service requirements, $2,300,000 was deposited in the Replace and Reserve Account, $10,095,900 was used by the District for operational needs and $500,000 was remitted to the Greater New Orleans Sports Foundation. The remaining amounts payable to other entities as of June 30, 1996 are as follows:

New Orleans Recreation Department	$ 1,437,046
Westbank Sports/Civic Center	326,313
New Orleans Visitor and Information Center	228,656
University of New Orleans	163,289
Parish of Jefferson	164,612
Xavier University	163,289
Southern University	163,289
	$ 2,646,494

Various acts of the legislature, bond resolutions and indentures and agreements impose the establishment of various restricted accounts that are restricted as to the use of monies deposited therein. These accounts are as follows:

- Working Capital Account

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

  The monies on deposit in the Working Capital Fund shall be disbursed and paid out solely for the payment of invoices and unpaid operating expenses. However, transfers form the fund have to be replenished from operations.

- 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. For the year ended June 30, 1996, in accordance with Act 640, $2,300,000 was deposited into the account.

(Continued)

The District has exchanged the right for future advertising in return for the installation and construction or renovation of an advertising pylon, scoreboards, message and directional equipment systems. Additionally, certain box suite rental revenues have been exchanged for a tenant constructing suites and the right to construct additional suites. The agreements contain certain provisions whereby title will pass to the District. These improvements have not been recorded by the District as of June 30, 1996. If and when title to the improvements are vested in the District, the improvements will be recorded at their estimated fair value on the date title is transferred.

The District is also party to various other 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.

General Fixed Assets - Property, buildings and equipment recorded as expenditures in the Capital Projects Fund are capitalized in the general fixed asset account group at cost, including capitalized net interest costs, except for projects constructed on behalf of other governmental entities. No depreciation is charged.

(g) Revenue Recognition

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

Amounts received from the State and local sources for the purposes of acquiring or constructing capital facilities are reflected as capital contributions in the enterprise fund and capital expenditures in the governmental funds. Amounts received from the State under the Management and Operating Agreement and amounts expended by the State on behalf of the District for repairs and maintenance are reported as non-operating revenues. These non-operating revenues are recognized in the period received. Beginning in year ended June 30, 1995, the State of Louisiana discontinued contributions under the agreement.

(Continued)

(h) Compensated Absences

The District provides for compensated absences for the employees of FML under the management agreement. FML employees can earn twelve to eighteen days per year of vacation leave, depending on their length of employment and on certain collective bargaining and union agreements. At the end of any fiscal year, an employee can carryforward no more than 160 hours in vacation and upon termination, an employee is paid only for one hundred sixty hours of accumulated vacation, if applicable. Members of the Teamsters Union earn eight to fifteen days of vacation per year with no carryforward provision. The accumulated net provision by the District for unpaid vacation benefits due employees of Facility Management of Louisiana as of June 30, 1996 was $169,056.

Employees earn six days per year of sick leave which can be accumulated with no limit. Accumulated sick leave is lost upon termination of employment. Members of the Teamsters Union earn six days of sick leave per year with no carryforward provision. Sick leave is not paid upon termination, therefore no liability has been recognized.

(i) Contributed Capital

Contributions from the District and the State to the Enterprise Fund for the acquisition of property, plant and equipment are recorded as contributed capital in fund equity. No depreciation is charged to contributed capital.

(j) 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 from maturity to be cash equivalents.

(k) Total Column on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in those columns do not present financial position, results of operations, or cash flows, in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation since interfund eliminations have not been made.

(Continued)

(3) Cash, Cash Equivalents and Investments

The District maintains cash on deposit with banks and other institutions in demand deposit accounts, interest bearing deposit accounts and money market accounts. Cash and cash equivalents consist of the following:

	1996		
	Bank balance	Book balance	Category
Demand deposits	$ 15,138,191	14,816,504	1
Certificates of deposit	5,266,287	5,266,287	1
Money market accounts	50,951,404	50,951,404	-
	$ 71,355,882	71,034,195	

Reconciliation of cash and cash equivalents to the combined balance sheet is as follows:

	Government Fund	Enterprise Fund	Total
Cash and cash equivalents	$ 50,961,504	6,277,535	57,239,039
Restricted assets	-	13,795,156	13,795,156
	$ 50,961,504	20,072,691	71,034,195

The collateral for the District's cash is categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent, but not in the District's name.

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

(Continued)

agencies. The market value of the U.S. Treasury investment of $2,389,013, which matures in 1999, was $2,422,686 at June 30, 1996. The investment is a category 1 security.

(4) Due from Other Governmental Units

Amounts due from the State of Louisiana at June 30, 1996 for hotel occupancy tax collections amounted to $2,217,234 as of June 30, 1996.

(5) Changes in Property, Plant and Equipment

Enterprise Fund - A summary of changes in property, plant and equipment as of June 30, 1996 is as follows:

	Balances July 1, 1995	Additions	Deletions/ Transfers	Balances June 30, 1996
Land	$ 13,733,325	-	-	13,733,325
Buildings and improvements	175,457,170	3,717,188	-	179,174,358
Furniture, fixtures and equipment	12,182,443	541,666	(73,406)	12,650,703
Construction in progress	4,295,608	7,119,171	(4,005,686)	7,409,093
	205,668,546	11,378,025	(4,079,092)	212,967,479
Less accumulated depreciation	(104,527,033)	(5,708,845)	57,469	(110,178,409)
Total	$ 101,141,513			102,789,070

General Fixed Assets - A summary of changes in the District's property, plant and equipment as of June 30, 1996 is as follows:

	Balances July 1, 1995	Additions	Deletions/ Transfers	Balances June 30, 1996
Construction in progress:				
Project #1	$ 1,230,534	1,964,978	-	3,195,512
Project #2/2A	2,050,267	9,659,142	-	11,709,409
Project #3	683,308	5,745,980	-	6,429,288
Project #8	1,357,228	4,623,873	-	5,981,101
Total	$ 5,321,337	21,993,973	-	27,315,310

(Continued)

Included in additions of $21,993,973 is capitalized net interest expense of $1,639,506.

