17,453,981	$540,111,193
Restricted		2,989,181			2,989,181
Unrestricted	8,421,665	(2,888,450)	896,261	313,367	6,742,843
Total net position	473,722,175	54,139,734	4,213,960	17,767,348	549,843,217
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$521,843,530	$72,684,370	$35,922,201	$17,975,135	$648,425,236

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

	ENTERPRISE FUNDS				
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
OPERATING REVENUES					
Event rental:					
Musical events and entertainment	$542,446	$2,076,000	$602,840		$3,221,286
High school and college sports	250,000	120,518			370,518
Other events	165,950	24,500		$176,760	367,210
Reimbursement event costs	10,229,349	8,645,119	1,202,524	59,218	20,136,210
Total event rental	11,187,745	10,866,137	1,805,364	235,978	24,095,224
Concessions and souvenirs	9,139,689	9,074,027	1,626,083	14,109	19,853,908
Box suite rental	7,942,083	1,041,663			8,983,746
Parking	2,230,803	1,811,630	998,562	27,885	5,068,880
Ticket incentives	1,379,058	5,714,412	204,224		7,297,694
Lease income (note 10)	704,383	12,016		112,407	828,806
Advertising and broadcasting			272,898		272,898
Other	217,022	746,369	1,328,947	1,538	2,293,876
Total operating revenues	32,800,783	29,266,254	6,236,078	391,917	68,695,032
OPERATING EXPENSES					
Salaries, wages, and benefits	13,243,948	3,853,932	193,381	332,331	17,623,592
Utilities	5,837,082	1,852,264	539,590	297,136	8,526,072
Repairs and maintenance	3,205,324	939,055	195,298	464,227	4,803,904
Management fee - ASM (note 14)	791,122	527,415			1,318,537
Saints obligation payments (note 16)	14,698,992				14,698,992
Pelicans obligation payments (note 17)		5,457,145			5,457,145
Professional fees	449,117	145,613	11,921		606,651
Professional sports staffing	3,605,489	4,508,300			8,113,789
Insurance	2,676,683	786,391		151,417	3,614,491
Direct event expense	10,389,568	12,123,803	1,792,041	19,810	24,325,222
Advertising and public relations	61,755	123,440	25,603	2,012	212,810
Other operating expenses	5,738,661	2,579,475	517,425	33,573	8,869,134
Total operating expenses	60,697,741	32,896,833	3,275,259	1,300,506	98,170,339
Operating income (loss) before depreciation/amortization	(27,896,958)	(3,630,579)	2,960,819	(908,589)	(29,475,307)
Depreciation/amortization	15,532,832	8,159,879	4,943,281	824,841	29,460,833
Operating loss	(43,429,790)	(11,790,458)	(1,982,462)	(1,733,430)	(58,936,140)

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

	ENTERPRISE FUNDS				
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
NONOPERATING REVENUE (EXPENSE)					
Interest revenue	$132,763	$263,182	$40,547	$2,398	$438,890
Interest expense	(18,591)	(2,225)	(324,712)		(345,528)
Total nonoperating revenue(expense)	114,172	260,957	(284,165)	2,398	93,362
Loss before transfers and capital contributions	(43,315,618)	(11,529,501)	(2,266,627)	(1,731,032)	(58,842,778)
Transfers in	112,429,037	1,475,121	519,236	780,291	115,203,685
Transfers out	(2,036,141)				(2,036,141)
State contributions	6,400,514	1,676,319		151,417	8,228,250
Capital contributions	79,485,709				79,485,709
Change in net position	152,963,501	(8,378,061)	(1,747,391)	(799,324)	142,038,725
Net position, beginning of year	$320,758,674	$62,517,795	$5,961,351	$18,566,672	$407,804,492
NET POSITION, END OF YEAR	$473,722,175	$54,139,734	$4,213,960	$17,767,348	$549,843,217

(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, 2023

	ENTERPRISE FUNDS				
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$34,917,905	$31,757,368	$5,472,281	$399,143	$72,546,697
Payments to suppliers	(41,702,250)	(26,220,646)	(3,177,132)	(853,025)	(71,953,053)
Payments for salaries and related expenses	(13,692,584)	(3,976,864)	(201,410)	(333,862)	(18,204,720)
Net cash provided (used) by operating activities	(20,476,929)	1,559,858	2,093,739	(787,744)	(17,611,076)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grants/transfers	110,509,819	1,358,203	519,236	780,291	113,167,549
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital appropriations and contributions	77,851,720				77,851,720
SBITA and lease payments	(265,634)	(31,866)	(2,259,828)		(2,557,328)
Purchases of capital assets	(166,292,725)	(3,615,278)	(20,302)	(70,751)	(169,999,056)
Net cash (used) by capital and related financing activities	(88,706,639)	(3,647,144)	(2,280,130)	(70,751)	(94,704,664)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	132,763	263,182	40,547	2,398	438,890
Net increase (decrease) in cash and cash equivalents	1,459,014	(465,901)	373,392	(75,806)	1,290,699
Cash and cash equivalents, beginning of year	$8,470,977	$17,528,260	$1,160,780	$218,621	$27,378,638
CASH AND CASH EQUIVALENTS, END OF YEAR	$9,929,991	$17,062,359	$1,534,172	$142,815	$28,669,337

