

REPORT

**LOUISIANA SUPERDOME MARKETING AND
PROMOTIONAL FUND
NEW ORLEANS, LOUISIANA
JUNE 30, 2018 AND JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Louisiana Superdome Marketing and Promotional Fund
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Louisiana Superdome Marketing and Promotional Fund (a Louisiana nonprofit organization), a component unit of the Louisiana Superdome and Exposition District, which comprise the statement of financial position in liquidation as of June 30, 2018 and the related statement of activities in liquidation for the year then ended, and the related notes to the financial statements and the statement of financial position as of June 30, 2017 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position in liquidation of the Louisiana Superdome Marketing and Promotional Fund as of June 30, 2018 and the changes in its net assets in liquidation for the year then ended and the financial position of the Louisiana Superdome Marketing and Promotional Fund as of June 30, 2017 and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 9 to the financial statements, due to the expiration of the New Markets Tax Credit (“NMTC Program”), the Louisiana Superdome Marketing and Promotional Fund commenced and completed liquidation. As a result, the Louisiana Superdome Marketing and Promotional Fund has changed its basis of accounting subsequent to June 30, 2017 to the liquidation basis of accounting. Our opinion is not modified with respect to this matter.

Other Matters

Basis of Accounting

As described in Note 1, for the year ended June 30, 2018, the Louisiana Superdome Marketing and Promotional Fund’s policy is to prepare its financial statements on the liquidation basis of accounting. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2018, on our consideration of the Louisiana Superdome Marketing and Promotional Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Louisiana Superdome Marketing and Promotional Fund's internal control over financial reporting and compliance.

Hienz & Macaluso, LLC
Metairie, LA
August 14, 2018

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

<u>ASSETS</u>		(Liquidation Basis)	
		<u>2018</u>	<u>2017</u>
Current assets:			
Cash	\$	-	\$ 1,169,246
Accounts receivable		-	70,589
Due from affiliate		-	154,851
Prepaid expenses		-	4,770
Inventory		-	1,161
Total current assets		<u>-</u>	<u>1,400,617</u>
Property, plant and equipment:			
Advance on construction		-	286,263
Leasehold improvements, net of accumulated amortization		-	8,236,613
Equipment, net of accumulated amortization		-	110,977
Total property, plant and equipment		<u>-</u>	<u>8,633,853</u>
Other assets:			
Deposits		-	35,869
Restricted cash - escrow		-	18,348
Loan fees, net of accumulated amortization		-	493,371
Total other assets		<u>-</u>	<u>547,588</u>
Total assets	\$	<u>-</u>	<u>\$ 10,582,058</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable and accrued expenses	\$	-	\$ 534,915
Current maturity of capital lease payable		-	135,906
Current maturity of long-term debt		-	100,000
Due to affiliates		-	7,133,848
Advance ticket sales		-	316,076
Total current liabilities		<u>-</u>	<u>8,220,745</u>
Long-term liabilities:			
Long-term debt (less current maturity)		-	14,700,000
Capital lease payable, long-term		-	-
Total long-term liabilities		<u>-</u>	<u>14,700,000</u>
Net assets:			
Unrestricted		-	(12,338,687)
Total net assets		<u>-</u>	<u>(12,338,687)</u>
Total liabilities and net assets	\$	<u>-</u>	<u>\$ 10,582,058</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018 AND 2017