Projects of the District are as follows:

	Authorized Budget	Expenditures to Date	Remaining Commitment
Project:			
# 1 - Baseball Stadium	$ 20,000,000	$ 2,675,581	$ 17,324,419
# 2/2A - Superdome Renovations	20,500,000	10,917,948	9,582,052
# 3 - Practice Facility	6,000,000	6,115,670	-
# 4 - Westbank Sports Recreational Center	7,000,000	1,571,978	5,428,022
# 5 - Ponchartrain Center Expansion	1,500,000	266,814	1,233,186
# 6 - Gretna/Marrero Recreational Facility	1,000,000	413,226	586,774
# 7 - New Orleans Recreational Facilities	2,500,000	751,255	1,748,745
# 8 - Multipurpose Facility	84,000,000	5,460,780	78,539,220

Projects 1, 2/2A, 3 and 8 are facilities owned and/or overseen by the District. Projects 4, 5, 6, and 7 are projects undertaken by the District and contributed by the District to other governmental entities. During 1996, the District received $2,430,453 from the City of Kenner as part of its contribution to Project #5. The District has also deposited $3,000,000 toward the acquisition of land related to Project #1.

(6) Bonds Payable

Act 640 of the Louisiana Legislature provides for the District to issue $215,000,000 of bonds designated to pay off the 1976 bond issue ($60,000,000) and new construction projects in or around New Orleans, Louisiana ($155,000,000). The construction projects generally are: baseball stadium, $20,000,000; betterments at Superdome, $20,500,000; football training facility, $6,000,000; multi-purpose facility (including basketball), $84,000,000; other projects ($12,000,000) and other cost and purposes, $12,500,000. All assets of the capital project and debt service funds are designated for these projects or restricted to service the bonds. The Hotel Occupancy Tax is pledged by the State to pay the bonds of the District.

(Continued)

The bond issues outstanding at June 30, 1996 and changes in general long-term debt for the year then ended are as follows:

	Balance July 1, 1995	Additions	Balance June 30, 1996
Series 1994-A (interest from 5.4% to 6%) ($17,045,000 maturing by 2009, and $46,455,000 term bonds beginning 2012)	$ 63,500,000	-	63,500,000
Series 1995-A (interest from 4.8% to 6.05%) ($3,650,000 maturing by 2009, and term bonds beginning 2010)	14,150,000	-	14,150,000
Series 1995-B (interest from 4.8% to 6.05%) ($14,640,000 maturing 2010, $2,560,000 maturing 2021, and $30,800,000 of term bonds beginning 2015)	-	48,000,000	48,000,000
	$ 77,650,000	48,000,000	125,650,000

During 1996, the District issued $48,000,000 of bonds, the proceeds from which were used as follows:

Deposit to the capital projects fund	$ 45,581,685
Deposit to debt service fund	1,650,003
Underwriter discount and bond expenses	708,715
Original issue discount	59,597
	$ 48,000,000

(Continued)

manager has renewed for the next one year period extending to July 17, 1997 and has an option for three more one year periods. Under the original agreement, the manager advanced the Superdome three million dollars for capital improvements to food and beverage assets. The payable has been renegotiated from its original terms and is due as follows:

Year ended June 30,	
1997	$ 328,715
1998	1,040,984
	$ 1,369,699

If the manager exercises the three one year options, this extends the payments on the agreement to a total of $400,000 per year until paid.

Under the concession agreement with ARA, the District recorded operating revenues from concessions of $4,001,282 for the year ended June 30, 1996. Management fees of $250,000 were paid by the District to ARA in 1996.

(8) Revenue Sources and Required Restricted Assets

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

The Hotel Occupancy Tax is pledged by the State for the payment of principal and interest on the District's bonds. At the end of each fiscal year after the payment and satisfaction of all obligations of the District and after all expenses of the operation and maintenance of both the District and funding of $2,300,000 to the Renewal and Replacement account and $500,000 annually to the Greater New Orleans Sports Foundation, the surplus is then distributed, as established or as prorated based on available amounts, to Jefferson Parish for tourism promotion, 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, 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.

During 1996, of the $22,301,935 of Hotel Occupancy Tax received for the twelve month period ended April 30, 1996, $6,759,541 was used for debt

(Continued)

The Bonds mature as follows as of June 30, 1996:

Year ended June 30,	Principal	Interest	Total
1997	$ 670,000	7,667,112	8,337,112
1998	705,000	7,188,781	7,893,781
1999	1,760,000	7,120,887	8,880,887
2000	2,115,000	7,013,180	9,128,180
2001	2,235,000	6,893,180	9,128,180
Next 5 years	13,140,000	32,412,756	45,552,756
Next 5 years	17,160,000	28,281,772	45,441,772
Next 5 years	22,740,000	22,684,732	45,424,732
Next 5 years	30,380,000	15,120,324	45,500,324
Next 5 years	34,745,000	4,921,458	39,666,458
	$ 125,650,000	139,304,182	264,954,182

Other significant bond features are:

(1) The bonds are insured.
(2) The bonds are not guaranteed by the State of Louisiana.
(3) Bonds are subject to certain redemption options prior to maturity at the sole discretion of the District.
(4) Approximately $47,000,000 of the 1994-A issue are subject to a mandatory sinking fund redemption beginning in 2010 to be determined by the trustee. Approximately $10,000,000 of Series 1995-A and 31,000,000 of 1995-B are also subject to similar requirements also starting in 2010 and 2015, respectively.
(5) The trustee is First National Bank of Commerce, New Orleans, Louisiana.
(6) The District holds $43,601,585 in the Bond Construction fund which is committed for construction projects.

The debt service fund has assets available of $10,401,135 at June 30, 1996. 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. In addition, the accumulation of assets in the debt service fund includes an amount sufficient to pay one year's principal and interest on the bonds.

(7) Deferred Concession Incentive

The Superdome's food and beverages are managed by a third party manager, ARA Leisure Services, Inc. (ARA), a partial owner of SMG, under an agreement expiring in July 1996. Under the option in the agreement, the

(Continued)

funds are allocated to other specified governmental entities. Bond proceeds are recognized as other sources of funds in the governmental fund types at the time the bonds are issued.

(c) Investments

Investments, consisting of U.S. Treasury obligations, are carried at cost.