(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, 2023

	ENTERPRISE FUNDS				
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating loss	($43,429,790)	($11,790,458)	($1,982,462)	($1,733,430)	($58,936,140)
Adjustments to reconcile operating loss to net cash (used) by operating activities:					
Depreciation expense	15,532,832	8,159,879	4,943,281	824,841	29,460,833
Insurance paid by State	6,400,514	1,676,319		151,417	8,228,250
Lease Credit			(1,306,704)		(1,306,704)
Changes in assets and liabilities:					
(Increase) decrease in:					
Receivables	646,317	(200,872)	443,772	(21,148)	868,069
Restricted assets					
Prepaid expenses	200,259	32,106	(4,200)		228,165
(Decrease) increase in:					
Accounts payable and accrued expenses	(4,782,860)	(759,832)	(3,775,095)	(197,679)	(9,515,466)
Compensated absences	(144,848)	(22,661)	(2,210)	(5,235)	(174,954)
Unearned revenue	(589,683)	(57,492)	22,534	27,246	(597,395)
Funds held in escrow	2,060,488	2,749,478	76,601	1,128	4,887,695
Due to/from other funds	3,629,842	1,773,391	3,678,222	165,116	9,246,571
Net cash provided (used) by operating activities	($20,476,929)	$1,559,858	$2,093,739	($787,744)	($17,611,076)

SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Caesars Superdome	
Insurance paid by State	$6,400,514
Smoothie King Center	
Insurance paid by State	$1,676,319
Shrine on Airline	
Insurance paid by State	$151,417

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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

The District acquired a site and constructed thereon the Louisiana Superdome, which opened in August 1975. The Louisiana Superdome is leased by the District to the state pursuant to a Lease Agreement. The District initially managed and operated the Louisiana Superdome on behalf of the state pursuant to a management and operating agreement dated February 1, 1969. In 1976, Act No. 541 of the 1976 Regular Session of the State Legislature (Act No. 541) transferred the responsibility for the management and operation of the Louisiana Superdome to the Office of the Governor of the State and authorized the governor to delegate the management and operation of the Louisiana Superdome to a professional management organization. In 1977, the District was transferred to and placed in the Office of the Governor of the State pursuant to the Executive Reorganization Act. At the same time, Act No. 64 of the 1977 Regular Session of the State Legislature approved and authorized execution of a Management Agreement between the state and HMC Management Corporation (the predecessor in interest of SMG, which merged with AEG Facilities to form ASM Global (ASM) effective October 1, 2019, the current manager of the Louisiana Superdome), which was signed by the parties under date of June 30, 1977.

Louisiana Revised Statute 51:293.1 authorizes the District to sell or transfer the right to designate and use an alternative name to refer to the Louisiana Superdome. In October 2011, the New Orleans Saints entered into a naming rights agreement with the Mercedes-Benz Corporation to acquire the name and title sponsorship to the Louisiana Superdome. In July 2021, the New Orleans Saints entered into a 20-year naming rights agreement with Caesar Entertainment Inc. to acquire the name and title sponsorship to the Louisiana Superdome. The new name of the Louisiana Superdome became the Caesars Superdome (the Superdome).

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

In February 2014, the New Orleans Pelicans entered into a naming rights agreement with Smoothie King to acquire the name and title sponsorship to the New Orleans Arena. The use agreement between the Pelicans and the District granted the Pelicans the right to market the naming rights for the New Orleans Arena. Upon approval of the District, the new name of the New Orleans Arena became the Smoothie King Center (the Arena).

In September 2009, the District negotiated an agreement to lease the former New Orleans Centre Shopping Mall and parking garage along with a co-development agreement with the property owners to redevelop the premises as a venue for entertainment (Champions Square).

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The District is a component unit of the state of Louisiana as defined by GASB Statement No. 14, *The Financial Reporting Entity,* and amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34,* and GASB Statement No. 80*, Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14.* 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 Position, both the governmental and business-type activities of the District 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 includes in current liabilities amounts payable under construction contracts which may extend beyond one year. A one-year time period is used as the basis for classifying all other current liabilities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions 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 (taxes, intergovernmental revenues, interest income, et cetera).

The District does not allocate indirect costs.

D. FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual major and nonmajor 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 position, revenues, and expenditures/expenses, as appropriate. Resources are allocated and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District does not have any special revenue funds. The following fund types are used by the District:

Governmental Funds

The General Fund, a major fund, is the general operating fund of the District. It administers and accounts for legislative appropriations provided to fund the general administrative expenditures of the District and those expenditures, including sports franchise annual payments, 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, a major 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. The Capital Projects Fund, a nonmajor fund, maintained by the District accounts for construction and improvement of the facilities of the District.

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

1. <u>Non-spendable fund balance</u> - amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. There are no non-spendable amounts as of June 30, 2023.

2. <u>Restricted fund balance</u> - amounts that can be spent only for specific purposes because of the Constitution of the State of Louisiana, other state and federal laws, or

externally imposed conditions by grantors, creditors, or voter approved propositions.

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

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

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

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

Proprietary Funds

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

The District has three major enterprise funds, the Superdome, the Arena, and Champions Square; and one nonmajor enterprise fund, the Shrine on Airline, that are used to account for the operations of each facility. The District has contracted with ASM (formerly SMG) to manage all four 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 proprietors. The hotel occupancy tax is used to fund annual debt service requirements, operations, repairs and maintenance, and capital additions.

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. LEASES RECEIVABLE

The District's leases receivable is measured at the present value of lease payments expected to be received during the lease terms adjusted for the Consumer Price Index at the beginning of the lease, if applicable. Under the lease agreements, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

I. CAPITAL ASSETS

Capital assets acquired or constructed are recorded at cost. Donated capital assets are valued at estimated fair value on the date donated or contributed. Depreciation is charged to expense over the estimated useful lives of the assets and is determined using the straight-line method. Expenditures for maintenance and repairs which do not materially extend the useful life of the asset are charged to expense as incurred. Interest expense is capitalized during the construction period for long-term construction projects. For movable property, the District's capitalization policy includes all items with a unit cost of $1,000 or more and an estimated useful life greater than one year. Buildings and improvements costing $1,000 or more are capitalized.

