

# 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, 2025  
Issued June 11, 2026**

**LOUISIANA LEGISLATIVE AUDITOR  
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BETH Q. DAVIS, CPA

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# TABLE OF CONTENTS

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	Page
Independent Auditor’s Report .....	2
Management’s Discussion and Analysis .....	5

## Statement

### Basic Financial Statements:

#### Government-Wide Financial Statements:

Statement of Net Position.....	A	13
Statement of Activities.....	B	15

#### Fund Financial Statements:

Balance Sheet - Governmental Funds.....	C	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	D	19
Statement of Net Position - Proprietary Funds .....	E	21
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds .....	F	23
Statement of Cash Flows - Proprietary Funds .....	G	25
Notes to the Financial Statements .....		27

## Exhibit

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	A
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## Appendix

Management’s Corrective Action Plan and Response to the Finding and Recommendation .....	A
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May 27, 2026

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, and each major fund of the Louisiana Stadium and Exposition District (the District), a component unit of the state of Louisiana, as of and for the year ended June 30, 2025, 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, and each major fund of the District as of June 30, 2025, 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 12 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 May 27, 2026, 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



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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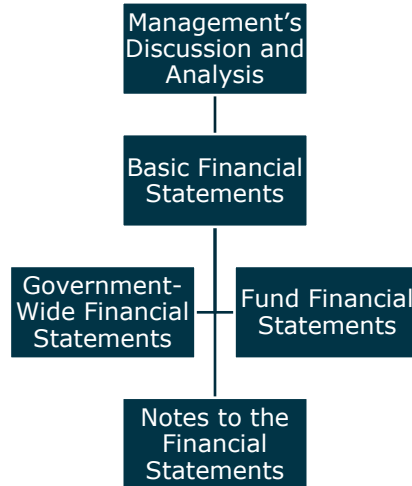
Management's Discussion and Analysis of the Louisiana Stadium and Exposition District's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2025. This document focuses on the current year's activities, resulting 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 13.

## 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 2025 by \$692,436,158. The net position of business-type activities increased by \$19,444,138 during fiscal year 2025. The liabilities of governmental activities exceeded assets and deferred outflows of resources at the close of fiscal year 2025 by \$422,818,997. The net position of governmental activities increased by \$2,031,263 during fiscal year 2025.
- The District has received \$25,865,635 in capital contributions to its governmental and business-type activities for the year ended June 30, 2025. This represents a decrease of \$42,793,301 over the prior fiscal year. The contributions fund various capital projects for improvements to the Caesars Superdome and other facilities.
- The District received \$62,567,381 of hotel occupancy taxes in its governmental activities for the year ended June 30, 2025. This represents an increase of \$6,458,649 over the prior fiscal year.

## 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 the 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, 2025, and 2024 (in thousands)

	2025	As Restated 2024
Current and other assets	\$152,013	\$176,532
Capital assets	781,553	780,173
Total assets	<u>933,566</u>	<u>956,705</u>
Total deferred outflows of resources	<u>8,518</u>	<u>9,336</u>
Current and other liabilities	85,517	124,750
Long-term debt outstanding	578,637	588,776
Total liabilities	<u>664,154</u>	<u>713,526</u>
Total deferred inflows of resources	<u>8,313</u>	<u>4,373</u>
Net Position:		
Net investment in capital assets	195,318	163,153
Restricted	67,729	73,760
Unrestricted	6,570	11,229
Total net position	<u>\$269,617</u>	<u>\$248,142</u>

The District's fiscal year 2024 capital assets and current and other liabilities were restated due to error (see Note 4, *Capital Assets*, for restatement).

The District's total revenues of its governmental and business-type activities decreased by \$14,272,000 from 2024 to 2025. The net decrease in revenue was primarily driven by a decrease in capital contributions associated with the Master Plan Project offset by increases in charges for services, hotel occupancy taxes, operating grants and contributions, and miscellaneous income.

The total cost of all governmental and business-type activities programs and services increased by \$17,961,000. The increase in expenses is attributed to increases associated with event-related activity and depreciation for the completed Master Plan

Project offset by depreciation of assets that became fully depreciated in the prior year.

**Changes in Net Position  
For the Years Ended June 30, 2025, and 2024  
(in thousands)**

	<u>2025</u>	<u>2024</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$98,710	\$89,689
Grants and contributions	30,866	68,659
General revenues:		
Hotel occupancy taxes	62,567	56,109
New Orleans Sports Franchise Fund	11,811	10,425
Pari-mutuel live racing facility slots	4,145	2,049
Players' tax	6,150	7,150
Interest and other income	<u>13,252</u>	<u>7,692</u>
Total revenues	<u>227,501</u>	<u>241,773</u>
 <b>Program Expenses</b>		
Interest on long-term debt	26,538	26,721
Facility operation	<u>179,488</u>	<u>161,344</u>
Total expenses	<u>206,026</u>	<u>188,065</u>
 <b>Change in Net Position</b>	21,475	53,708
 <b>Beginning Net Position</b>	<u>\$248,142</u>	<u>\$194,434</u>
 <b>Ending Net Position</b>	<u>\$269,617</u>	<u>\$248,142</u>

## THE DISTRICT'S FUNDS

As discussed earlier, funds provide additional detail on the amounts presented in the government-wide financial statements. Governmental fund information provides additional detail on the District's governmental activities while enterprise fund information provides additional detail on the District's business-type activities. An analysis of balances and individual transactions of the District's governmental and enterprise funds is provided below:

## Governmental Funds

The fund balance of the General Fund decreased by \$14.8 million, which was \$74.7 million less than the \$89.5 million decrease in fund balance reported in the prior fiscal year. Hotel occupancy revenue increased \$4.8 million and interest income decreased \$1.0 million from the prior year. Overall expenditures decreased \$0.1 million but transfers to other funds decreased \$68.7 million when compared to the prior year. The General Fund ended the year with a fund balance of \$16.5 million, with \$4.9 million subject to external restrictions, \$1.6 million assigned for a contingency fund, and an unassigned fund balance of \$10.0 million. The restricted fund balance includes \$4.8 million that is restricted for capital outlay reserve.

The fund balance of the Debt Service Fund increased by \$3.3 million, which was \$12.1 million less than the \$15.4 million increase in fund balance reported in the prior fiscal year. The Fund received hotel occupancy tax revenue of \$29.4 million, an increase of \$1.6 million from the revenue received in the prior fiscal year. Additionally, debt service increased \$15.4 million in the current fiscal year due to scheduled principal and interest payments on outstanding bonds. The Debt Service Fund ended the year with a fund balance of \$61.4 million, which is restricted for debt service.

## Enterprise Funds

The net position of the Caesars Superdome Fund increased by \$20.3 million, which was \$112.8 million less than the \$133.1 million increase in the prior year. Transfers and contributions decreased \$119.2 million as a result of a decreased funding need for the Superdome Master Plan project. Total operating revenues increased \$35.4 million from the prior fiscal year, primarily due to an increase in event rental revenue, associated event day revenue, ticket incentives, and receipt of Employee Retention Credits. Operating expenses were \$29.2 million greater than the prior year in correlation to the increased event revenue and depreciation for the completed Master Plan Project.

The net position of the Smoothie King Center Fund increased by \$0.7 million, which was \$8.0 million more than the \$7.3 million decrease in net position in the prior year. Transfers and contributions increased \$13.2 million as a result of increased transfers to meet funding needs. Total operating revenues decreased \$20.8 million from the prior fiscal year, primarily due to a decrease in event rental revenue, associated event day revenue, and ticket incentives. Operating expenses were \$15.8 million less than the prior year in correlation to the decreased event revenue and depreciation of assets that became fully depreciated in the prior year.