(d) 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 for specific board-designated purposes, such as to fulfill the District's obligations to the State under its Lease and Management and Operating Agreements. Assets of the Capital Projects Fund are to be used for construction purposes, and assets of the Debt Service Funds are to be used for debt service payments.

(e) 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.

(f) Property, Plant and Equipment

Enterprise Fund - Property, plant and equipment acquired or constructed for the Enterprise Fund are recorded at cost. Donated equipment is valued at its 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 those assets returned to the State, the net book value is charged against the capital contribution account.

The estimated useful lives used in computing depreciation and amortization are:

Plant, building and improvements:	
Structure	40 years
Major components	10-20 years
Furniture, fixture and equipment	5-10 years

(Continued)

(b) Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resource measurement focus. With this measurement focus, only current assets and current liabilities generally are included in the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental fund types use the modified accrual basis of accounting. Revenues are recorded when they become both measurable and available. Available means expected to be collected within the next two months for taxes and generally the next twelve months for other revenues. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the liability is incurred and if the liability is expected to be paid within the next twelve months, except for principal and interest expenditures on general long-term debt which are recorded when due. Liabilities which will not be normally liquidated with expendable available financial resources are recorded in the general long-term debt account group.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

The Enterprise Fund is maintained using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable. The District applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

Revenues from local sources consist primarily of the Hotel Occupancy Tax, which is recognized in the month in which it is collected by the State of Louisiana. The Hotel Occupancy Tax is used to fund annual debt service needs; any excess tax collections are first used by the Enterprise Fund to fund operations, after which remaining

(Continued)

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

Proprietary Fund

- Enterprise Fund - Enterprise Funds are used to account for operations (a) that are operated in a manner similar to private business--where the intent of the governing body is that the cost (expense, including deprecation) 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. The District has one enterprise fund, which is used to account for the operations of the Superdome. The District has contracted with Facility Management of Louisiana (FML), a subsidiary of SMG, to manage the Superdome. Future enterprise funds will be established as various activities of the District are placed in operation.

Account Groups - Account groups are used to establish accounting control and accountability for the District's general fixed assets and general long-term debt. The following are the District's account groups:

- General Fixed Asset Account Group - This account group has been established to account for the general fixed assets of the District. All construction activity related to District projects are recorded in this account group until complete, after which the completed projects are transferred to an enterprise fund.

- General Long-Term Debt Account Group - This account group has been established to account for unmatured general obligation indebtedness of the District. The District reports long-term debt of its governmental funds at face value in this account group. Bond premiums and discounts as well as issuance costs, are reported in the governmental funds when received and/or paid. Bond proceeds are reported as an other financing source net of applicable premiums or discount. Issuance costs, even if withheld for the actual net proceeds received, are reported as debt service expenditures.

(Continued)

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 is a component unit of the State of Louisiana as defined by GASB 14, The Financial Reporting Entity. The accompanying component unit general purpose 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 both comprehensive and general purpose financial statements which include the activity contained in the accompanying component unit financial statements.

(2) Summary of Significant Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

(a) Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses, as appropriate. Resources are allocated and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District does not have any general or special revenue funds. The following fund types and account groups are used by the District:

Governmental Funds

- Debt Service Fund - Debt Service Fund, established to meet requirements of bond ordinances, 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 all bond issues outstanding.

- Capital Projects Fund - Capital Project Funds are used to account for the receipt and disbursement of the proceeds of general bond

(Continued)

(1) Organization and Reporting Entity

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

The District acquired a site and constructed thereon the Superdome which opened in August 1975. The Superdome is leased by the District to the State pursuant to the Lease Agreement. The District initially managed and operated the Superdome on behalf of the State pursuant to a management and operating agreement dated as of February 1, 1969. In 1976, by authority of Act No. 541 of the 1976 Regular Session of the State Legislature ("Act No. 541"), the responsibility for the management and operation of the Superdome was placed in the office of the Governor of the State, which was authorized to delegate the management and operation of the Superdome to a professional management organization. In 1977, the District was transferred to and placed in the Office of the Governor of the State pursuant to the Executive Reorganization Act. Notwithstanding such transfer, however, the Act 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.

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

The Board of Commissioners has the power to plan, acquire, finance, own, construct, operate, and maintain recreational facilities, recreation centers, and other facilities to accommodate expositions, conventions, exhibitions, sports events, spectacles, and other public meetings, and

(Continued)

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Statement of Cash Flows - Proprietary Fund Type, Continued

	1996	1995 (as restated note 15)
Cash flows from investing activities - interest on investments	$ 737,460	955,924
Net changes in cash and cash equivalents	(6,931,436)	3,341,373
Cash and cash equivalents at beginning of year	27,004,127	23,662,754
Cash and cash equivalents at end of year (note 3)	$ 20,072,691	27,004,127

See accompanying notes to general purpose financial statements.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Statement of Cash Flows - Proprietary Fund Type

Year ended June 30, 1996
with comparative total for 1995

	1996	1995 (as restated note 15)
Cash flows from operating activities:		
Operating loss	$ (14,661,284)	(14,062,025)
Adjustment to reconcile operating loss to net cash used by operating:		
Depreciation	5,708,845	6,213,359
Changes in operating assets and liabilities:		
Accounts receivable	(557,827)	(477,243)
Inventory and prepaids	865	(9,316)
Payable to Facility Management of Louisiana	240,070	198,954
Accounts payable and accrued liabilities	(175,579)	704,628
Deferred income, security deposits and funds held in escrow for future events	205,283	37,181
Compensated absences	21,900	22,222
Total adjustments	5,443,557	6,689,785
Net cash used by operating activities	(9,217,727)	(7,372,240)
Cash flows from noncapital financing activities:		
Decrease in receivables	34,000	1,000,000
Paid from State of Louisiana	-	46,539
Paid from Economic Development Fund	(468,000)	(22,571)
Net cash (used) provided from noncapital financing activities	(434,000)	1,023,968
Cash flows from capital and related financing activities:		
Interest paid on bonds, loan and equipment obligations	(107,197)	(137,668)
Acquisition of fixed assets	(7,686,588)	(3,476,990)
Principal paid on concession incentive	(309,619)	(291,631)
Hotel Occupancy Tax received	15,542,443	17,933,805
Hotel Occupancy Tax paid to other governments	(5,456,208)	(5,293,795)
Net cash provided by capital and related financing activities	1,982,831	8,733,721