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

Building and improvements:	
Structure:	
Superdome	40 years
Arena	25 years
Sporting venue	40 years
Practice facilities	40 years
Alario Center	40 years
Major components	10-20 years
Furniture, fixtures, and equipment	5-10 years

The District follows the thresholds established by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy for GASB 87, Leases, and GASB 96, Subscription-Based Information Technology Arrangements. A threshold of $100,000 is applied against the total contract value in the identification and reporting of leases under GASB 87 and subscription arrangements under GASB 96. The District has recorded right-to-use lease and subscription assets as a result of implementing GASB 87 and GASB 96, respectively. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any payments made prior to the term, less incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability, plus any payments made at the commencement of the subscription term, less incentives, and plus any capitalized initial implementation costs. The right-to-use assets are amortized on a straight-line basis over the life of the related agreement.

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

J. 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 unearned revenue. Revenues from the hotel occupancy tax are recognized in the month such amounts are collected by the hotel proprietors.

K. COMPENSATED ABSENCES

Under the Management Agreement with ASM, all employees engaged in managing and operating the Superdome, Arena, Champions Square, and Shrine on Airline are employees of ASM. ASM provides for compensated absences for its employees. ASM 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, members of the Craft Council and Teamsters Union can carry forward no more than the number of days earned during the fiscal year. Upon termination, a non-union employee is paid for up to 192 hours of accumulated vacation, if applicable. Members of the Craft Council and Teamsters Union are paid for accumulated vacation up to what they have earned during the year. The accumulated net provision by the District for unpaid vacation benefits due employees of ASM as of June 30, 2023, was $214,849.

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

Effective January 1, 2022, ASM has instituted a Self-Managed Vacation Plan for all full-time Exempt level Team Members and the Accrued Vacation Plan for full-time Non-Exempt Team Members. The Self-Managed Vacation Plan entitles team members to take vacation time as needed. Because there is no vacation accrual under the Self-Managed Vacation Plan, there are no leave carry overs or leave payouts at termination. Any Exempt level Team Member who has an accrued but unused vacation balance as of January 1, 2022, will be required to utilize this accrued time and exhaust the remaining balance by December 31, 2022. Any remaining balance after December 31, 2022, will be lost. Accrued Vacation Plan employees can earn 10 to 25 days per year of vacation leave depending upon length of employment, can carry forward no more than two times the number of days earned during the fiscal year, and are paid up to 192 hours of accumulated vacation, if applicable, upon termination.

L. DEFERRED INFLOWS OF RESOURCES

Lease-related amounts are recognized at the inception of leases in which the District is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

M. CASH FLOW INFORMATION

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

N. INTERFUND ACTIVITY

Interfund activity is reported as loans or transfers. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation if within the same fund type. Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. All internal balances are eliminated in the total primary government column. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Receivables or payables between the primary government are reported on separate lines. During the year ended June 30, 2023, the General Fund transferred $113,167,544 to the proprietary funds and $1,145,206 to the Debt Service 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.

O. 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.

P. ACCOUNTING PRONOUNCEMENTS

During the year, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objective of GASB 96 is to better meet the information needs of the financial statement users by establishing uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITA); improving the comparability of financial statements among governments that have entered into SBITAs; and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The implementation of this standard had no impact on beginning net position of the District.

2. CASH AND CASH EQUIVALENTS

The District maintains cash on hand, cash on deposit with banks in demand deposit accounts, and cash in interest-bearing deposit accounts. The District maintains cash equivalents that consist of money market funds held in escrow by the bond trustee. Cash and cash equivalents are recorded at cost, which approximates market. Cash and cash equivalents consist of the following at June 30, 2023:

	Bank Balance	Book Balance
Primary government:		
Cash on hand		$180,000
Demand deposits	$171,601,231	149,190,576
Money market funds	37,584,818	37,584,818
Total	$209,186,049	$186,955,394

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	$64,794,847	$25,684,871	$90,479,718
Restricted assets	93,491,210	2,984,466	96,475,676
Total	$158,286,057	$28,669,337	$186,955,394

The District's deposits are exposed to custodial credit risk, which is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The

District's deposit policy for custodial credit risk conforms to state law. Under state law, deposits in banks must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

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

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The District's investment policy does not limit the amount of its holdings of securities by counterparties. At June 30, 2023, the District's cash and cash equivalents are invested in money market funds held by a counterparty in the name of the District. Money market investments for 2023 consisted of the Goldman Sachs Financial Square Government Fund (Symbol FOAXX), which is rated Aaa-mf by Moody's and AAAm by Standard and Poor's. The fund's holdings consist exclusively of short-term U.S. Treasury bills, notes and other obligations issued or guaranteed by the U.S. Treasury, and repurchase agreements collateralized by such obligations. The investments are not exposed to custodial credit risk or concentration of credit risk.

As a means of limiting its exposure to fair value losses arising from rising interest rates (interest rate risk), the investment policy prescribed by Louisiana law establishes limits for investments with maturities of 30 days or longer and establishes parameters for interest rates of certain investments. As of June 30, 2023, all cash equivalents had maturities of 30 days or less; therefore, the District was not exposed to interest rate risk. The type of investments allowed by the investment policy (as detailed above) ensures that the District is not exposed to credit risk, concentration of credit risk, and foreign currency risk.

3. DUE FROM STATE OF LOUISIANA

Amounts due from the state of Louisiana for hotel occupancy tax collections and appropriations totaled $13,397,529 at June 30, 2023.

4. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance June 30, 2022	Additions	Deletions/ Transfers	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$3,125,336			$3,125,336
Construction-in-progress	7,111,819	$1,362,346		8,474,165
Total capital assets not being depreciated	$10,237,155	$1,362,346	NONE	$11,599,501
Capital assets being depreciated:				
Building and improvements:				
Outdoor practice facility complex	$6,565,115			$6,565,115
Indoor practice facility	7,659,360			7,659,360
TPC golf facility	8,530,448			8,530,448
Pelicans training facility	10,000,919			10,000,919
Alario Center	19,779,402			19,779,402
Less accumulated depreciation	(18,973,510)	($1,325,565)		(20,299,075)
Total capital assets being depreciated, net	$33,561,734	($1,325,565)	NONE	$32,236,169
Capital asset summary:				
Capital assets not depreciated	$10,237,155	$1,362,346		$11,599,501
Capital assets being depreciated	52,535,244			52,535,244
Total cost of capital assets	62,772,399	1,362,346		64,134,745
Less accumulated depreciation	(18,973,510)	(1,325,565)		(20,299,075)
Capital assets, net	$43,798,889	$36,781	NONE	$43,835,670

Depreciation expense of $1,325,565 was charged to facility operations in governmental activities for the year ended June 30, 2023.

The New Orleans Saints Practice Facility and the New Orleans Pelicans Training Facility are owned by the District.

Business-Type Activities	Balance June 30, 2022	Prior Period Adjustment	Restated Balance June 30, 2022	Additions	Deletions/ Transfers	Balance June 30, 2023
Capital assets not being depreciated:						
Land	$16,944,160		$16,944,160			$16,944,160
Construction-in-progress	88,182,505	$719,512	88,902,017	$171,514,786	($588,580)	259,828,223
Total capital assets not being depreciated	$105,126,665	$719,512	$105,846,177	$171,514,786	($588,580)	$276,772,383
Capital assets being depreciated:						
Building and improvements	$776,101,300		$776,101,300	$4,819,016	$533,276	$781,453,592
Leasehold improvements	17,618,112		17,618,112	10,991		17,629,103
Furniture, fixtures, and equipment	34,098,256		34,098,256	2,361,378	(1,441,554)	35,018,080
Less accumulated depreciation	(516,206,062)		(516,206,062)	(25,417,162)	1,496,858	(540,126,366)
Total capital assets being depreciated, net	$311,611,606	NONE	$311,611,606	($18,225,777)	$588,580	$293,974,409
Capital assets being amortized:						
Leased building and office space	$37,316,557		$37,316,557			$37,316,557
IT subscriptions				$1,698,624		1,698,624
Less accumulated amortization	(3,731,656)		(3,731,656)	(4,043,671)		(7,775,327)
Total capital assets being amortized, net	$33,584,901	NONE	$33,584,901	($2,345,047)	NONE	$31,239,854
Capital asset summary:						
Capital assets not depreciated	$105,126,665	$719,512	$105,846,177	$171,514,786	($588,580)	$276,772,383
Capital assets being depreciated	827,817,668		827,817,668	7,191,385	(908,278)	834,100,775
Capital assets being amortized	37,316,557		37,316,557	1,698,624		39,015,181
Total cost of capital assets	970,260,890	719,512	970,980,402	180,404,795	(1,496,858)	1,149,888,339
Less accumulated depreciation/amortization	(519,937,718)		(519,937,718)	(29,460,833)	1,496,858	(547,901,693)
Capital assets, net	$450,323,172	$719,512	$451,042,684	$150,943,962	NONE	$601,986,646

Depreciation/amortization expense of $29,460,833 was charged to facility operations in business-type activities for the year ended June 30, 2023.

The District has the use of the land related to the Shrine on Airline and practice facilities for 60 years at no cost, expiring in April 2055.

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

Caesars Superdome Master Plan Project

During 2019, the District undertook a plan to construct, improve, equip, and furnish the facility (the Project). The District secured financing as described in Notes 7 and 8. For the year ended June 30, 2023, the District had $254,456,250 of construction-in-progress related to the Project. As of June 30, 2023, the District had commitments under the following contracts related to Phase 3 of the Project as follows:

	Spent-to-Date	Remaining Commitment
Construction	$178,969,585	$133,184,074
Architect	$19,992,630	$2,099,254

5. SETTLEMENT PAYABLE

On May 28, 2020, the District entered into a settlement agreement with the city of New Orleans to remit payment for the use of the LaSalle street right-of-way between Poydras street and Girod street for event purposes dating back to January 2011 and through December 2020. The District shall pay a total of $2,350,000 to the city of New Orleans over a five-year period beginning in May 2020. Subsequent payments of $235,000 will be paid by the District on or before June 30th and December 31st beginning December 2020. During the year ended June 30, 2023, the District paid $470,000. The District's future payments on this settlement are $470,000 for the fiscal year ending June 30, 2024 and $235,000 for the fiscal year ending June 30, 2025.

6. FINANCE PURCHASE - ENERGY SAVINGS PERFORMANCE CONTRACTS

The District has entered into finance purchase agreements to finance energy savings performance contracts whereby the District will lease from the vendor the necessary equipment for energy conservation measures applied to existing buildings that improve energy efficiency and are life cycle cost effective. The lease contracts qualify as financed purchase agreements for accounting purposes as title transfers at the end of the lease terms. The terms of the initial contract expire in April 2026. A second contract entered into during the year ended June 30, 2017 has a term which expires in January 2027. Each obligation at June 30, 2023 is payable in quarterly installments and has a 4.0% implicit rate of interest.

Under the terms of the contracts, the vendor has guaranteed the amount of energy and cost savings to be realized by the District. In the event the annual energy cost savings plus annual maintenance cost savings, less the annual new maintenance costs achieved during a guarantee year, is less than the energy and cost savings guarantee for the year, the vendor shall pay to the District an amount equal to the difference.