The net position of the Champions Square Fund decreased by \$0.6 million, which was \$1.3 million less than the \$1.9 million decrease in the prior year. Transfers and contributions increased \$6.0 million primarily due to receipt of a \$5 million state contribution. Total operating revenues decreased \$0.3 million from the prior fiscal year, while operating expenses increased \$4.5 million from the prior year for required payments to the Saints for the NFL awarding the 2025 Super Bowl to the District.

The net position of the Shrine on Airline Fund decreased by \$0.9 million, which was \$0.1 million more than the \$0.8 million decrease in the prior year. Total operating revenues increased \$0.3 million from the prior fiscal year, while operating expenses increased \$0.4 million from the prior year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2025 and 2024, the District had \$781,552,505 and \$780,172,700 (restated), respectively, invested in capital assets, net of accumulated depreciation/amortization of \$610,600,363 and \$584,185,638, respectively, including land, buildings and improvements, furniture, fixtures, and equipment, leased/subsorption assets, and construction in progress.

Capital assets as of June 30 (in thousands):

	2025	As Restated* 2024
Land	\$20,069	\$20,069
Building and improvements	692,782	299,406
Furniture, fixtures, and equipment	1,875	4,449
Right-to-use leased asset and IT subscription assets	23,435	27,287
Construction-in-progress	43,392	428,962
<b>Total</b>	<b>\$781,553</b>	<b>\$780,173</b>

\* Refer to Note 4, *Capital Assets*, for restatement resulting from error.

### Debt

The District had \$524,530,000 and \$526,930,000 in revenue bonds outstanding at June 30, 2025, and 2024, 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. 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. The required principal payment due on the Series 2023 bonds for fiscal year 2025 totaled \$2,400,000.

## **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 2025, the District's net position increased \$21,475,000, and during fiscal year 2024, the District's net position increased \$53,707,000. During fiscal year 2025, the enterprise funds were funded by statutorily-dedicated revenues, grants, and hotel occupancy taxes, which were transferred from the General Fund, and by 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 Ms. Jessica Trabeaux, Director of Finance, Legends Global, Post Office Box 52439, New Orleans, Louisiana 70152.

**LOUISIANA STADIUM AND EXPOSITION DISTRICT  
STATE OF LOUISIANA**

**Statement of Net Position  
June 30, 2025**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents (note 2)	\$34,196,967	\$45,040,536	\$79,237,503
Investments (note 2)	38,266,036		38,266,036
Accounts receivable	193,665	3,461,070	3,654,735
Due from State of Louisiana (note 3)	15,756,301		15,756,301
Lease receivable, current portion (note 9)		639,704	639,704
Internal balances	(2,080,337)	2,080,337	
Prepaid expenses		57,212	57,212
Restricted assets:			
Capital Outlay Reserve Account - cash and cash equivalents (notes 2 and 8)	4,760,900	1,565,748	6,326,648
Energy savings performance trust - cash and cash equivalents (notes 2 and 5)	116,113		116,113
Concessionaire Fund - receivable		4,715	4,715
Deposits		35,869	35,869
Long-term lease receivable, net (note 9)		7,917,889	7,917,889
Capital assets, net of accumulated depreciation/amortization (note 4)	68,190,625	713,361,880	781,552,505
Total assets	<u>159,400,270</u>	<u>774,164,960</u>	<u>933,565,230</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding (note 6)	8,517,797		8,517,797
Total deferred outflows of resources	<u>8,517,797</u>	<u>NONE</u>	<u>8,517,797</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	438,057	9,229,553	9,667,610
Sports franchise obligations payable (notes 15 and 16)	2,905,177	388,082	3,293,259
Unearned revenue and security deposits	5,582,401	589,620	6,172,021
Compensated absences (note 1-K)		278,409	278,409
Advance deposits on future events		30,242,953	30,242,953
Construction contracts payable	4,336,906	1,542,979	5,879,885
Concessionaire payable		6,257,700	6,257,700
Accrued bond interest payable, current portion	13,335,612		13,335,612
Bonds payable, current portion, net (note 6)	4,757,204		4,757,204
Lease obligations, current portion (note 11)		3,936,921	3,936,921
Finance purchase liability, current portion (note 5)	1,403,556		1,403,556
SBITA obligations, current portion (note 10)		291,646	291,646
Noncurrent liabilities:			
Bonds payable, net (note 6)	557,522,520		557,522,520
Lease obligations, net (note 11)		20,361,118	20,361,118
Finance purchase liability, net (note 5)	455,631		455,631
SBITA obligations, net (note 10)		297,026	297,026
Total liabilities	<u>590,737,064</u>	<u>73,416,007</u>	<u>664,153,071</u>

(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, 2025**

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases (note 9)		\$8,312,795	\$8,312,795
Total deferred inflows of resources	NONE	8,312,795	8,312,795
<b>NET POSITION</b>			
Net investment in capital assets	(\$491,651,282)	686,969,460	195,318,178
Restricted for:			
Debt service	61,397,743		61,397,743
Capital outlay reserve	4,760,900	1,565,748	6,326,648
Concessionaire reserve		4,715	4,715
Unrestricted	2,673,642	3,896,235	6,569,877
<b>TOTAL NET POSITION</b>	<b>(\$422,818,997)</b>	<b>\$692,436,158</b>	<b>\$269,617,161</b>

(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, 2025**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
Facility operation	\$16,391,305			\$10,483,241
Interest on bonds and financed purchases	26,262,181			
Total governmental activities	42,653,486	NONE	NONE	10,483,241
Business-type activities:				
Facility operation	163,096,777	\$98,710,238	\$5,000,000	15,382,394
Interest on leases and SBITAs	275,557			
Total business-type activities	163,372,334	98,710,238	5,000,000	15,382,394
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$206,025,820</b>	<b>\$98,710,238</b>	<b>\$5,000,000</b>	<b>\$25,865,635</b>

General revenues:

Taxes:

Hotel occupancy taxes (note 8)

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
(\$5,908,064)		(\$5,908,064)
(26,262,181)		(26,262,181)
(32,170,245)	NONE	(32,170,245)
	(\$44,004,145)	(44,004,145)
	(275,557)	(275,557)
NONE	(44,279,702)	(44,279,702)
(\$32,170,245)	(\$44,279,702)	(\$76,449,947)
\$62,567,381		\$62,567,381
11,811,412		11,811,412
4,144,544		4,144,544
6,150,000		6,150,000
364,626		364,626
34,005	\$8,223,069	8,257,074
3,518,232	1,112,079	4,630,311
(54,388,692)	54,388,692	
34,201,508	63,723,840	97,925,348
2,031,263	19,444,138	21,475,401
(\$424,850,260)	\$672,992,020	\$248,141,760
(\$422,818,997)	\$692,436,158	\$269,617,161



**LOUISIANA STADIUM AND EXPOSITION DISTRICT  
STATE OF LOUISIANA  
GOVERNMENTAL FUNDS**

**Balance Sheet  
June 30, 2025**

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents (note 2)	\$16,125,551	\$18,071,408	\$8	\$34,196,967
Investments (note 2)		38,266,036		38,266,036
Accounts receivable	193,665			193,665
Due from State of Louisiana (note 3)	6,359,096	5,060,299	4,336,906	15,756,301
Restricted assets: (notes 2, 5, and 8)				
Capital Outlay Reserve Account - cash and cash equivalents	4,760,900			4,760,900
Energy savings performance trust - cash and cash equivalents	116,113			116,113
<b>TOTAL ASSETS</b>	<b>\$27,555,325</b>	<b>\$61,397,743</b>	<b>\$4,336,914</b>	<b>\$93,289,982</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued expenses	\$438,057			\$438,057
Due to other funds (note 7)	2,080,337			2,080,337
Sports franchise obligations payable (notes 15 and 16)	2,905,177			2,905,177
Unearned revenue	5,582,401			5,582,401
Construction contracts payable			\$4,336,906	4,336,906
Total liabilities	11,005,972	NONE	4,336,906	15,342,878
Fund Balances:				
Restricted for - debt service		\$61,397,743		61,397,743
Restricted for - capital outlay reserve	4,760,900			4,760,900
Restricted for - energy savings performance	116,113			116,113
Assigned for - capital projects	1,625,148		8	1,625,156
Unassigned	10,047,192			10,047,192
Total fund balances	16,549,353	61,397,743	8	77,947,104
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$27,555,325</b>	<b>\$61,397,743</b>	<b>\$4,336,914</b>	<b>\$93,289,982</b>