(Continued)

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Statement of Revenues, Expenses and Changes
in Retained Earnings - Proprietary Fund Type, Continued

	1996	1995 (as restated note 15)
Operating loss before depreciation and amortization	$ (8,952,439)	(7,848,666)
Depreciation	(5,708,845)	(6,213,359)
Operating loss	(14,661,284)	(14,062,025)
Nonoperating revenue (expenses):		
Hotel occupancy tax (note 8)	11,919,738	11,742,366
State contributions to operations and maintenance	-	46,539
Interest income	735,138	970,537
Other expenses	(107,197)	(137,668)
Payments from Economic Development Fund (note 8)	(468,000)	(22,571)
Total nonoperating revenue	12,079,679	12,599,203
Net loss	(2,581,605)	(1,462,822)
Retained earnings, beginning of year, as restated (note 15)	43,749,188	45,212,010
Retained earnings, end of year	$ 41,167,583	43,749,188

See accompanying notes to general purpose financial statements.

- Economic Development Fund Account

This account was established by Act 624 of the 1991 regular session of the Louisiana Legislature for the purpose of developing and engaging in marketing, promotional, and economic development activities on behalf of the District, the development of special projects benefiting the District and the State, and facility planning and expansion programs. Excess unrestricted monies at year-end are transferred to this account.

The account has receivables of $166,000, which amounts are for monies advanced for helping with the relocation of an NBA franchise. During 1996, $468,000 was released from the account primarily for Superbowl related activities.

- Concession Reserve Account

Under the terms of the concession agreement entered into by FML in August of 1990, the District is required to maintain the following restricted accounts:

- Capital Improvement Reserve Account - 2% of Concession Operating Revenues will be deposited into this account to provide a reserve for the payment of capital improvements.
- Marketing Reserve Account - 0.5% of Concession Operating Revenues will be deposited into this account to provide a reserve for the payment of marketing expenses.
- Repair and Maintenance Reserve Account - 1% of Concession Operating Revenues will be deposited into this account to provide a reserve for the payment of repair and maintenance expenses.

The above restricted accounts shall be held and administered by the concessionaire until such time that funds are withdrawn by the concessionaire with FML's approval.

(Continued)

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types

Year ended June 30, 1996
with comparative totals for the year ended June 30, 1995

	Government Fund Types		Totals (memorandum only)	
	Debt service	Capital projects	1996	1995
Revenues:				
Hotel Occupancy Tax	$ 7,411,744	-	7,411,744	3,889,188
Interest earnings	257,613	1,734,716	1,992,329	752,635
Total revenues	7,669,357	1,734,716	9,404,073	4,641,823
Expenditures:				
Capital expenditures	-	29,332,310	29,332,310	4,889,832
Debt service:				
Interest and bank charges	4,404,913	167,639	4,572,552	3,139,113
Issuance costs	624,759	-	624,759	190,276
Total expenditures	5,029,672	29,499,949	34,529,621	8,219,221
Excess (deficiency) of revenues over expenditures	2,639,685	(27,765,233)	(25,125,548)	(3,577,398)
Other financing sources (uses):				
Bond proceeds (note 6)	2,895,040	45,081,685	47,976,725	14,147,112
Other contributions (note 5)	-	2,430,453	2,430,453	-
Operating transfers in (note 6)	-	500,000	500,000	-
Operating transfers out (note 6)	(500,000)	-	(500,000)	-
Total other financing sources (uses)	2,395,040	48,012,138	50,407,178	14,147,112
Excess of revenues and other sources over expenditures and other uses	5,034,725	20,246,905	25,281,630	10,569,714
Fund balances at beginning of year, as restated (note 15)	5,366,410	20,136,345	25,502,755	14,933,041
Fund balances at end of year	$ 10,401,135	40,383,250	50,784,385	25,502,755

See accompanying notes to general purpose financial statements.

In our opinion, the schedules referred to above present fairly, in all material respects, the deficit improvement and base for the management fee computation, management fee computation and adjusted base deficit for the year ended June 30, 1977 of the Louisiana Stadium and Exposition District for the year ended June 30, 1996, as defined in the management agreement referred to in the first paragraph.

This report is intended solely for the information and use of the Board of Commissioners and management of Facility Management of Louisiana and should not be used for any other purpose.

KPMG Peat Marwick LLP

September 23, 1996

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups, Continued

Liabilities, Equity and Other Credits	Governmental fund types: Debt service	Governmental fund types: Capital projects	Proprietary fund type: Enterprise fund	Account groups: General fixed assets	Account groups: General long-term debt	Totals (memorandum only): 1996	Totals (memorandum only): 1995
Liabilities:							
Payable to Facility Management of Louisiana (note 12)	$ -	-	1,098,704	-	-	1,098,704	859,634
Accounts payable and accrued liabilities	-	-	1,110,066	-	-	1,110,066	1,285,645
Deferred income and security deposits	-	-	207,767	-	-	207,767	116,505
Compensated absences	-	-	169,056	-	-	169,056	147,156
Funds held in escrow for future events	-	-	1,645,004	-	-	1,645,004	1,530,983
Contracts payable	-	3,334,408	-	-	-	3,334,408	-
Retainage payable	-	2,883,927	-	-	-	2,883,927	-
Hotel Occupancy Tax due to other governmental units (note 8)	-	-	2,646,494	-	-	2,646,494	4,956,200
Deferred concession incentive (note 7)	-	-	1,369,699	-	-	1,369,699	1,679,318
Payable from restricted assets (note 8) - Renewal and Replacement Reserve Account - contracts payable	-	-	-	-	-	-	330,186
Bonds payable (note 6):							
Hotel Occupancy Tax Bonds - Series 1994A	-	-	-	-	63,500,000	63,500,000	63,500,000
Hotel Occupancy Tax Bonds - Series 1995A	-	-	-	-	14,150,000	14,150,000	14,150,000
Hotel Occupancy Tax Bonds - Series 1995B	-	-	-	-	48,000,000	48,000,000	-
Total bonds payable	-	-	-	-	125,650,000	125,650,000	77,650,000
Total liabilities	-	6,218,335	8,246,790	-	125,650,000	140,115,125	88,554,635
Equity and other credits:							
Equity (note 15):							
Investment in general fixed assets	-	-	-	27,315,310	-	27,315,310	5,321,337
Contributed capital (note 9)	-	-	76,816,750	-	-	76,816,750	76,816,750
Retained earnings:							
Reserved for restricted assets		-	13,973,450	-	-	13,973,450	16,047,702
Unreserved	-	-	27,194,133	-	-	27,194,133	27,701,486
Total retained earnings	-	-	41,167,583	-	-	41,167,583	43,749,188
Fund balances (note 15):							
Reserved for capital projects	-	40,383,250	-	-	-	40,383,250	20,136,345
Reserved for debt service	10,401,135	-	-	-	-	10,401,135	5,366,410
Total fund balances	10,401,135	40,383,250	-	-	-	50,784,385	25,502,755
Total equity and other credits	10,401,135	40,383,250	117,984,333	27,315,310	-	196,084,028	151,390,030
Total liabilities, equity and other credits	$ 10,401,135	46,601,585	126,231,123	27,315,310	125,650,000	336,199,153	239,944,665