The finance purchase obligations outstanding at June 30, 2023 and changes in the liability for the year then ended are as follows:

Governmental Activities

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Energy savings performance contracts	$5,886,325		($1,282,057)	$4,604,268	$1,341,541
Total finance purchase liability	$5,886,325		($1,282,057)	$4,604,268	$1,341,541

The annual requirements to amortize the finance purchase obligations outstanding at June 30, 2023 are presented in the following schedule:

	Finance Purchase Liability	
Fiscal Year	Principal	Interest
2024	$1,341,541	$156,994
2025	1,403,540	104,478
2026	1,403,555	50,442
2027	455,632	8,307
Total	$4,604,268	$320,221

7. BONDS PAYABLE

The bond issues outstanding at June 30, 2023, and changes in long-term debt for the year then ended are as follows:

Governmental Activities

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Series 2013A (various interest rates; maturing fiscal year 2037)	$228,575,000		($228,575,000)		
Series 2023A (various interest rates; maturing fiscal year 2054)		$497,735,000		$497,735,000	
Series 2023B (various interest rates; maturing fiscal year 2031)		29,195,000		29,195,000	
Total outstanding principal	228,575,000	526,930,000	(228,575,000)	526,930,000	
Add bond premium	18,001,817	40,446,132	(18,001,817)	40,446,132	$1,348,204
Total bonds payable, net	$246,576,817	$567,376,132	$246,576,817	$567,376,132	$1,348,204

On January 16, 2013, the District issued $361,345,000 of Series 2013 Revenue Refunding Bonds. The purposes of the issue were to refund approximately $294,000,000 of the District's existing outstanding bonds, to provide approximately

$109,000,000 for the termination of the fixed-rate hedge agreement and interest rate swap agreement, and to provide for the costs of issuance of the bonds. The bonds are secured by a pledge of the hotel occupancy tax and excess annual revenues of the District. See Note 9 for additional information on pledged revenues.

On June 27, 2023, the District issued $497,735,000 of Senior Revenue Bonds, Tax-Exempt Series 2023A and $29,195,000 Senior Revenue Bonds, Taxable Series 2023B. The Series 2023A Bonds were issued to advance refund the District's Senior Revenue Refunding Bonds, Tax-Exempt Series 2013A, and current refund the District's Bond Anticipation Note, Series 2019, Bond Anticipation Note, Series 2020, and Bond Anticipation Note, Series 2021; pay costs of constructing, improving, equipping, and furnishing facilities of the District; fund an account in the Reserve Fund; and pay certain costs associated with the issuance of the Series 2023A Bonds. The Series 2023B Bonds were issued to current refund the District's Taxable Bond Anticipation Note, Series 2022A; fund an account in the Reserve Fund; and pay certain costs associated with the issuance of the Series 2023B Bonds. The issue of the Series 2023 Bonds increased the total debt service payments over the next 30 years by approximately $278.9 million, and resulted in an economic loss of approximately $13.5 million.

The District refunded the Series 2013A Bonds, by placing the proceeds of the new bonds in an irrevocable trust account for the purpose of paying the principal and interest on the Series 2013A Bonds on July 1, 2023, the proposed redemption date of the 2013A Bonds. Upon making the deposit on June 27, 2023, the Series 2013A Bonds were in-substance defeased. The assets held in the irrevocable trust are risk-free monetary assets that cannot be substituted with monetary assets that are not essentially risk-free.

All Series 2023A Bonds have an interest rate of 5% with the exception of the bond maturing on July 1, 2053, which has a rate of 5.25%. The Series 2023B Bonds have interest rates ranging from 5.115% to 5.38%.

The Series 2023A Bonds are reported in the 2023 Statement of Net Position, net of unamortized premiums of $40,446,132.

At June 30, 2023, the District had a deferred charge on refunding totaling $10,154,165, which resulted from the refunding of the Series 2013 Bonds. The deferred charge is being amortized over the life of the Series 2013 Bonds through 2036.

The annual requirements to amortize all District bonds outstanding at June 30, 2023 (excluding support fees), are presented in the following schedule:

	Series 2023A		Series 2023B		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2024		$12,925,221		$772,733		$13,697,954
2025		25,288,475	$2,400,000	1,447,309	$2,400,000	26,735,784
2026		25,288,475	3,415,000	1,292,251	3,415,000	26,580,726
2027		25,288,475	4,200,000	1,093,394	4,200,000	26,381,869
2028		25,288,475	5,030,000	856,392	5,030,000	26,144,867
2029-2033	$25,445,000	124,712,250	14,150,000	857,446	39,595,000	125,569,696
2034-2038	71,230,000	111,736,625			71,230,000	111,736,625
2039-2043	93,490,000	91,042,875			93,490,000	91,042,875
2044-2048	119,320,000	64,567,375			119,320,000	64,567,375
2049-2053	152,740,000	30,146,225			152,740,000	30,146,225
2054	35,510,000	932,138			35,510,000	932,138
Total	$497,735,000	$537,216,609	$29,195,000	$6,319,525	$526,930,000	$543,536,134

Other significant bond features are as follows:

1. The Series 2023A Bonds shall be subject to prepayments and redemption prior to their maturity date at the option of the District, in whole or in part at any time on or after July 1, 2033.

2. The Series 2023A Bonds maturing on or after July 1, 2048, are subject to mandatory sinking fund redemption prior to maturity.

3. The Series 2023B Bonds are not subject to optional redemption.

The Debt Service Fund had assets available of $42,726,235 at June 30, 2023, 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.

On November 21, 2022, the District executed two floating-to-fixed interest rate swaps to hedge interest rate risk associated with the issue of the Series 2023 Bonds. The swaps also have a mandatory early termination date of July 3, 2023.

The first swap (Swap 1) had an initial notional amount of $426,550,500, an effective date of July 3, 2023, and a termination date of July 1, 2033. Under the terms of Swap 1, the District will pay a fixed rate of 2.7305% to the swap provider on a quarterly, 30/360 day basis in exchange for receiving 80% of USD-SOFR-OIS Compound, reset daily and paid monthly on an actual/360 day basis.