(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, 2025**

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Hotel occupancy tax (note 8)	\$33,139,579	\$29,427,802		\$62,567,381
New Orleans Sports Franchise Fund	11,811,412			11,811,412
Pari-mutuel live racing facility slots	4,144,544			4,144,544
Players' tax	6,150,000			6,150,000
Vehicle license plate royalties	364,626			364,626
Interest earnings	543,910	2,974,322		3,518,232
Miscellaneous income	34,005			34,005
Total revenues	<u>56,188,076</u>	<u>32,402,124</u>	NONE	<u>88,590,200</u>
<b>EXPENDITURES</b>				
Salaries, wages, and benefits	514,254			514,254
Utilities	16,200			16,200
Repairs and maintenance	551,136			551,136
Management fee - Legends (note 13)	80,725			80,725
Professional fees	1,974,085			1,974,085
Insurance	2,514,258			2,514,258
Other Saints obligations (note 15)	3,269,862			3,269,862
Other Pelicans obligations (note 16)	5,784,670			5,784,670
Other expenditures	360,550			360,550
Capital outlay			\$10,483,241	10,483,241
Debt service:				
Principal	1,403,540	2,400,000		3,803,540
Interest	104,478	26,735,783		26,840,261
Total expenditures	<u>16,573,758</u>	<u>29,135,783</u>	<u>10,483,241</u>	<u>56,192,782</u>
Excess (deficiency) of revenues over expenditures	<u>39,614,318</u>	<u>3,266,341</u>	<u>(10,483,241)</u>	<u>32,397,418</u>

(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, 2025**

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (note 7)	\$6,927,618	\$7,583		\$6,935,201
Transfers out (note 7)	(61,323,893)			(61,323,893)
Capital contributions			<u>\$10,483,241</u>	<u>10,483,241</u>
Total other financing sources (uses)	<u>(54,396,275)</u>	<u>7,583</u>	<u>10,483,241</u>	<u>(43,905,451)</u>
Net change in fund balances	(14,781,957)	3,273,924	NONE	(11,508,033)
Fund balances at beginning of year	<u>\$31,331,310</u>	<u>\$58,123,819</u>	<u>\$8</u>	<u>\$89,455,137</u>
Fund balances at end of year	<u>\$16,549,353</u>	<u>\$61,397,743</u>	<u>\$8</u>	<u>\$77,947,104</u>
Net change in fund balances, as presented in this statement				(\$11,508,033)
Amounts presented for governmental activities in the Statement of Activities are different because:				
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, which has no effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.				3,803,540
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.				48,060
Governmental funds do not include amortization for bond premium and deferred refunding costs.				530,020
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 (\$10,483,241) exceeded depreciation (\$1,325,565) in the current period.				<u>9,157,676</u>
Change in net position of governmental activities as reported on the Statement of Activities				<u>\$2,031,263</u>

(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, 2025**

	ENTERPRISE FUNDS				TOTAL
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents (note 2)	\$15,018,308	\$27,984,438	\$1,862,955	\$174,835	\$45,040,536
Accounts receivable	2,213,545	584,021	220,816	442,688	3,461,070
Current lease receivable (note 9)	581,103	58,601			639,704
Due from other funds (note 7)	5,465,604	298,196	13,219		5,777,019
Prepaid expenses	9,643	47,569			57,212
Total current assets	<u>23,288,203</u>	<u>28,972,825</u>	<u>2,096,990</u>	<u>617,523</u>	<u>54,975,541</u>
Restricted assets:					
Capital outlay reserve account - cash and cash equivalents (notes 2 and 8)		1,565,748			1,565,748
Concessionaire Fund - receivable		4,715			4,715
Total restricted assets	<u>NONE</u>	<u>1,570,463</u>	<u>NONE</u>	<u>NONE</u>	<u>1,570,463</u>
Other assets:					
Long-term lease receivable, net (note 9)	7,796,121	121,768			7,917,889
Capital assets, net of accumulated depreciation/amortization (note 4)	626,859,530	45,984,038	24,558,035	15,960,277	713,361,880
Deposits			35,869		35,869
Total other assets	<u>634,655,651</u>	<u>46,105,806</u>	<u>24,593,904</u>	<u>15,960,277</u>	<u>721,315,638</u>
<b>TOTAL ASSETS</b>	<u>\$657,943,854</u>	<u>\$76,649,094</u>	<u>\$26,690,894</u>	<u>\$16,577,800</u>	<u>\$777,861,642</u>

(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, 2025**

	ENTERPRISE FUNDS				
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$6,668,503	\$2,156,688	\$112,173	\$292,189	\$9,229,553
Unearned revenue and security deposits	524,660	56,050	5,910	3,000	589,620
Sports franchise inducement payable (note 16)		388,082			388,082
Compensated absences (note 1-K)	254,454	23,955			278,409
Funds held in escrow for future events	8,120,959	21,332,339	712,268	77,387	30,242,953
Construction contracts payable	1,335,104	207,875			1,542,979
Concessionaire payable	4,981,223	1,069,499	206,978		6,257,700
Lease obligations, current (note 11)	136,082		3,800,839		3,936,921
SBITA obligation, current (note 10)	260,456	31,190			291,646
Due to other funds (note 7)	5,276	3,607,943		83,463	3,696,682
Total current liabilities	<u>22,286,717</u>	<u>28,873,621</u>	<u>4,838,168</u>	<u>456,039</u>	<u>56,454,545</u>
Noncurrent liabilities:					
Long-term lease and SBITA obligations (notes 10 and 11)	450,392	31,814	20,175,938		20,658,144
Total liabilities	<u>\$22,737,109</u>	<u>\$28,905,435</u>	<u>\$25,014,106</u>	<u>\$456,039</u>	<u>\$77,112,689</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases (note 9)	\$8,138,171	\$174,624			\$8,312,795
Total deferred inflows of resources	<u>\$8,138,171</u>	<u>\$174,624</u>	<u>NONE</u>	<u>NONE</u>	<u>\$8,312,795</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$624,714,766	\$45,713,159	\$581,258	\$15,960,277	\$686,969,460
Restricted		1,570,463			1,570,463
Unrestricted	2,353,808	285,413	1,095,530	161,484	3,896,235
Total net position	<u>627,068,574</u>	<u>47,569,035</u>	<u>1,676,788</u>	<u>16,121,761</u>	<u>692,436,158</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$657,943,854</u>	<u>\$76,649,094</u>	<u>\$26,690,894</u>	<u>\$16,577,800</u>	<u>\$777,861,642</u>