See accompanying notes to general purpose financial statements.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Statement of Revenues, Expenses and Changes
in Retained Earnings - Proprietary Fund Type

Year ended June 30, 1996
with comparative total for the year ended June 30, 1995

	1996	1995 (as restated note 15)
Operating revenues:		
Event rental:		
Football	$ 604,636	611,029
Basketball	401,039	139,121
Baseball	30,000	30,000
Conventions and trade shows	498,801	284,631
High school sports	74,934	52,454
Musical events and entertainment	430,232	311,068
Indoor super fair	-	225,441
Other events	607,672	784,882
Reimbursed event costs	3,268,056	2,324,361
Total event rental	5,915,370	4,762,987
Parking	2,672,583	2,509,744
Concessions (note 7)	4,001,282	3,353,907
Box suite rental	2,616,661	2,096,460
Guided tours	217,954	267,291
Advertising and broadcasting	270,657	271,895
Signage license fee	-	100,000
Commercial office rental	376,735	309,660
Land rental	400,297	400,297
Other	325,576	284,308
Total operating revenues	16,797,115	14,356,549
Operating expenses:		
Management's company salaries and wages, including employee benefits (note 11)	8,645,454	8,022,730
Utilities	2,585,384	2,022,909
Repairs and maintenance	1,134,235	1,292,449
Management fee - payment to FML (note 12)	2,054,350	1,885,501
Management fee - payment to Superdome Marketing and Promotional Fund (notes 12 and 13)	1,369,566	1,257,001
Management fee - payment to concessionaire (note 7)	250,000	250,000
Saints lease inducement payments (note 13)	4,708,252	4,464,401
Professional fees	578,687	496,465
Insurance	2,842,399	1,549,270
Direct event expenses	925,319	434,986
Advertising and public relations	153,062	128,365
Other	502,846	401,138
Total operating expenses	25,749,554	22,205,215

(Continued)

KPMG Peat Marwick LLP

Suite 3500 One Shell Square
New Orleans, LA 70139-3599

Independent Auditors' Report

Board of Commissioners
Louisiana Stadium and Exposition District and
Mr. Glenn Mon, Executive Vice-President
and General Manager
Facility Management of Louisiana:

We have audited the accompanying schedules of deficit improvement and base for management fee computation, management fee computation and adjusted base deficit for the year ended June 30, 1977 (under the provisions of Article 4.2 of the management agreement as amended between the State of Louisiana and Facility Management of Louisiana (FML) dated June 13, 1977) in conjunction with the audit of the Louisiana Stadium and Exposition District's (LSED) financial statements for the year ended June 30, 1996. The schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedules' presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying schedules were prepared for the purpose of complying with the terms of the management agreement referred to in the first paragraph, and is not intended to be a complete presentation of the Louisiana Stadium & Exposition District's revenues and expenses.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Principal Officials

June 30, 1996

Board of Commissioners

Current Board

Alan A. Zaunbrecher	Chairman
Mark Delesdernier, Jr.	Vice-Chairman
Clarence Barney	Commissioner
David Brantley	Commissioner
Edward "Buddy" Butler	Commissioner
Bert H. Jones	Commissioner
Peggy Scott	Commissioner

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LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

General Purpose Financial Statements

June 30, 1996

With Independent Auditors' Report Thereon

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 1996, on our consideration of the District's internal control structure, and a report dated September 13, 1996, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information included in Schedules 1 through 3 for the year ended June 30, 1996 is presented for purposes of additional analysis and are not a required part of the basic general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic general purpose financial statements taken as a whole for the year ended June 30, 1996.

KPMG Peat Marwick LLP

September 13, 1996

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups

June 30, 1996
with comparative totals for June 30, 1995

Assets and Other Debits	Governmental fund types: Debt service	Governmental fund types: Capital projects	Proprietary fund type: Enterprise fund	Account groups: General fixed assets	Account groups: General long-term debt	Totals (memorandum only): 1996	Totals (memorandum only): 1995
Assets:							
Cash (note 3)	$ 7,359,919	43,601,585	6,277,535	-	-	57,239,039	36,673,795
Investments (note 3)	2,389,013	-	-	-	-	2,389,013	-
Accounts receivable	-	-	1,410,557	-	-	1,410,557	869,395
Signage license fee receivable	-	-	83,333	-	-	83,333	66,667
Due from the State of Louisiana (notes 4 and 8)	652,203	-	1,565,031	-	-	2,217,234	2,041,244
Inventory of materials and supplies	-	-	63,361	-	-	63,361	60,470
Prepaid expenses	-	-	68,786	-	-	68,786	72,542
Land acquisition deposit (notes 5 and 14)	-	3,000,000	-	-	-	3,000,000	-
Restricted assets (notes 3 and 8):							
Working Capital Account - cash	-	-	1,599,891	-	-	1,599,891	1,552,601
Renewal and Replacement Reserve Account:							
Cash	-	-	6,805,572	-	-	6,805,572	9,060,558
Accrued interest receivable	-	-	8,875	-	-	8,875	11,628
Concession Reserve Account - cash	-	-	502,524	-	-	502,524	664,229
Economic Development Fund Account:							
Cash	-	-	4,887,169	-	-	4,887,169	4,555,698
Receivable (note 8)	-	-	166,000	-	-	166,000	200,000
Accrued interest receivable	-	-	3,419	-	-	3,419	2,988
Total restricted assets	-	-	13,973,450	-	-	13,973,450	16,047,702
Property, plant and equipment - at cost, less accumulated depreciation (note 5)	-	-	102,789,070	-	-	102,789,070	101,141,513
General fixed assets (note 5)	-	-	-	27,315,310	-	27,315,310	5,321,337
Other debits:							
Amount available in debt service fund (note 6)	-	-	-	-	10,401,035	10,401,035	5,366,410
Amount to be provided for retirement of general long-term debt	-	-	-	-	115,248,965	115,248,965	72,283,590
Total assets and other debits	$ 10,401,135	46,601,585	126,231,123	27,315,310	125,650,000	336,199,153	239,944,665