The second swap (Swap 2) had an initial notional amount of $27,625,500, an effective date of July 3, 2023, and a termination date of July 1, 2033. Under the terms of Swap 2, the District will pay a fixed rate of 3.7767% to the swap provider on a quarterly, 30/360 day basis in exchange for receiving 100% of USD-SOFR-OIS Compound, reset daily and paid monthly on an actual/360 day basis.

Effective June 27, 2023, upon issuance of the Series 2023 Bonds, the swaps were terminated and the District received $1,540,900.

8. BOND ANTICIPATION NOTES

On September 11, 2019, the District issued a $30,000,000 Bond Anticipation Note (BAN), Series 2019. The purposes of this note are to provide construction financing for the Caesars Superdome Master Plan Project (the Project) and to pay the cost of issuance of the note. The note is the first tranche of the total $350,000,000 authorized to be issued. The note shall mature on July 3, 2023 and shall bear interest at a rate of 1.78%.

On July 1, 2020, the District issued a $90,000,000 Bond Anticipation Note, Series 2020. The purposes of this note are to provide construction financing for the Project, to pay the cost of issuance of the note, and to fund interest on the notes through January 2022. The note is the second tranche of the total $350,000,000 authorized to be issued. The note shall mature on July 3, 2023, and shall bear interest at a rate of 5.0%.

On June 30, 2021, the District issued a $70,000,000 Bond Anticipation Note, Series 2021. The purposes of this note are to provide construction financing for the Project and to pay the cost of issuance of the note, and to fund interest on the notes through July 2023. The note is the third tranche of the total $350,000,000 authorized to be issued. The note shall mature on July 3, 2023, and shall bear interest at a rate of 4.0%.

On January 26, 2022, the District issued a $28,595,000 Bond Anticipation Note, Series 2022A. The purposes of this note are to provide funds sufficient to repurchase the Series 2013C Bond, funding the capitalized interest account, and pay certain costs of issuance of the note. The note shall mature on July 3, 2023, and shall bear interest at a rate of 1.872%.

All of the District’s BANs were refunded upon issuance of the Series 2023A and B Bonds as described in Note 7.

9. 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 2054. Total revenue pledged for fiscal year ended June 30, 2023, was $149,180,749. Total principal and interest remaining on the Series 2023A and B bonds was $526,930,000, and $543,536,134, respectively, as of June 30, 2023. For the current year, the District paid principal and interest payments of $11,775,000 and $23,323,994, respectively, on the Series 2013 Bonds and the BANs, Series 2019, 2020, 2021, and 2022A prior to the refunding on June 27, 2023.

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. Of the $57,989,146 of hotel occupancy tax earned for the year ended June 30, 2023, $27,232,501 was used for debt service requirements.

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, including depreciation, and funding of $2,300,000 to the Renewal and Replacement Reserve 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.

At June 30, 2023, after payment and satisfaction of all obligations of the District and after all operating expenses including depreciation, no excess monies were available for distribution.

The assets restricted for capital outlay are made up of the following accounts:

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, 2023, no funds from operations were required to be deposited into the reserve. The total amount of deposits on reserve was $4,228,848 as of June 30, 2023.

Master Plan Account

The total amount of deposits from the issuance of the 2023 Bonds (Note 7) restricted for capital outlay was $92,130,715 as of June 30, 2023.

10. LESSOR LEASES

The District leases building space within the Superdome and Arena to various cell and internet service providers and the Sunbelt Conference, as well as parking spaces, under agreements expiring at varying intervals until fiscal year 2050. Many of the leases contain provisions whereby the annual rentals are to be adjusted by the percentage increase in the Consumer Price Index, which were incorporated into initial measurement using the index rate at the beginning of the lease. Some leases contain provisions whereby annual rentals are to be adjusted for other factors dependent on annual revenues which cannot be determined at this time. The lease receivable which totaled $2,604,630 as of June 30, 2023, is measured as the present value of the future minimum rent payments expected to be received during the lease term at discount rates ranging from 1% to 2%, as determined by the State of Louisiana Office of Statewide Reporting and Accounting Policy. The District is also a party to other leases in which the annual rentals are variable, based on a percentage of the lessees' annual revenues or on gate receipts, and are, therefore, not included in the below total.

The total amount of inflows of resources, including lease revenue, interest revenue and other lease related inflows, excluding box suite revenues, for the year ended June 30, 2023, were $756,193 for the District.

11. SUBSCRIPTION AGREEMENTS

During the year ended June 30, 2023, the District entered into two new subscription-based software solutions. The term of each agreement is five years. Neither subscription has a stated interest rate; accordingly, the District’s estimated incremental borrowing rate of 2% was used to discount the subscription payments. The initial liability for both subscriptions was $1,430,299. The total liability balance remaining at June 30, 2023, was $1,153,615.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023 were as follows:

	Business-Type Activities		
Fiscal Year	Principal	Interest	Total
2024	$279,894	$17,495	$297,389
2025	285,492	11,924	297,416
2026	291,202	6,241	297,443
2027	297,027	445	297,472
Total	$1,153,615	$36,105	$1,189,720

12. LEASEE LEASES

On September 15, 2009, the District negotiated an agreement to lease the former New Orleans Centre Shopping Mall and parking garage (Entertainment District Master

Lease). The District also entered into a Co-development Agreement with the property owners to redevelop the premises as a venue for entertainment. The term of the lease extends through June 30, 2026, and will automatically be extended until June 30, 2031, if the Stadium Agreement, discussed in note 16, is extended. Base rent is specified in the agreement as a base amount of $2,000,000 adjusted 2% annually as well as an additional incremental payment. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. Per the agreement, the base rent will be reduced by variable amounts that are calculated annually. As such, these amounts which totaled $1,306,704 for the year ended June 30, 2023, are recorded as a component of other income. The lease liability is measured at a discount rate of 1%, which was determined by the State of Louisiana Office of Statewide Reporting and Accounting Policy. As a result of the lease, the District has recorded a right-to-use lease asset with a net book value of $29,853,245 at June 30, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, are as follows:

	Business-Type Activities		
Fiscal Year	Principal	Interest	Total
2024	$3,423,320	$291,340	$3,714,660
2025	3,609,624	256,128	3,865,752
2026	3,800,839	219,029	4,019,868
2027	3,997,076	179,992	4,177,068
2028	4,198,446	138,966	4,337,412
2029-2031	11,980,416	160,212	12,140,628
	$31,009,721	$1,245,667	$32,255,388

13. PENSION AND PROFIT-SHARING PLANS

On April 1, 1992, the employees of ASM, paid indirectly by the District, became members of ASM’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. ASM will match 40% of the first 5% of eligible compensation contributed by employees. In addition to the matching contribution, ASM 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 $220,705 for the year ended June 30, 2023.