	(Liquidation Basis)	
	2018	2017
Revenues:		
Rental revenue	\$ 199,025	\$ 484,975
Service revenue	197,074	740,226
Service expenses	(497,479)	(1,626,146)
Net direct event loss	<u>(101,380)</u>	<u>(400,945)</u>
Concession revenue	532,043	1,441,208
Novelty sales	61,310	148,386
Electrical service revenue	6,796	33,007
Audio visual revenue	15,405	35,965
Club XLIV revenue	116,470	459,502
Direct operating expenses	(465,040)	(1,015,001)
Net ancillary income	<u>266,984</u>	<u>1,103,067</u>
Other event income	106,424	318,327
Net event income	<u>272,028</u>	<u>1,020,449</u>
Lease income	300,127	930,664
Management fee income	35,923	115,200
Net operating revenues	<u>608,078</u>	<u>2,066,313</u>
Indirect expenses:		
Salaries and wages	25,772	106,995
Payroll taxes and benefits	5,290	26,292
Lease expense	875,891	2,102,667
Utilities	185,185	473,511
Professional fees	2,200	15,773
Travel and entertainment	94	295
Repairs and maintenance	40,281	89,758
Supplies	17,453	81,313
Other	10,527	26,668
Contracted services	7,499	21,785
General and administrative	41,284	105,599
Non-event concession expense	120,397	300,037
Promotional	2,100	9,730
Total indirect expenses	<u>1,333,973</u>	<u>3,360,423</u>
Net loss from operations	(725,895)	(1,294,110)
Other income (expense):		
Miscellaneous income	19,871	44,165
Depreciation	(301,046)	(903,138)
Amortization of capital lease	(36,992)	(110,977)
Amortization of loan fees	(498,803)	(54,819)
Interest expense	(97,429)	(209,579)
Service and management fee expense	(7,110)	(22,611)
Net other expense	<u>(921,509)</u>	<u>(1,256,959)</u>
Gain on liquidation	13,986,091	-
Change in net assets	12,338,687	(2,551,069)
Net assets, beginning of year	<u>(12,338,687)</u>	<u>(9,787,618)</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ (12,338,687)</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	2017
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (2,551,069)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Amortization	165,796
Depreciation	903,138
Net change in operating assets and liabilities:	
Accounts receivable	11,982
Prepaid expenses	(4,770)
Inventory	1,252
Advance ticket sales	(261,730)
Accounts payable and accrued expenses	191,149
Net cash (used) by operating activities	(1,544,252)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on capital lease payable	(128,630)
Changes in amounts due to affiliates, net	1,235,477
Net cash provided by financing activities	1,106,847
(Decrease) in cash	(437,405)
Cash at beginning of year	1,624,999
Cash at end of year	\$ 1,187,594
RECONCILIATION OF CASH AND CASH EQUIVALENTS:	
Cash	\$ 1,169,246
Restricted cash - escrow	18,348
	\$ 1,187,594
SUPPLEMENTAL CASH FLOW INFORMATION:	
Interest paid	\$ 209,579

The accompanying notes are an integral part of these financial statements.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NATURE OF OPERATIONS:

The Louisiana Superdome Marketing and Promotional Fund (“the Fund”) was created under the terms of the 1983 amendment (adopted on July 13, 1983) to the Management and Operating Agreement (adopted as Act 64 of the 1977 Legislature) between SMG (formerly Facilities Management of Louisiana) and the State of Louisiana (“the State”) to manage the Louisiana Superdome (“the Superdome”). The purpose of the Fund is to enhance the marketing capabilities of the Superdome to attract events which might otherwise not wish to use the Superdome because of its rental and operational costs as compared to other smaller facilities. The assets of the Fund may be used to offset a portion of these higher charges to the event promoter to enhance the competitiveness of the Superdome.

Effective October 11, 2010, the Fund amended its articles of incorporation in order to participate as a qualified active low-income community business and borrower in accordance with the New Market Tax Credit (“NMTC Program”) financing requirements (see note 4). Due to the nature of the NMTC Program, the Fund is presented as a discretely presented component unit of the Louisiana Superdome and Exposition District (“LSED”) effective fiscal year 2011. As discussed further in Note 9, the Fund ceased operations during the year ended June 30, 2018.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

For the years ended June 30, 2018 and 2017, the accompanying financial statements are prepared on the liquidation basis of accounting and accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, respectively. Accordingly, revenues are recognized when earned and expenses are recorded when incurred. Contributions are recognized when received or unconditionally promised. In-kind donations are recognized at their fair market value when received. Financial presentation follows the recommendations of non-profit accounting in which the Fund is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Fund and/or the passage of time. The Fund has no temporarily restricted net assets.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Fund pursuant to those stipulations. The Fund has no permanently restricted net assets.

Cash

Cash and cash equivalents, including restricted cash, consist of demand deposits, money market accounts, and all short-term investments with maturities at the date of acquisition of 90 days or

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Cash (continued)

less. Restricted cash consists of escrow deposits maintained as a part of NTMC Program financing requirements.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Revenues and Receivables

Rental, service, and ancillary revenues are based on the terms of contracts signed with promoters of events and are shown net of related expenses in the Statements of Activities.

Receivables are stated at net realizable value and are charged to bad debt when they are deemed uncollectible. At June 30, 2017, the Fund's management deemed that no allowance for uncollectible accounts is necessary.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at acquisition or construction costs and are depreciated on a straight-line basis over their estimated useful lives. Items which are contributed are recorded at fair value. Maintenance and repairs are expensed as incurred and major improvements are capitalized. When items of equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the Statements of Activities. At June 30, 2018 and 2017, accumulated depreciation was \$-0- and \$4,407,313, respectively. For the years ended June 30, 2018 and 2017, depreciation expense totaled \$301,046 and \$903,138, respectively.