(Continued)

Disagreements With Management

There were no disagreements with management on general purpose financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on the District's 1996 general purpose financial statements.

Consultation With Other Accountants

To the best of our knowledge, management has not consulted with or obtained an opinion, written or oral, from other independent accountants during the past year which were subject to the requirements of Statement on Auditing Standards No. 50, "Reporting on the Application of Accounting Principles."

Major Issues Discussed With Management Prior to Retention

There have been no major issues discussed with management prior to our retention as your auditors.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit. We appreciate the opportunity to serve as the independent auditors of the District and would like to express our thanks to FML for their assistance in the successful completion of this audit.

Our Responsibility Under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards is to express an opinion on the general purpose financial statements of Louisiana Stadium and Exposition District (the District) as of and for the year ended June 30, 1996 based on our audit. In carrying out this responsibility, we assessed the risk that the general purpose financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted our audit to provide reasonable, not absolute, assurance of detecting misstatements that are material to the general purpose financial statements. In addition, we considered the internal control structure of the District to gain a basic understanding of the accounting system in order to design an effective and efficient audit approach, although not for the purpose of providing specific assurance on the internal control structure.

Significant Accounting Policies

The significant accounting policies used by the District are described in the "Summary of Significant Accounting Policies" note to the general purpose financial statements.

We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based upon management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of the significance of the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There are no areas of significant management judgment.

Significant Audit Adjustments

We restated prior year financial statements and have recorded adjustments to reflect the transactions in the capital projects and debt service funds.

KPMG Peat Marwick LLP

Suite 3500 One Shell Square
New Orleans, LA 70139-3599

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September 13, 1996

The Members of the Board
Louisiana Stadium and Exposition District

We have audited the general purpose financial statements of Louisiana Stadium and Exposition District as of and for the year ended June 30, 1996, and have issued a report thereon dated September 13, 1996. Under generally accepted auditing standards, we are providing you with the attached information related to the conduct of our audit.

This information is intended solely for the use of the Board and management and should not be used for any other purpose.

Very truly yours,

KPMG Peat Marwick LLP

LOUISIANA STADIUM AND EXPOSITION DISTRICT

Schedule of Adjusted Base Deficit for the year ended June 30, 1977

June 30, 1996

	1996	1995
Base deficit (operating loss before depreciation and amortization)	$ 5,003,983	5,003,983
Adjustments required by the Management Agreement:		
Elimination of insurance excluded by Management Agreement	(883,368)	(883,368)
Adjustment for increase in consumer price index	3,990,036	3,817,376
Adjustment for increase in utility rates	1,458,786	1,144,962
Adjustment for repair and maintenance hours	(52,535)	(418)
Other adjustments pursuant to Article 4.2 of the Management Agreement	(244,477)	(244,477)
Adjusted base deficit for the year ended June 30, 1977	$ 9,272,425	8,838,058

See accompanying independent auditors' report.

LOUISIANA STADIUM AND EXPOSITION DISTRICT

Schedule of Management Fee Computation

For the year ended June 30, 1996

	1996	1995
Deficit improvement and base for the management fee computation	$ 12,445,664	11,320,007
30% of first $1,000,000	$ 300,000	300,000
40% of next $1,750,000	700,000	700,000
25% of excess	2,423,916	2,142,502
Total management fee computation	$ 3,423,916	3,142,502
Allocated to FML	$ 2,054,350	1,885,501
Allocated to Superdome Marketing and Promotional Fund - 40%	$ 1,369,566	1,257,001

See accompanying independent auditors' report.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

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June 30, 1996

LOUISIANA STADIUM AND EXPOSITION DISTRICT

Schedule of Deficit Improvement and Base for the Management Fee Computation

For the year ended June 30, 1996, with comparative total for 1995 (Postelwaite & Netterville)

	1996	1995
LSED and FML have agreed that Article 1.1G(e) of the agreement shall be interpreted to include workmen's compensation liability insurance in the total amount of insurance expense that is excluded from the deficit.	$ (2,842,399)	(1,548,753)
LSED and FML have agreed that Article 1.1G(e) of the agreement shall be interpreted to include any insurance deductibles in expenses excluded from the deficit.	-	-
In accordance with Article 1.1G(a) of the agreement, LSED and FML have reviewed the capital asset additions and have determined that the cost of capital assets acquired in 1996 and 1995 for the principal purpose of increasing revenues and/or decreasing operating expenses was $40,000 and $-0-, respectively. The depreciation related to these assets and prior acquisitions is to be added to the deficit.	108,011	147,717
LSED and FML had agreed on November 5, 1993 that $750,000 of the consessionaire's total additions for 1992 and 1993 was acquired for the principal purpose of decreasing operating expenses and/or increasing revenue. It is also agreed that the $750,000 will be depreciated over 10 years.	75,000	75,000
In accordance with Article 1.1D of the agreement, LSED and FML have reviewed the repairs and maintenance expenditures of LSED and have determined that certain repairs extend the useful life of the assets being maintained or repaired for a period in excess of one year. Accordingly, LSED and FML have agreed that such expenses are not operating costs as defined by Article 1.1G of the agreement.	-	-

(Continued)

(9) Contributed Capital

The following summarizes the changes in contributed capital for the year ended June 30, 1996:

	Balance July 1, 1995 Restated (note 15)	Additions	Balance June 30, 1996
Debt service	$ 7,707,731	-	7,707,731
Equipment - Louisiana Superdome Marketing and Promotional Fund	609,604	-	609,604
Capital projects	68,499,415	-	68,499,415
Total	$ 76,816,750	-	76,816,750

(10) Rentals from Noncancelable Operating Leases

Commitments for future revenue under noncancelable operating leases as of June 30, 1996 provide for future minimum rental payments as follows:

June 30,	Commercial Office Space	Real Estate	Garage-Poydras Square-Parking	Total
1997	$ 361,123	400,297	542,229	1,303,649
1998	309,692	400,297	532,329	1,242,318
1999	306,078	400,297	99,361	805,736
2000	232,872	400,297	30,000	663,169
2001	122,994	400,297	-	523,291
2002 and thereafter	1,332,759	33,474,739	-	34,807,498

Many of the leases contain provisions whereby the annual rentals are to be adjusted by the percentage increase in the Consumer Price Index or other factors which cannot be determined at this time. The District is also a party to other leases in which the annual rentals are based on a percentage of the lessees' annual revenues or on gate receipts and are therefore not included in the above totals.

Lease revenues for the year ended June 30, 1996, not including box suite revenues, was $1,249,390.

(11) Pension and Profit Sharing Plans

On April 1, 1992, the employees of FML, paid indirectly by the District, became members of SMG's 401(K) plan. Employees who are eligible to

(Continued)

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LOUISIANA STADIUM AND EXPOSITION DISTRICT

Schedules of the Deficit Improvement and Base for the Management Fee Computation, Management Fee Computation, and Adjusted Base Deficit for the year ended June 30, 1977

June 30, 1996

With Independent Auditors' Report Thereon financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management of Facility Management of Louisiana, the Board of Commissioners, the Audit Committee, and State of Louisiana Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

September 13, 1996

KPMG Peat Marwick LLP

Suite 3500 One Shell Square
New Orleans, LA 70139-3599

Independent Auditors' Report on the Internal Control Structure at the Financial Statement Level

Members of the Board of Commissioners of the
Louisiana Stadium and Exposition District
New Orleans, Louisiana:

We have audited the general purpose financial statements 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, 1996, and have issued our report thereon dated September 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operations of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the District for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose

Schedule 3

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Changes in Restricted Cash Assets

For the year ended June 30, 1996

	Working Capital Account	Renewal and Replacement Reserve Account	Concession Accounts	Economic Development Fund Account
Balance, June 30, 1995	$ 1,552,601	9,060,558	664,229	4,555,698
Sources:				
Excess unrestricted	-	-	-	583,463
Repayment of advances	-	-	-	34,000
Excess proceeds of hotel occupancy tax	-	4,629,050	-	-
Percentage of concession revenue	-	-	308,771	-
Interest income	47,290	294,831	16,346	182,008
Subtotal	1,599,891	13,984,439	989,346	5,355,169
Uses:				
Capital outlay	-	(7,178,867)	(486,822)	-
Promotional expense	-	-	-	(468,000)
Total uses	-	-	(486,822)	(468,000)
Balance, June 30, 1996	$ 1,599,891	6,805,572	502,524	4,887,169

See accompanying independent auditors' report.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Schedule of Compensation and Travel
Reimbursement Paid to Commissioners

Year ended June 30, 1996

Included in operating expenses of the component unit financial statements of the District is the compensation of the Commissioners of the District. In accordance with the State of Louisiana, the Commissioners receive a $50 per diem and reimbursements for travel expenses incurred to attend Board meetings or other business of the District. The per diem and travel reimbursement paid to Commissioners for the fiscal year ended June 30, 1996 were as follows:

	Compensation and Travel Reimbursement
Mark Delesdernier, Jr., Vice-Chairman	$ 4,100
Reverend Lawrence Gaines, former Commissioner	500
Brian J. Tanner, former Commissioner	400
James E. Fitzmoris, former Commissioner	500
David F. Dixon, former Commissioner	450
Edward G. Powell, former Commissioner	2,610
Roland Dobson, former Commissioner	2,313
	$ 10,873

See accompanying independent auditors' report.

LOUISIANA STADIUM AND EXPOSITION DISTRICT
NEW ORLEANS, LOUISIANA

Schedule of Legislation

Year ended June 30, 1996

The Governor signed Act 1191 in June 1995 that amended Act 640 for the year ending June 30, 1996 and thereafter. This Act changed the allocation of monies paid annually by the District as follows:

Act 640 -	
Bond debt service	As needed
Superdome operations	As needed
Renewal and replacement fund	$2,300,000
Greater New Orleans Tourism and Convention Commission	25% of gross hotel tax
Jefferson Parish	1 and 13/100% of gross hotel tax
University of New Orleans	$250,000
Greater New Orleans Sports Foundation	$250,000
Economic Development fund	Any remainder
Act 1191 -	
Bond debt service	As needed
Superdome operations	As needed
Renewal and Replacement Fund	$2,300,000
Greater New Orleans Sports Foundation	$500,000
Jefferson Parish	1 and 13/100% of gross hotel tax*
New Orleans Recreation Department	$2,200,000*
Xavier University	$250,000*
Southern University - New Orleans	$250,000*
Westbank Sports and Civic Center in Jefferson	$500,000*
University of New Orleans	$250,000*
New Orleans Visitors and Information Center	$350,000*
Economic Development Fund	Any remainder

* The above amounts are remitted if all necessary monies are available; otherwise, the entities are paid based on their prorata share of available funds.

See accompanying independent auditors' report.

(15) Prior Period Adjustment

For the fiscal year ended June 30, 1996, the District changed its fund structure and presentation of its financial statements from a single proprietary fund to governmental funds, account groups and a proprietary fund. Previously, all activities of the District, were substantially related to the operations of its proprietary fund - the Superdome Enterprise Fund.