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.

14. MANAGEMENT AND SUPPORT SERVICES AGREEMENTS

Effective July 1, 1977, the state of Louisiana (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 (now operating as ASM after the merger of SMG and AEG Facilities effective October 1, 2019) for Facility Management of Louisiana, Inc., as manager under the agreement, and to include the Arena among the properties to be managed under the Management Agreement. Effective July 1, 2003, the Management Agreement was amended and the term of the agreement was extended until June 30, 2012. By the terms of this amendment, the state was required to notify ASM by June 30, 2011, if it elected not to extend the Management Agreement for an additional five years. ASM was not notified by the state and the Management Agreement was further extended for an additional five-year period ending June 30, 2017. On March 12, 2015, the seventh amendment to the Management Agreement extended the term of the agreement for an additional five years, ending June 30, 2022. On June 23, 2022, the eighth amendment to the Management Agreement extended the term of the agreement for an additional five years, ending June 30, 2027.

Pursuant to the amendment to the Management Agreement on July 1, 2003, beginning in the year ended June 30, 2007, compensation paid to ASM for its services at the 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 Superdome and $300,000 for the Arena. The “incentive fee” will consist of 10% of the adjusted net income of the Superdome and the 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 ASM (aggregate cap) for the year may not exceed $1,500,000 as adjusted for the Consumer Price Index (CPI), outstanding manager’s capital contributed by ASM, 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 July 1, 2017, the base fees for the Superdome and Arena are $210,000 and $90,000, respectively, less than the amount of their respective base fees as of June 30, 2017, increased in proportion to increases in the CPI published for June 2017 over that published for June 2016, provided that no such CPI increase shall exceed 4%. In addition, the aggregate cap shall not exceed an amount that is $300,000 less than the aggregate cap as of June 30, 2017, increased in proportion to increases in the CPI published for June 2017 over that published for June 2016, provided that no such CPI increase shall exceed 4%. The amendment provides that ASM will contribute up to $5,000,000 (manager's capital) to the District upon written request from the state. The manager's capital is a non-interest bearing, non-refundable contribution provided certain terms of the agreement are met in relation to the duration of the Management Agreement. Through June 30, 2021, ASM has contributed $5,000,000 of manager's capital.

Effective July 1, 2018, for each fiscal year, the base fees, the first tier of the incentive fee, and the aggregate cap are increased in proportion to increases in the CPI published for June immediately preceding the start of the applicable fiscal year over that published for the previous June, provided that no such CPI increase shall exceed 2%.

Effective July 1, 2022, the combined base fees for the Superdome and Arena and the aggregate cap are $100,000 less than the respective June 30, 2022 combined base fee and aggregate cap, increased in proportion to increases in the CPI published for June 2022 over that published for June 2021, provided, however, that no such CPI increase shall exceed 2%. In addition, the annual incentive fee only consists of 7.5% of the adjusted net income of the Superdome and the Arena.

Effective October 1, 2008, the District entered into a Support Services Agreement with ASM 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 ASM on behalf of the District, which retains final authority over the other facilities and approval for services. The other facilities consist of Champions Square adjacent the Superdome; the Alario Center in Westwego, Louisiana; the Saints Training Facility in Jefferson, Louisiana; the TPC Louisiana Golf Course in Avondale, Louisiana; and The Shrine (also known as Gold Mine) on Airline, in Metairie, Louisiana. For its services, ASM shall be entitled to receive an annual fee of $150,000. On October 13, 2010, the agreement was amended to reduce the annual fee to $75,000 to provide for the separation of services related to Champions Square.

15. CONTINGENT LIABILITIES, RISK MANAGEMENT, AND CLAIMS LIABILITY

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by the General Fund appropriation. At June 30, 2023, the District is involved in pending and threatened litigation. The District's legal counselors assess the likelihood of material adverse judgments as remote or are unable to express opinions on the probable outcomes of the proceedings.

16. STADIUM AGREEMENT

The New Orleans Saints lease the Superdome under an agreement (Stadium Agreement) dated September 15, 2009, as amended, with the state, the District, ASM, 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 annual payments in the form of reduced rentals and the assignment of certain revenues attributable, directly or indirectly, to the presence of the Club in the Superdome in exchange for the Club remaining in the Superdome through the end of the 2025 NFL season. The assignment of revenues resulted in payments totaling $14,698,992 to the Club for the year ended June 30, 2023.

During the year ended June 30, 2023, the Club received other payments totaling $3,583,406 representing amounts collected by the Louisiana Department of Revenue attributable to the income of nonresident NFL professional athletes.

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

The Club's eligible revenues, as defined in the Stadium Agreement, as amended and restated, exceeded the revenue benchmark for the year ended June 30, 2023, thus reducing the obligation to pay additional inducements to the Club. The reduction in additional payment obligations was, in part, a result of the naming rights agreement between the Club and Caesar Entertainment Inc. Granting the Club the ability to sell naming rights sponsorship was considered a key factor in lowering the state's economic exposure to future annual payment obligations. The naming rights revenues are included in the calculation of eligible revenue for each fiscal year under the terms of the Stadium Agreement.