(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, 2025**

	ENTERPRISE FUNDS				TOTAL
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	
<b>OPERATING REVENUES</b>					
Event rental:					
Musical events and entertainment	\$2,390,582	\$1,454,500	\$259,860		\$4,104,942
High school and college sports	1,270,481				1,270,481
Conventions and trade shows	91,000				91,000
Other events	116,410	305,775		\$404,869	827,054
Reimbursement event costs	15,749,739	5,285,209	417,147	154,404	21,606,499
Total event rental	19,618,212	7,045,484	677,007	559,273	27,899,976
Concessions and souvenirs	21,732,333	4,698,224	844,673	314,136	27,589,366
Box suite rental	20,380,364	1,620,040			22,000,404
Parking	3,563,307	1,426,363	1,792,765	49,899	6,832,334
Ticket incentives	9,301,199	3,923,978	11,090		13,236,267
Lease income (note 9)	664,481	10,784		103,594	778,859
Advertising and broadcasting			373,033		373,033
Other	6,236,847	263,319	1,710,746	12,156	8,223,068
Total operating revenues	81,496,743	18,988,192	5,409,314	1,039,058	106,933,307
<b>OPERATING EXPENSES</b>					
Salaries, wages, and benefits	18,714,182	3,771,742	148,334	442,332	23,076,590
Utilities	4,561,552	2,371,784	431,423	338,005	7,702,764
Repairs and maintenance	7,245,881	944,474	155,918	469,475	8,815,748
Management fee - Legends (note 13)	823,022	548,682			1,371,704
Saints obligation payments (note 11 & 15)	18,792,645		5,000,000		23,792,645
Pelicans obligation payments (note 16)		4,104,001			4,104,001
Professional fees	623,402	91,483	256		715,141
Insurance	4,714,078	1,324,622		190,491	6,229,191
Direct event expense	26,409,332	10,697,699	729,948	402,730	38,239,709
Advertising and public relations	295,624	88,082	37,706	7,223	428,635
Concessionaire expenses	8,412,388	1,418,985	314,800	167,678	10,313,851
Other operating expenses	2,584,876	430,543	133,367	32,844	3,181,630
Total operating expenses	93,176,982	25,792,097	6,951,752	2,050,778	127,971,609
Operating loss before depreciation/amortization	(11,680,239)	(6,803,905)	(1,542,438)	(1,011,720)	(21,038,302)
Depreciation/amortization	24,646,212	4,710,243	4,939,835	828,878	35,125,168
Operating loss	(36,326,451)	(11,514,148)	(6,482,273)	(1,840,598)	(56,163,470)

(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, 2025**

	ENTERPRISE FUNDS				TOTAL
	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	
<b>NONOPERATING REVENUE (EXPENSE)</b>					
Interest revenue	\$845,126	\$252,175	\$14,551	\$227	\$1,112,079
Interest expense	(18,138)	(1,287)	(256,132)		(275,557)
Total nonoperating revenue(expense)	<u>826,988</u>	<u>250,888</u>	<u>(241,581)</u>	<u>227</u>	<u>836,522</u>
Loss before transfers and capital contributions	(35,499,463)	(11,263,260)	(6,723,854)	(1,840,371)	(55,326,948)
Transfers in (note 7)	49,364,312	18,870,843	1,079,830	855,264	70,170,249
Transfers out (note 7)	(8,853,939)	(6,927,618)			(15,781,557)
State Contributions			5,000,000		5,000,000
Capital contributions	<u>15,258,716</u>			<u>123,678</u>	<u>15,382,394</u>
Change in net position	20,269,626	679,965	(644,024)	(861,429)	19,444,138
Net position, beginning of year	<u>\$606,798,948</u>	<u>\$46,889,070</u>	<u>\$2,320,812</u>	<u>\$16,983,190</u>	<u>\$672,992,020</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$627,068,574</u>	<u>\$47,569,035</u>	<u>\$1,676,788</u>	<u>\$16,121,761</u>	<u>\$692,436,158</u>

(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, 2025**

ENTERPRISE FUNDS

	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$53,343,404	\$35,262,583	\$4,287,940	\$1,027,757	\$93,921,684
Payments to suppliers	(58,704,228)	(21,622,241)	(6,820,294)	(1,390,090)	(88,536,853)
Payments for salaries and related expenses	(18,514,842)	(3,749,281)	(142,366)	(443,356)	(22,849,845)
Net cash provided (used) by operating activities	(23,875,666)	9,891,061	(2,674,720)	(805,689)	(17,465,014)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating grants/transfers	39,852,471	11,943,225	6,079,830	919,772	58,795,298
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital appropriations and contributions	19,529,385			123,678	19,653,063
SBITA and lease payments	(363,296)	(31,866)	(2,175,676)		(2,570,838)
Purchases of capital assets	(56,139,762)	(2,983,062)	(75,389)	(123,678)	(59,321,891)
Net cash used by capital and related financing activities	(36,973,673)	(3,014,928)	(2,251,065)	NONE	(42,239,666)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends	845,126	252,175	14,551	227	1,112,079
Net increase (decrease) in cash and cash equivalents	(20,151,742)	19,071,533	1,168,596	114,310	202,697
Cash and cash equivalents, beginning of year	\$35,170,050	\$10,478,653	\$694,359	\$60,525	\$46,403,587
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$15,018,308	\$29,550,186	\$1,862,955	\$174,835	\$46,606,284

(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, 2025**

ENTERPRISE FUNDS

	CAESARS SUPERDOME	SMOOTHIE KING CENTER	CHAMPIONS SQUARE	SHRINE ON AIRLINE	TOTAL
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating loss	(\$36,326,451)	(\$11,514,148)	(\$6,482,273)	(\$1,840,598)	(\$56,163,470)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation/amortization expense	24,646,212	4,710,243	4,939,835	828,878	35,125,168
Lease credit			(1,690,080)		(1,690,080)
Changes in assets and liabilities:					
(Increase) decrease in:					
Receivables	(4,321,810)	33,325	(46,084)	(44,166)	(4,378,735)
Prepaid expenses	498,512	(2,331)			496,181
(Decrease) increase in:					
Accounts payable and accrued expenses	2,708,009	362,425	(7,657)	170,237	3,233,014
Compensated absences	53,466	7,575			61,041
Unearned revenue	2,602,777	(57,492)	3,670	(6,780)	2,542,175
Funds held in escrow	(26,434,306)	16,298,558	611,120	39,645	(9,484,983)
Due to/from other funds	12,697,925	52,906	(3,251)	47,095	12,794,675
Net cash provided (used) by operating activities	<u>(\$23,875,666)</u>	<u>\$9,891,061</u>	<u>(\$2,674,720)</u>	<u>(\$805,689)</u>	<u>(\$17,465,014)</u>

**SCHEDULE OF NONCASH INVESTING,  
CAPITAL AND FINANCING ACTIVITIES**

Caesars Superdome	
Right-of-use lease asset and corresponding lease liability	<u>\$312,697</u>

(Concluded)

The accompanying notes are an integral part of this statement.

# NOTES TO THE FINANCIAL STATEMENTS

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## INTRODUCTION

The Louisiana Stadium and Exposition District (the District) was created in 1966 pursuant to Article XIV, Section 47 of the Constitution of the State of Louisiana (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)]. ASM was acquired by Legends in August 2024, and the new, merged company was officially named Legends Global, 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.

The District evaluated the criteria contained in GASB Statements to evaluate whether potential component units should be blended with the District, discretely reported, disclosed in the Notes to the Financial Statements, or excluded from the reporting entity. This evaluation was made to identify those component units for which the District is financially accountable and other organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the financial statements of the District to be misleading or incomplete.

The Louisiana Sports and Entertainment District (LSED II) is a separate political subdivision created by the Louisiana Legislature in 2011 to assist in the development of economic and leisure activities within its boundaries. The LSED II consists of a multiple-block area around the Superdome and the Arena and includes several existing public and private facilities. The District's Board of Commissioners acts as the governing authority of the LSED II and in such capacity is authorized to enter into agreements with other tax recipient entities that would redirect the proceeds of certain taxes collected within the LSED II by such other tax recipient entities to the LSED II and then to the District. Those receipts, if any, are to be considered Hotel Tax Revenues pursuant to the General Bond Resolution. The LSED II has entered into a cooperative endeavor agreement with New Orleans & Company, pursuant to which New

Orleans & Company agrees to share with the District certain revenues it receives from within the jurisdiction of the LSED II.