Amortization of Loan Fees

Loan fees paid in connection with securing the NMTTC Program financing are amortized on a straight-line basis over the term of the respective debt. At June 30, 2018 and 2017, gross capitalized loan fees were \$-0- and \$845,127, respectively with accompanying accumulated amortization of \$-0- and \$351,756, respectively. For the years ended June 30, 2018 and 2017, amortization expense was \$498,803 and \$54,819, respectively.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Income Taxes

The Fund is exempt from Federal Income taxes under section 501(c) (6) of the U.S. Internal Revenue Code, and accordingly, no provision for income taxes has been reflected in these financial statements.

The Fund applies a “more-likely-than-not” recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Fund has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities. The Fund’s tax returns for the years ended June 30, 2017, 2016, and 2015 remain open and subject to examination by taxing authorities. The Fund’s tax return for the year ended June 30, 2018 has not yet been filed.

Impairment

Impairment of long-lived assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flows from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using appraisals. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the estimated cost to dispose. For the years ended June 30, 2018 and 2017, there were no impairments of long-lived assets recorded by the Fund’s management, respectively.

NOTE 2 - ALLOCATION PAYMENTS:

Allocation payments, which are shown as promotional expenses on the Statements of Activities, are approved by the Board of Managers of the Fund prior to negotiation with potential promoters of Superdome attractions. The Board of Managers approves the terms of the allocation payments and an estimate of the cost to the Fund. At year-end, anticipated payments are considered either firm commitments, which are reserved, or as pending and/or tentative commitments.

NOTE 3 - CONCENTRATION OF CREDIT RISK:

At June 30, 2018 and 2017, unrestricted cash deposits were \$-0- and \$1,064,509, respectively. The deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and the remainder is uninsured. In the event of a failure of the institution, the FDIC is not obligated to pay uninsured deposits. At June 30, 2018, restricted cash deposits were \$-0-. At June 30, 2017, restricted cash deposits were completely covered by FDIC insurance.

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4 - LONG-TERM DEBT:

At June 30, 2018 and 2017, long-term debt (the debt) consists of the NMTC Program financing totaling \$-0- and \$14,800,000, respectively. A total of \$9,800,000 was received under loans from one community development entity (“CDE”), with a loan of \$7,389,333 (“Loan A1”) and a loan of \$2,410,667 (“Loan B1”).

A total of \$5,000,000 was received under loans from a second CDE, with a loan of \$3,635,000 (“Loan A2”) and a loan of \$1,365,000 (“Loan B2”).

The rate of interest on each of the four loans is 1.34% with monthly interest-only payments commencing on February 7, 2011 and monthly principal and interest payments commencing on August 5, 2018 if the loans were still in place. For the years ended June 30, 2018 and 2017, interest expense was \$95,236 and \$198,209, respectively.

The proceeds from the issuance of the debt were used to purchase the rights to the construction in progress and advance fund projects for Champions Square and Club XLIV as shown on the Statements of Financial Position. The projects were completed in June 2012 and were capitalized as leasehold improvements on the Statements of Financial Position and are subject to amortization. The leasehold improvements are being incurred in connection with a lease which LSED has with Zelia, LLC, the owner of the New Orleans Centre Complex, where the projects were completed. The leasehold improvements serve as collateral for the debt. In addition, the debt is fully guaranteed by LSED.

The NMTC Program financing requires the Fund to maintain certain escrow deposits for interest payments. At June 30, 2018 and 2017, these escrow deposits totaled \$-0- and \$18,348, respectively.

NOTE 5 - FUNCTIONAL ALLOCATION OF EXPENSES:

The Fund has allocated its indirect expenses on a functional basis for the years ended June 30, 2018 and 2017, as follows:

	<u>2018</u>	<u>2017</u>
Champions Square	\$ 151,503	\$ 381,651
Club XLIV	93,308	235,054
Parking Garage	70,355	177,232
Marketing	8,495	21,400
General and Administrative	<u>1,010,312</u>	<u>2,545,085</u>
	<u>\$1,333,973</u>	<u>\$3,360,422</u>

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 6 - CAPITAL LEASE PAYABLE:

For the years ended June 30, 2018 and 2017, the Fund leased equipment under a long-term capital lease.