17. ARENA USE AGREEMENTS

On May 2, 2002, the District entered into a use agreement (Original Agreement) with the Hornets NBA Limited Partnership (the Pelicans, formerly the Hornets), a franchise of the National Basketball Association (NBA), under which the Pelicans would relocate to New Orleans and play all home basketball games in the Arena. In January 2008, the Original Agreement was amended to extend the initial terms to June 30, 2014. In June 2012, the Original Agreement was amended and restated in its entirety (Arena Use Agreement) to extend the term and provide for significant improvements to the Arena. The initial term of the Arena Use Agreement extends through June 30, 2024, with an optional five-year extension which must be elected in writing by June 30, 2023. On June 13, 2023, the Original Agreement was amended to extend the initial term to June 30, 2029.

The Arena Use Agreement entitles the Pelicans to all realized revenues from home games including, but not limited to, ticket sales, 40% of gross concession revenues, net revenues from merchandise sales and parking, and various advertising revenues as defined in the agreement. These annual payment obligations are recorded as operating expenses of the Arena and totaled $4,988,440 during fiscal year 2023. In return, the Pelicans will reimburse the District for 32% of game day expenses for regular season games and 100% for playoff games. It also provides for an annual payment, beginning in 2012, equal to the greater of $300,000 (increased by 2% annually) or one-half of the net revenues from luxury box suite ticket sales for other Arena events. The annual expense totaled $468,705 during fiscal year 2023.

The Pelicans are also entitled to receive an amount equal to the income taxes collected by the Louisiana Department of Revenue attributable to the income of nonresident professional NBA sports franchise personnel. For fiscal year ended June 30, 2023, the Pelicans were paid $2,562,287 from the nonresident players' tax.

Under the Original Agreement, as amended, should the Pelicans' revenue fall below certain benchmark amounts, the District was required to reimburse the Pelicans an amount to cause the Pelicans' revenue to equal the benchmark. Beginning with the 2008 fiscal year, the District's cap on this reimbursement was $6.5 million, increased at a rate of 5% for each subsequent fiscal year. The amounts due to the Pelicans for fiscal years 2012 and 2013 for this revenue benchmark were incorporated into the renegotiation of their use agreement with a portion deferred until the Arena improvements and upgrades are substantially complete. The restated Arena Use Agreement requires the District to pay the Pelicans $2,500,000 with a 2% increase per year, annually, due on July 31 of each year beginning 2012. This additional annual payment is in consideration of annual financial investments required of the Pelicans to host events in Champions Square, advertise and promote events at the facilities owned by the District, and others as defined in the agreement. The additional annual payment for the revenue benchmark totaled $2,835,857 during the year ended June 30, 2023.

The Arena Use Agreement created the Arena Renewal and Replacement Fund and established quarterly funding requirements beginning in fiscal year 2013.

18. NOLA GOLD AGREEMENT

On February 20, 2021, the District entered into an agreement with the NOLA Gold Rugby Club (NOLA Gold) to hold games at the Shrine on Airline (also referred to as the Gold Mine on Airline). On November 23, 2021, the Original Agreement was amended, and the term of the Non-Exclusive Facility Use Agreement was extended through October 31, 2023. Under the terms of the agreement, the baseball field at the Shrine on Airline was reconfigured into a field suitable to host rugby games at the expense of NOLA Gold. NOLA Gold hosted eight rugby games at the Gold Mine on Airline during the 2023 season.

19. COOPERATIVE ENDEAVOR AGREEMENTS

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

Effective April 20, 2017, the District and Jefferson Parish entered into a cooperative endeavor agreement whereby the District will provide development services to construct a recreational facility in Westwego, Louisiana, for the youth and citizens of Jefferson Parish. The project will be funded through capital outlay funds appropriated by the state of Louisiana to the District and specifically designated for the implementation of the project. Upon completion of the project, an act of transfer and conveyance will be executed, conveying ownership of the project site, land, improvements, and equipment located on or obtained for the project to Jefferson Parish. During the year ended June 30, 2017, the District acquired the land on which the facility will be located.

Effective March 28, 2019, the state, the District, and Jefferson Parish entered into an amended and restated management agreement whereby Jefferson Parish accepts the exclusive rights to manage, operate, market, and administer the Alario Center. The agreement is for an initial five-year term with an automatic five-year extension. Jefferson Parish will fund operating and maintenance costs of the Alario Center for the duration of the agreement.

20. MASTER PLAN AND PROJECT

In April 2019, the District and the Club have entered into an agreement whereby the District and the Club have agreed to split the costs of the architectural design services associated with the Caesars Superdome Master Plan (the Master Plan). Under the terms of the agreement, the District will be responsible for 20% of the total architectural services design expenses and the Club will be responsible for the remaining 80%. The total cost of the design for the Master Plan was $8,000,000.

The District and the Club agreed to split additional expenses associated with the Master Plan as construction costs are incurred at the District. For the fiscal year ended June 30, 2023, the Club's contribution totaled $54,282,403 which represented 33% of the expenditures for construction incurred during the fiscal year.

21. SUBSEQUENT EVENTS

On December 6, 2023, the New Orleans Saints organization exercised its option to extend the term of the Stadium Agreement (described in Note 16) for an additional five years. Accordingly, the term of the Stadium Agreement will end on the 30th day following the final home game of the 2030 season. As a result of this option being exercised, the Entertainment District Master Lease (described in Note 12) is automatically extended through June 30, 2031.

OTHER REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Exhibit A

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

MICHAEL J. "MIKE" WAGUESPACK, CPA
LOUISIANA LEGISLATIVE AUDITOR

April 18, 2024

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 18, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KPD:CJH:RR:BQD:ch

LSED2023