### **C. GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District's financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. 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 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 following fund types are used by the District:

## Governmental Funds

The General Fund is the general operating fund of the District. It administers and accounts for legislative appropriations provided to fund the general administrative expenditures of the District and those expenditures, including sports franchise 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 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 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. Non-spendable fund balance - amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. There are no non-spendable amounts as of June 30, 2025.
2. Restricted fund balance - amounts that can be spent only for specific purposes because of the Constitution of the State of Louisiana, other state and federal laws, or externally imposed conditions by grantors, creditors, or voter approved propositions.
3. Committed fund balance - amounts that can be used only for specific purposes determined by a formal action by the District's board.
4. Assigned fund balance - amounts that are constrained by the District's intent that they will be used for specific purposes.
5. Unassigned fund balance - all other amounts not included elsewhere.

The District considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted

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

### **Proprietary Funds**

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

The District has four major enterprise funds, the Superdome, the Arena, Champions Square, and the Shrine on Airline, that are used to account for the operations of each facility. The District has contracted with Legends Global (formerly ASM) 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. 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, 2031.

## **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 Legends Global (formerly ASM), all employees engaged in managing and operating the Superdome, Arena, Champions Square, and Shrine on Airline are employees of Legends Global. Legends Global provides for compensated absences for its employees. Legends Global 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 Legends Global as of June 30, 2025, was \$278,409.

Non-union, full-time Legends Global 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, Legends Global 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. 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. 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**

The GASB issued Statement No. 102, Certain Risk Disclosures, in December 2023, and is effective for fiscal years beginning after June 15, 2024. This Statement's primary objective is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Statement No. 102 was implemented by the District for the year ended June 30, 2025 with no impact on the financial statements.

**2. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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 and short-term investment held through the District's participation in the Louisiana Asset Management Pool, Inc. (LAMP). Cash and cash equivalents are recorded at cost, which approximates market.

Cash and cash equivalents consist of the following at June 30, 2025:

	Bank Balance	Book Balance
Primary government:		
Cash on hand		\$93,400
Demand deposits	\$63,160,653	63,942,146
Money market funds	18,071,408	18,071,408
Short term investment -		
Louisiana Asset Management Pool	3,573,310	3,573,310
Total	<u>\$84,805,371</u>	<u>\$85,680,264</u>

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

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Cash and cash equivalents	\$34,196,967	\$45,040,536	\$79,237,503
Restricted assets	4,877,013	1,565,748	6,442,761
Total	<u>\$39,073,980</u>	<u>\$46,606,284</u>	<u>\$85,680,264</u>

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 (SEC) 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, 2025, a portion of the District's cash equivalents are invested in money market funds held by a counterparty in the name of the District. Money market investments for 2025 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. These investments are not exposed to custodial credit risk or concentration of credit risk.

At June 30, 2025, a portion of the District's cash equivalents are invested in LAMP. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana Revised Statute 33:2955.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. LAMP is rated AAAM by Standard & Poor's and is designed to be highly-liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 25 days as of June 30, 2025.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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. 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.

As of June 30, 2025, the District held an investment in a Federal Home Loan Mortgage Company (FHLMC) bond which matures July 1, 2033 and is stated at fair value of \$38,266,036. This investment is rated Aa1 by Moody's and AA+ by Standard and Poor's and is not exposed to concentration of credit risk. The District's FHLMC investment is exposed to custodial credit as the security is uninsured, not registered in the name of the District, and are held by the counterparty.

## **Fair Value Measurement**

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. generally-accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that a government can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly; and Level 3 inputs are unobservable inputs for an asset.

The fair value of the FHLMC security was determined using Level 2 inputs under the fair value hierarchy. These inputs include quoted prices for similar securities in active markets. This bond is classified as a recurring fair value measurement, as it is valued at fair value on a regular basis. The District uses the market approach to value this security, which relies on observable market data to estimate the price at which the bond could be sold in an orderly transaction. There were no changes in valuation techniques during the fiscal year, and no transfers between levels of the fair value hierarchy.

### **3. DUE FROM STATE OF LOUISIANA**

Amounts due from the state of Louisiana for hotel occupancy tax collections and appropriations totaled \$15,756,301 at June 30, 2025.

#### 4. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

##### Governmental Activities

	Balance June 30, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$3,125,336			\$3,125,336
Construction-in-progress	24,997,009	\$10,483,241		35,480,250
Total capital assets not being depreciated	<u>\$28,122,345</u>	<u>\$10,483,241</u>	NONE	<u>\$38,605,586</u>
Capital assets being depreciated:				
Buildings 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	<u>(21,624,640)</u>	<u>(\$1,325,565)</u>		<u>(22,950,205)</u>
Total capital assets being depreciated, net	<u>\$30,910,604</u>	<u>(\$1,325,565)</u>	NONE	<u>\$29,585,039</u>
Capital assets summary:				
Capital assets not depreciated	\$28,122,345	\$10,483,241		\$38,605,586
Capital assets being depreciated	52,535,244			52,535,244
Total cost of capital assets	80,657,589	10,483,241	NONE	91,140,830
Less accumulated depreciation	<u>(21,624,640)</u>	<u>(1,325,565)</u>		<u>(22,950,205)</u>
Capital assets, net	<u>\$59,032,949</u>	<u>\$9,157,676</u>	NONE	<u>\$68,190,625</u>

Depreciation expense of \$1,325,565 was charged to facility operations in governmental activities for the year ended June 30, 2025.

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

**Business-Type Activities**

	Balance June 30, 2024	Prior-Period Adjustment	Restated Balance June 30, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Capital assets not being depreciated:						
Land	\$16,944,160		\$16,944,160			\$16,944,160
Construction-in-progress	<u>402,493,673</u>	<u>\$1,471,163</u>	<u>403,964,836</u>	<u>\$23,950,622</u>	<u>(\$420,003,997)</u>	<u>7,911,461</u>
Total capital assets not being depreciated	<u>\$419,437,833</u>	<u>\$1,471,163</u>	<u>\$420,908,996</u>	<u>\$23,950,622</u>	<u>(\$420,003,997)</u>	<u>\$24,855,621</u>
Capital assets being depreciated:						
Buildings and improvements	\$783,193,651		\$783,193,651	\$2,340,505	\$409,662,029	\$1,195,196,185
Leasehold improvements	17,311,585		17,311,585	75,389		17,386,974
Furniture, fixtures, and equipment	23,138,756		23,138,756	752,568	221,476	24,112,800
Less accumulated depreciation	<u>(550,700,479)</u>		<u>(550,700,479)</u>	<u>(30,959,839)</u>	<u>10,036,008</u>	<u>(571,624,310)</u>
Total capital assets being depreciated, net	<u>\$272,943,513</u>	<u>NONE</u>	<u>\$272,943,513</u>	<u>(\$27,791,377)</u>	<u>\$419,919,513</u>	<u>\$665,071,649</u>
Capital assets being amortized:						
Leased building, office space, and equipment	\$37,449,137		\$37,449,137	\$312,697		\$37,761,834
IT subscriptions	1,698,624		1,698,624			1,698,624
Less accumulated amortization	<u>(11,860,519)</u>		<u>(11,860,519)</u>	<u>(4,165,329)</u>		<u>(16,025,848)</u>
Total capital assets being amortized, net	<u>\$27,287,242</u>	<u>NONE</u>	<u>\$27,287,242</u>	<u>(\$3,852,632)</u>	<u>NONE</u>	<u>\$23,434,610</u>
Capital assets summary:						
Capital assets not depreciated	\$419,437,833	\$1,471,163	\$420,908,996	\$23,950,622	(\$420,003,997)	\$24,855,621
Capital assets being depreciated	823,643,992		823,643,992	3,168,462	409,883,505	1,236,695,959
Capital assets being amortized	<u>39,147,761</u>		<u>39,147,761</u>	<u>312,697</u>		<u>39,460,458</u>
Total cost of capital assets	1,282,229,586	1,471,163	1,283,700,749	27,431,781	(10,120,492)	1,301,012,038
Less accumulated depreciation/ amortization	<u>(562,560,998)</u>		<u>(562,560,998)</u>	<u>(35,125,168)</u>	<u>10,036,008</u>	<u>(587,650,158)</u>
Capital assets, net	<u>\$719,668,588</u>	<u>\$1,471,163</u>	<u>\$721,139,751</u>	<u>(\$7,693,387)</u>	<u>(\$84,484)</u>	<u>\$713,361,880</u>

The capital asset disclosure for the business-type activities has been adjusted for the correction of errors, which also impacted the prior year construction contracts payable by the same amount.