At June 30, 2018 and 2017, the net book value of the equipment recorded under the capital lease is as follows:

	<u>2018</u>	<u>2017</u>
Equipment at cost	\$-0-	\$850,825
Less accumulated amortization	<u>-0-</u>	<u>(739,848)</u>
Net book value	<u>\$-0-</u>	<u>\$110,977</u>

For the years ended June 30, 2018 and 2017, amortization expense related to the capital lease was \$36,992 and \$110,977, respectively. Amortization expense is recorded straight-line basis over the lease term of the equipment. For the years ended June 30, 2018 and 2017, interest expense related to the capital lease was \$2,193 and \$11,370, respectively.

NOTE 7 - ADVERTISING:

The Fund expenses the cost of advertising as incurred. For the years ended June 30, 2018 and 2017, advertising expense was \$7,212 and \$11,539, respectively.

NOTE 8 - RELATED PARTY TRANSACTIONS:

Due to/from Affiliates

For the year ended June 30, 2017, the Fund periodically maintains balances due to and from entities controlled by LSED or SMG. These balances are primarily noninterest-bearing, unsecured, and have no set repayment terms. Amounts included as current represent the Fund's estimate of the payments which will be repaid in the following year. Actual repayments could differ from these estimates.

Management Fees

As part of the NMTC Program financing, the Fund shall pay servicing fees of \$15,000 and \$7,500 annually to each of the CDEs. The fees shall be paid quarterly and prorated for years 2011 and 2018 as applicable. The first fees shall be due on March 31, 2011 and the subsequent ones due the fifth of January, April, July and October until October 22, 2018. For the years ended June 30, 2018 and 2017, the service and management fee expense totaled \$7,110 and \$22,611, respectively and are recorded in other income (expense) on the Statements of Activities.

A management agreement was signed between SMG and the Fund, under which the Fund shall pay SMG \$75,000 annually for management services from October 13, 2010 to June 30, 2026. For the years ended June 30, 2018 and 2017, the management fee amounted to \$25,200 and

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 – RELATED PARTY TRANSACTIONS: (continued)

\$75,000, respectively, and is recorded in general and administrative expense on the Statements of Activities.

A cooperative endeavor agreement was signed between LSED and the Fund, under which LSED shall pay the Fund \$9,600 per month for managing Champions Square from November 1, 2010 to June 30, 2026. For the years ended June 30, 2018 and 2017, the management fee amounted to and is \$35,923 and \$115,200, respectively and is recorded as management fee income on the Statements of Activities.

Operating Leases

The Fund leases the Champions Square Complex from the LSED under a lease agreement signed on October 13, 2010. During the year ended June 30, 2018, the lease was terminated. For the years ended June 30, 2018 and 2017, lease expense amounted to \$875,891 and \$2,102,667, respectively and is recorded as lease expense on the Statements of Activities.

The Fund receives lease income of \$850,000 annually from the sublease of the Parking Garage to SMG, under a lease agreement signed on October 13, 2010. During the year ended June 30, 2018, the lease was terminated. For the years ended June 30, 2018 and 2017, lease income totaled \$300,127 and \$930,664, respectively and is recorded as lease income on the Statements of Activities.

NOTE 9 – TERMINATION OF OPERATIONS:

As discussed in the “Nature of Operations” note on page 6, the Fund was set-up to take advantage of NMTC Program financing requirements. The tax credits are claimed over a seven-year life which expired in October 2017. During October 2017, the NMTC Program financing notes were redeemed. Subsequently, the Fund ceased operations and transferred the operation of Champions Square to the LSED. The Fund recorded a \$13,986,091 net gain related to the note redemption and transfer of operations.

NOTE 10 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 14, 2018, and determined that no events occurred that required disclosure.

**LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE
AGENCY HEAD
JUNE 30, 2018 AND 2017**

None.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
Louisiana Superdome Marketing and Promotional Fund
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana Superdome Marketing and Promotional Fund (a Louisiana nonprofit organization), a component unit of the Louisiana Superdome and Exposition District (“the Fund”), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 14, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization'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.

Hienz & Macaluso, LLC

Metairie, LA
August 14, 2018

LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

(1) Summary of Auditor's Results

- a. The type of report issued on the financial statements: Unmodified opinion
- b. Deficiencies in internal control disclosed by the audit of the financial statements: None reported Material weaknesses: None
- c. Noncompliance which is material to the financial statements: None
- d. Management letter comments issued: None

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: None

**LOUISIANA SUPERDOME MARKETING AND PROMOTIONAL FUND
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

There were no findings in the prior year.