In accordance with Legislative acts, the operations and activities of the District have broadened to include the construction of additional facilities of the District, which are separate and apart from the Superdome, and the construction of facilities and improvements for other governmental entities. The change in fund structure and the revised general purpose financial statement presentation reflects these expanded operations. The result of the restatement is as follows:

	Enterprise Fund			Capital Projects -	Debt Service -	Account Groups	
	Contributed Capital	Retained Earnings	Total Equity	Fund Balance	Fund Balance	General Long-Term Debt	General Fixed Assets
June 30, 1994:							
As previously reported	$ 28,085,631	45,212,010	73,297,641	-	-	-	-
Restatement	48,731,119	-	48,731,119	11,144,242	3,788,799	77,650,000	-
As restated	$ 76,816,750	45,212,010	122,028,760	11,144,242	3,788,799	77,650,000	-
June 30, 1995:							
As previously reported	28,085,631	44,477,387	72,563,018	-	-	-	-
Restatement	48,731,119	(728,199)	48,002,920	20,136,345	5,366,410	77,650,000	5,321,337
As restated	$ 76,816,750	43,749,188	120,565,938	20,136,345	5,366,410	77,650,000	5,321,337

One-half of the payments to the Marketing Account are paid to the Saints in accordance with the Saints Lease Agreement. In promoting and marketing the Superdome, the Marketing Account supplements event rentals and expenses, and these amounts are recorded as revenue.

(13) Lease Agreement

The New Orleans Saints lease the Superdome under an agreement dated September 30, 1994 and ending June 30, 2018, with certain renewal options, between the State of Louisiana, the District, FML, and New Orleans Saints Limited partnership (the Club), a National Football League football franchise. The Agreement provides, among other things, certain inducements in the form of reduced rentals and the assignment of certain revenues attributable, directly or indirectly, to the presence of the Club in the Louisiana Superdome in exchange for the Club remaining in the Louisiana Superdome. The assignment of revenues resulted in inducements of $4,708,252 for the year ended June 30, 1996.

The Saints are paid one-half of the amounts paid into the Marketing and Promotional Fund. The portion of the management fee - payment to *Superdome Marketing and Promotional Funds which is* allocable to the Saints is $688,283 for 1996.

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

(14) Commitments

The District is a party to a cooperative agreement with Jefferson Parish, whereby it is obligated to acquire land contiguous to land owned by Jefferson Parish and used by the District for its Training Facility and Baseball Stadium (Projects 3 and 1, respectively). The District under its expropriation rights deposited during 1996 $3,000,000 in escrow for the acquisition. Based on recent settlement negotiations, the District, along with the State of Louisiana, has agreed to acquire the land from its owner for approximately $6,000,000. The State has agreed to provide approximately $2,600,000 over a two year period.

(Continued)

participate in the 401(K) plan may contribute between 1% to 10% of their eligible compensation. FML will match 50% of the first 5% of eligible compensation contributed to employees. In addition to the matching contribution, FML will contribute 1% of employees' compensation to the Plan. To be eligible for this 1% contribution, employees must work at least 1,000 hours during the plan year and be employed by December 31st of the plan year. The vesting schedule is as follows:

Years of Vesting Service	Nonforfeitable Percentage
Less than 1	0%
1 year, but less than 2	33%
2 years, but less than 3	66%
3 years or more	100%

Total pension expense for this plan was approximately $66,000 for 1996.

Contributions are also made to pension plans for members of the Teamsters Union. The District does not guarantee the benefits granted *by the Teamsters Union Plans.*

(12) Management Agreement

Effective July 1, 1977, the District and the State of Louisiana entered into a management agreement with FML, under which FML assumed the responsibility for operating and maintaining the Louisiana Superdome. The contract expires June 30, 2006, and contains certain renewal options. The compensation to FML for its services is dependent solely on that company's achieving an improvement in the District's operating deficit over the year ended June 30, 1977. The operating deficit used in computing compensation to FML differs from that in the accompanying general purpose financial statements due to adjustments for certain items such as depreciation and amortization, insurance, increases in utility rates, inflation and other adjustments agreed to by the District and FML.

FML, *in consideration for the renewal of the management agreement and* the renewal option, agreed to establish a Marketing and Promotional Fund entitled the "Louisiana Superdome Marketing and Promotional Fund" (the Marketing Account). The sole purpose of the Marketing Account is to market and promote the Louisiana Superdome, as defined in the agreement, as amended. Payments to the Marketing Account are made by FML based on its compensation during the term of the agreement. The Management agreement also provides that any unexpended monies in the Marketing Account that have not been committed which exceed $100,000 shall be used to reduce operating costs of the Louisiana Superdome for the fiscal year during which the unexpended monies are accrued. There were no excess unexpended monies at June 30, 1996.

(Continued)

LOUISIANA STADIUM AND EXPOSITION DISTRICT

Schedule of Deficit Improvement and Base
for the Management Fee Computation, Continued

	1996	1995
LSED and FML agreed that Article 1.1G of the agreement shall be interpreted to exclude the expenses on removal of PCB Chemical from the facility	$ -	(42,589)
LSED and FML have agreed that Article 4.2(d) of the Agreement, as amended in the third amendment dated March 3, 1986, shall be interpreted as follows:		
a. To exclude any inducement payment from the deficit	(4,708,252)	(4,464,401)
b. To include any imputed revenues to reduce the deficit	(1,334,122)	(1,354,570)
Net effect of the aforementioned items on the 1996 and 1995 deficits	(8,701,762)	(7,188,113)
Current deficit (operating loss before depreciation and amortization and management fee computation)	(5,528,523)	(4,706,164)
Adjusted income	(3,173,239)	(2,481,949)
Adjusted base deficit for the year ended June 30, 1977 (as calculated hereafter)	(9,272,425)	(8,838,058)
Deficit improvement and base for the management fee computation	$(12,445,664)	(11,320,007)

See accompanying independent auditors' report.

KPMG Peat Marwick LLP

Suite 3500 One Shell Square
New Orleans, LA 70139-3599

Independent Auditors' Report

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

We have audited the general purpose financial statements 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, 1996, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The accompanying financial statements of the District as of June 30, 1995 were audited by other auditors whose report expressed an unqualified opinion on those statements before the restatement described in Note 15 to the financial statements.

We conducted our audit in accordance with generally accepted auditing standards and *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 component unit general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

We also audited the adjustments described in note 15 that were applied to restate the 1995 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

As discussed in note 15 to the general purpose financial statements, the District changed its fund structure.