Depreciation/amortization expense of \$35,125,168 was charged to facility operations in business-type activities for the year ended June 30, 2025.

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 of \$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 Note 6. For the year ended June 30, 2025, the District achieved substantial completion on phase 3 of the project. Construction-in-progress related to phase 3 of the project totaling \$417,652,687 was placed in service.

## **5. 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, 2025, 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, 2025, and changes in the liability for the year then ended are as follows:

**Governmental Activities**

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Energy savings performance contracts	\$3,262,727		(\$1,403,540)	\$1,859,187	\$1,403,556
Total finance purchase liability	\$3,262,727	NONE	(\$1,403,540)	\$1,859,187	\$1,403,556

The annual requirements to amortize the finance purchase obligations outstanding at June 30, 2025, are presented in the following schedule:

Fiscal Year	Finance Purchase Liability	
	Principal	Interest
2026	\$1,403,556	\$50,442
2027	455,631	8,307
Total	\$1,859,187	\$58,749

**6. BONDS PAYABLE**

The bond issues outstanding at June 30, 2025, and changes in long-term debt for the year then ended are as follows:

**Governmental Activities**

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
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		(\$2,400,000)	26,795,000	\$3,415,000
Total outstanding principal	526,930,000		(2,400,000)	524,530,000	3,415,000
Add bond premium	39,097,928		(1,348,204)	37,749,724	1,342,204
Total bonds payable, net	\$566,027,928	NONE	(\$3,748,204)	\$562,279,724	\$4,757,204

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 refund the District's Senior Revenue Refunding Bonds, Tax-Exempt Series 2013A, 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 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 bonds are secured by a pledge of the hotel occupancy tax and excess annual revenues of the District. See Note 8 for additional information on pledged revenues.

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 2025 Statement of Net Position, net of unamortized premiums of \$37,749,724.

At June 30, 2025, the District had a deferred charge on refunding totaling \$8,517,797, 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, 2025 (excluding support fees), are presented in the following schedule:

Fiscal Year	Series 2023A		Series 2023B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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		25,288,475	5,915,000	574,995	5,915,000	25,863,470
2030		25,288,475	6,855,000	246,786	6,855,000	25,535,261
2031-2035	\$50,600,000	120,977,125	1,380,000	35,666	51,980,000	121,012,791
2036-2040	80,760,000	104,091,125			80,760,000	104,091,125
2041-2045	103,075,000	81,220,500			103,075,000	81,220,500
2046-2050	131,545,000	51,995,331			131,545,000	51,995,331
2051-2054	131,755,000	14,276,456			131,755,000	14,276,456
Total	<u>\$497,735,000</u>	<u>\$499,002,912</u>	<u>\$26,795,000</u>	<u>\$4,099,484</u>	<u>\$524,530,000</u>	<u>\$503,102,396</u>

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 \$61,397,743 at June 30, 2025, 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.

## 7. INTERFUND ACTIVITY

A summary of transfers between funds for the year ended June 30, 2025 is as follows:

	Transfers Out			Total
	Governmental Fund	Enterprise Funds		
	General Fund	Caesars Superdome	Smoothie King Center	
Transfers in				
General Fund			\$6,927,618	\$6,927,618
Debt Service Fund	\$7,583			\$7,583
Caesars Superdome	49,364,312			\$49,364,312
Smoothie King Center	10,016,904	\$8,853,939		\$18,870,843
Champions Square	1,079,830			\$1,079,830
Shrine on Airline	855,264			\$855,264
	<u>\$61,323,893</u>	<u>\$8,853,939</u>	<u>\$6,927,618</u>	

A summary of balances due to/from other funds at June 30, 2025 is as follows:

	Due to				Total
	Governmental Fund	Enterprise Funds			
	General Fund	Caesars Superdome	Smoothie King Center	Shrine on Airline	
Due from					
Caesars Superdome	\$1,782,244		\$3,600,000	\$83,360	\$5,465,604
Smoothie King Center	298,093			103	\$298,196
Champions Square		\$5,276	7,943		\$13,219
	<u>\$2,080,337</u>	<u>\$5,276</u>	<u>\$3,607,943</u>	<u>\$83,463</u>	

## 8. 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, 2025, was \$194,945,506. Total principal and interest remaining on the Series 2023A and B bonds was \$524,530,000 and \$503,102,396, respectively, as of June 30, 2025. For the current year, the District paid interest payments of \$26,735,783 on the Series 2023 Bonds and principal payments of \$2,400,000 on the Series 2023B Bond. No principal amounts were due on the Series 2023A Bonds as of June 30, 2025.

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 \$62,567,381 of hotel occupancy tax earned for the year ended June 30, 2025, \$29,427,802 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, 2025, 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 primarily 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. The total amount of deposits on reserve was \$2,475,045 as of June 30, 2025.

## Master Plan Account

The total amount of deposits from the issuance of the Series 2023 Bonds (Note 6) restricted for capital outlay was \$248,952 as of June 30, 2025.

## 9. 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 \$8,557,593 as of June 30, 2025, 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 3.45%, 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, or month-to-month, and are, therefore, not included in the below total.

The total amount of inflows of resources related to these leases, including lease revenue, interest revenue, and other lease-related inflows, for the year ended June 30, 2025, was \$1,013,521 for the District.

## 10. 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 total liability balance remaining at June 30, 2025 was \$588,672. As a result of the subscription agreement, the District has a right-to-use subscription asset with a net book value of \$707,157 at June 30, 2025.

### Business-Type Activities

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Subscription agreements	\$873,721		(\$285,049)	\$588,672	\$291,646
Total subscription agreements liability	\$873,721		(\$285,049)	\$588,672	\$291,646

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2025 were as follows:

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2026	\$291,646	\$6,241	\$297,887
2027	297,026	445	297,471
Total	<u>\$588,672</u>	<u>\$6,686</u>	<u>\$595,358</u>

## 11. LESSEE 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 originally extended through June 30, 2026, but was automatically extended to June 30, 2031, once the New Orleans Saints organization exercised its option to extend the Stadium Agreement (Note 15) for an additional five years. 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 an 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 \$1,690,080 for the year ended June 30, 2025, 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 a right-to-use lease asset with a net book value of \$22,389,934 at June 30, 2025.

During fiscal year ended June 30, 2024, the District entered into an agreement for parking point-of-sale EMV devices. The lease term began February 1, 2024, and ends January 31, 2028, with payments of \$34,200 due annually for the devices. The associated lease liability is measured at a discount rate of 2.13%, which was determined by the State of Louisiana Office of Statewide Reporting and Accounting Policy. As a result of the lease, the District has a right-to-use lease asset with a net book value of \$85,624 at June 30, 2025.

During fiscal year ended June 30, 2025, the District entered into an agreement for cloud security equipment. The lease term began in December 2024, and ends in November 2027, with payments of \$9,130 due monthly for the equipment. The associated lease liability is measured at a discount rate of 3.45%, which was determined by the State of Louisiana Office of Statewide Reporting and Accounting Policy. As a result of the lease, the District has a right-to-use lease asset with a net book value of \$251,895 at June 30, 2025.

The lease obligations outstanding at June 30, 2025, and changes in the liability for the year then ended are as follows:

### Business-Type Activities

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Entertainment District Master Lease	\$27,586,401		(\$3,609,624)	\$23,976,777	\$3,800,839
Cloud Security Equipment		\$312,697	(58,298)	254,399	102,706
Point-of-Sale EMV Device	99,253		(32,390)	66,863	33,376
Total lease liability	<u>\$27,685,654</u>	<u>\$312,697</u>	<u>(\$3,700,312)</u>	<u>\$24,298,039</u>	<u>\$3,936,921</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, are as follows:

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2026	\$3,936,921	\$227,288	\$4,164,209
2027	4,136,869	183,953	4,320,822
2028	4,243,833	139,227	4,383,060
2029	4,405,060	95,900	4,500,960
2030	4,617,031	50,741	4,667,772
2031	2,958,325	13,572	2,971,897
Total	<u>\$24,298,039</u>	<u>\$710,681</u>	<u>\$25,008,720</u>

## 12. PENSION AND PROFIT-SHARING PLANS

On April 1, 1992, the employees of Legends Global, paid indirectly by the District, became members of Legends Global'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. Legends Global will match 40% of the first 5% of eligible compensation contributed by employees. In addition to the matching contribution, Legends Global 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:

<u>Years of Vesting Service</u>	<u>Nonforfeitable Percentage</u>
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 \$313,920 for the year ended June 30, 2025. Contributions are also made to pension plans for members of the Teamsters Union in accordance with its collective bargaining agreement. The District does not guarantee the benefits granted by the Teamsters Union plans.

### **13. MANAGEMENT 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 Legends Global) 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 Legends Global by June 30, 2011, if it elected not to extend the Management Agreement for an additional five years. Legends Global 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 Legends Global for its services at the Superdome and the 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 Legends Global (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 Legends Global, 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 Legends Global 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, Legends Global 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 Legends Global 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 agreement was amended and restated on July 1, 2021, and the term runs congruent with the Management Agreement term, which ends on June 30, 2027. 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 Legends Global 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 to the Superdome; the Alario Center in Westwego, Louisiana; the Saints Training Facility in Jefferson Parish, Louisiana; the Pelicans Training Facilities in Jefferson Parish, Louisiana; the TPC Louisiana Golf Course in Avondale, Louisiana; and The Shrine on Airline, in Metairie, Louisiana. For its services, Legends Global 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, as adjusted for CPI, to provide for the separation of services related to Champions Square. Effective July 1, 2022, the annual fee is increased in proportion to CPI increases, provided, however that no such CPI increase shall exceed 3%.

#### **14. CONTINGENT LIABILITIES, RISK MANAGEMENT, AND CLAIMS LIABILITY**

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by the General Fund appropriation. At June 30, 2025, 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.

#### **15. 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, Legends Global, 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. On December 6, 2023, the New Orleans Saints organization exercised its option to extend the term of the Stadium Agreement for an additional five years. Effective October 1, 2025, the Stadium Agreement was amended to extend the term through December 30, 2035.

The assignment of revenues resulted in payments totaling \$18,792,645 to the Club for the year ended June 30, 2025.

During the year ended June 30, 2025, the Club received other payments totaling \$3,269,862 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, 2025, 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.

## 16. 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 term 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 extended 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 \$3,715,919 during fiscal year 2025. 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 \$388,082 during fiscal year 2025.

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, 2025, the Pelicans were paid \$2,879,493 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 in 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 \$2,905,177 during the year ended June 30, 2025.

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

### **17. 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). During the year ended June 30, 2025, amendments were executed, extending the term of the Non-Exclusive Facility Use Agreement through July 31, 2025, on which date the lease expired without renewal.

### **18. 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 in order for the state to acquire 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 and, as of June 30, 2025, the construction of the recreational facility is ongoing.

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.

### **19. MASTER PLAN AND PROJECT**

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, 2025, the Club's contribution totaled \$15,201,251, which represented 33% of the expenditures for construction incurred during the fiscal year.

**20. SUPERDOME ADJACENT LAND**

Effective May 8, 2024, the State of Louisiana and the District entered into a cooperative endeavor agreement pertaining to certain property owned by the State for use by the District. The terms of the agreement are for an initial period of 25 years, beginning on March 27, 2024, and ending on March 6, 2049, with the District having the option to renew upon request. The District commits to make improvements that will benefit both the operational efficiency of the District and the state. The state paid the District \$2,020,365 as part of the agreement, which is included in unearned revenues as of June 30, 2025.

**21. PROJECT DEVELOPMENT AGREEMENT**

Effective February 29, 2024, the District and Jefferson Parish executed a Project Development Agreement intended to set forth the terms and condition pursuant to which the District and Jefferson Parish will develop and administer the construction required to convert the Shrine on Airline from its current configuration into a multi-sport complex to accommodate other sports activities. Under the terms of the agreement, the project shall be funded through a combination of sources, with the amount of \$15,000,000 being allocated and contributed by Jefferson Parish and an additional \$15,000,000 in capital outlay funds or other state funding appropriated to the District for the benefit of the project being allocated and contributed by the District. Upon execution of the agreement, Jefferson Parish contributed \$3,500,000 to cover the project-related design and related procurement expenses of which a balance of \$3,376,322 is included in unearned revenue as of June 30, 2025.

**22. EMPLOYEE RETENTION CREDIT**

During the fiscal year, the District received \$5,964,429 under the Employee Retention Credit (ERC) program. The amount was recognized in the Caesars Superdome Fund as other revenue on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

**23. SUBSEQUENT EVENT**

Subsequent to year end, effective October 1, 2025, the Stadium Agreement between the District and the New Orleans Saints was amended. As stated in Note 15, the term of the agreement was extended through December 30, 2035.



## **OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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### 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.



May 27, 2026

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, and each major fund of the Louisiana Stadium and Exposition District (the District), a component unit of the state of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 27, 2026.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified the following deficiency in the District's internal control that we consider to be a material weakness.

### **Technical Accounting Adjustments**

The Louisiana Stadium and Exposition District (District) did not perform adequate technical reviews over several financial statement accounts, note disclosures, and required supplementary information (RSI) for the fiscal year ended June 30, 2025, resulting in inconsistencies with applicable accounting standards requiring adjustments, some of which were material, but none of which resulted in an overpayment or underpayment to District vendors, to include the following:

- A presentation error only impacting revenues and expenses resulted in reimbursement event costs revenues and professional sports staffing expenses being overstated by a combined total of \$11,294,886 for duplicative expenses related to event staffing as has been accounted for in prior years. This presentation error had no impact on net position. This method of accounting also materially impacted the presentation of the Statement of Cash Flows and RSI, and the value assigned for total revenue pledged towards the District's bonds in the revenue sources and required restricted assets note disclosure (Note 8).
- The revenue sources and required restricted assets note disclosure (Note 8) erroneously excluded interest expense paid on the District's bonds of \$26,735,783, which is a required disclosure per applicable accounting standards.
- The capital assets note disclosure (Note 4) for business-type activities contained \$6,197,398 of capital assets and accumulated depreciation deletions that were recorded twice in the general ledger, leading to incorrect balances being reported in the capital assets note disclosure. The District independently identified and corrected the duplicate deletions error in the fiscal year 2026 general ledger; however, this correction was not accounted for in the District's fiscal year 2025 compilation.
- Smoothie King Center construction invoices totaling \$1,471,163 were improperly recorded in the period in which the invoice was paid, instead of in the period when the underlying liability was incurred, as required by applicable accounting standards. This resulted in prior year capital assets and construction contracts payable being understated by this amount

- Entries to record dues and transfers between multiple funds over management fee expenses caused an understatement to General Fund liabilities of \$745,233.

Also, the District did not perform adequate technical reviews over the information included in their Annual Fiscal Report (AFR) submitted to the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) for preparation of the State of Louisiana's Annual Comprehensive Financial Report, as follows:

- Reinvested bond reserve funds of \$38,266,036 were misclassified as cash instead of investments.
- Construction activity of \$11,887,104 was misclassified as expenses instead of capital assets.
- Program revenues totaling \$9,452,076 (\$5,000,000 of operating grants and contributions, \$3,117,388 of charges for services, and \$1,334,688 of capital grants and contributions) were misclassified as other general revenues.

Good internal controls over financial reporting should include adequate procedures to record, process, and compile financial data needed to prepare accurate and complete financial statements and AFR. Those internal controls should include an effective review of the financial statements and AFR, including the associated note disclosures and required supplementary information (RSI), so that errors can be detected and corrected.

While a documented control was in place related to the review and approval of the compiled financial statements and AFR, sufficient review was not performed in a manner that would detect potentially material errors due to accounting leadership turnover and limited expertise of some staff in governmental accounting and financial reporting.

The District should modify current procedures and implement a more thorough and extensive review process of the AFR, compiled financial statements, related note disclosures, and RSI; which may necessitate additional support from compilation accountants and additional training to those involved with general ledger accounting and the financial statement compilation process. Management concurred with the finding and provided a corrective action plan (see Appendix A).

## 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*.

## Management of the District Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on management of the District (Management's) response to the finding identified in our audit and described previously. Management's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

## 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

MET:CJH:RR:BQD:ch

LSED2025

**APPENDIX A – MANAGEMENT’S RESPONSE**

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May 27, 2026

Mr. Michael J. Waguespack  
Louisiana Legislative Auditor  
1600 N 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

The Louisiana Stadium and Exposition District (“LSED”), Legends Global (“Legends”) and Mauldin and Jenkins, LLC (“Mauldin”) have carefully and thoroughly reviewed the Louisiana Legislative Auditor’s audit finding letter dated May 27, 2026 (“Audit Finding”) with respect to the Legislative Audit of the LSED and concur with the assessment of “Technical Accounting Adjustments.” Consistent with the results of prior year LSED audits, the LSED agrees with your unmodified opinion indicating that our financial records are accurately and fairly stated.

After consultation with Mauldin and representatives of Legends Global, the contractually engaged Manager that provides management services and administers the accounting services with respect to the LSED facilities, the LSED makes the following general observations regarding the Audit Finding:

The LSED acknowledges that there were audit adjustments proposed and deemed material by the Legislative Auditor, none of which resulted in any overpayments or underpayments to District vendors, associated with the Audit Finding and notes that some of these audit adjustments were attributed to the implementation of newly acquired accounting software. Additionally, the transition in finance leadership had an impact on the recording and treatment of material transactions. .

The LSED has accepted the audit adjustments associated with the Audit Finding and with respect to each separate item listed within the Audit Finding, the LSED responds as follows:

- **Item #1** - *A presentation error only impacting revenues and expenses resulted in reimbursement event costs revenues and professional sports staffing expenses being overstated by a combined total of \$11,294,886 for duplicative expenses related to event staffing as has been accounted for in prior years. This presentation error had no impact on net position. This method of accounting also materially impacted the presentation of the Statement of Cash Flows and RSI, and the value assigned for total revenue pledged towards the District’s bonds in the revenue sources and required restricted assets note disclosure (Note 8).*

**LSED Response:** The LSED, Mauldin & Jenkins, and Legends Global agree with the foregoing statement and further note that this audit adjustment was a direct result of the

**Louisiana Stadium and Exposition District**

Robert A. Vosbein, Jr., Chairman

Daniel “Becket” Becnel Matthew Bowers

Tommy S. Cvitanovich Derrick “Digger” Earles Courtney Guastella Cedric Richmond  
1500 Girod Street New Orleans, LA 70112 504.587.3913 504.587.3517 (fax)



implementation of newly acquired accounting software. Increased visibility into the treatment of these transactions allowed management to better understand the appropriate presentation and accounting treatment, resulting in a more accurate approach than the treatment previously applied.

- **Item #2** - *The revenue sources and required restricted assets note disclosure (Note 8) erroneously excluded interest expense paid on the District's bonds of \$26,735,783, which is a required disclosure per applicable accounting standards.*

**LSED Response:** The LSED, Mauldin & Jenkins, and Legends Global agree with the foregoing statement and further note that, while this note disclosure is not required, if included in the financial statement notes it must be fully disclosed. We understand that partial disclosure is not appropriate.

- **Item #3** - *The capital assets note disclosure (Note 4) for business-type activities contained \$6,197,398 of capital assets and accumulated depreciation deletions that were recorded twice in the general ledger, leading to incorrect balances being reported in the capital assets note disclosure. The District independently identified and corrected the duplicate deletions error in the fiscal year 2026 general ledger; however, this correction was not accounted for in the District's fiscal year 2025 compilation.*
- **LSED Response:** The LSED, Mauldin & Jenkins, and Legends Global agree with the foregoing statement and further note that this matter was identified internally by management through the LSED's internal control process. We will further implement additional processes and controls to ensure the timeliness of the accuracy and completeness of capital asset reporting.
- **Item #4** - *Smoothie King Center construction invoices totaling \$1,471,163 were improperly recorded in the period in which the invoice was paid, instead of in the period when the underlying liability was incurred, as required by applicable accounting standards. This resulted in prior year capital assets and construction contracts payable being understated by this amount.*

**LSED Response:** The LSED, Mauldin & Jenkins, and Legends Global agree with the foregoing statement and further note that this matter resulted from delayed receipt of construction invoices. Management will accrue the full contract amount, as appropriate, and implement procedures to ensure invoices are requested and obtained in a timely manner to support accurate period-end reporting.

**Louisiana Stadium and Exposition District**

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- **Item #5** - *Entries to record dues and transfers between multiple funds over management fee expenses caused an understatement to General Fund liabilities of \$745,233.*

**LSED Response:** The LSED, Mauldin & Jenkins, and Legends Global agree with the foregoing statement and further note this was an error in classification to the Enterprise funds and has no impact on the net position.

Also, the District did not perform adequate technical reviews over the information included in their Annual Fiscal Report (AFR) submitted to the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) for preparation of the State of Louisiana's Annual Comprehensive Financial Report, as follows:

- Reinvested bond reserve funds of \$38,266,036 were misclassified as cash instead of investments.
- Construction activity of \$11,887,104 was misclassified as expenses instead of capital assets.
- Program revenues totaling \$9,452,076 (\$5,000,000 of operating grants and contributions, \$3,117,388 of charges for services, and \$1,334,688 of capital grants and contributions) were misclassified as other general revenues.

**LSED Response:** The LSED, Mauldin & Jenkins, and Legends Global agree with the foregoing statement and further note that, during the period between the AFR submission and the completion of the compilation, the above-mentioned adjustments were necessary to ensure compliance with GASB standards. The LSED further notes that corrective action was neither known to be required nor an available option subsequent to submission. In the future, the AFR will be amended to reflect any material adjustments made after the initial AFR submission in coordination with the completion of the compilation.

The LSED believes that the existing financial controls are sound, with the implementation of consistent processes and procedures over financial reporting. Legends, its Manager, prepares the LSED financial statements and on an annual basis, provides the LSED and the Legislative Auditor with financial statements as compiled by Mauldin in accordance with generally accepted accounting principles. These processes have been in place consistently throughout each of the LSED's fiscal years, including this past fiscal year.

While the overall internal control environment remains effective, the LSED and Legends will endeavor, in an effort to continually improve the process to address controls associated with the accounts that were specifically subject to the Audit Finding and audit adjustment. The LSED is committed to strong financial reporting and values the opportunity to further strengthen its

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processes. Jessica Trabeaux, Director of Finance, Legends Global is responsible for overseeing and implementing the corrective actions referenced herein.

Louisiana Stadium and Exposition District

A handwritten signature in blue ink, appearing to read "Robert A. Vosbein, Jr.", written over a horizontal line.

Robert A. Vosbein, Jr., Chairman

**Louisiana Stadium and Exposition District**

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