

**STATE FAIR OF LOUISIANA  
Shreveport, Louisiana**

**Financial Statements  
For the year ended December 31, 2023**

# STATE FAIR OF LOUISIANA

## FINANCIAL STATEMENTS

December 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Executive Committee  
of the State Fair of Louisiana  
Shreveport, Louisiana

### Opinion

We have audited the accompanying financial statements of the State Fair of Louisiana (a Louisiana not-for-profit corporation) (SFOL) which comprise the statement of financial position as of December 31, 2023 and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Fair of Louisiana as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the SFOL's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SFOL's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the SFOL's ability to continue as a going concern for a reasonable period of time.

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

### **Supplemental Schedule**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the 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 GAAS. In our opinion, the schedule of compensation, benefits, and other payments to agency head 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 September 13, 2024, on our consideration of the State Fair's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State Fair's internal control over financial reporting or

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State Fair's internal control over financial reporting and compliance.

*Dees Gardner, Certified Public Accountants, LLC*

Dees Gardner, Certified Public Accountants, LLC  
Mansfield, Louisiana  
September 13, 2024

## FINANCIAL STATEMENTS

**THE STATE FAIR OF LOUISIANA**  
Shreveport, Louisiana

**Statement of Net Position**  
For the year ended December 31, 2023

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	926,269
Accounts receivable, net of allowance		140,943
Prepaid items		35,548
Total current assets		1,102,760

**Non-Current Assets**

Property and equipment, net		1,141,520
Reserve fund assets		700,000
Total non-current assets		1,841,520

<b>Total Assets</b>	<b>\$</b>	<b>2,944,280</b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued liabilities	\$	106,083
Payroll liabilities		4,801
Accrued Interest payable		7,833
Deferred revenues		39,692
Total current liabilities		158,409

**Non-Current Liabilities**

Current portion of long-term lease liability		2,445
Long-term lease liability		4,551
Long-term debt		150,000
Total long-term liabilities		156,996

<b>Total Liabilities</b>		<b>315,405</b>
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**Net Assets**

Without donor restrictions		
Unrestricted and undesignated		1,928,875
Board designated		700,000

<b>Total Net Assets</b>		<b>2,628,875</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>2,944,280</b>
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The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**THE STATE FAIR OF LOUISIANA**  
Shreveport, Louisiana

**Statement of Activities**  
For the years ended December 31, 2023

		Without donor restrictions
<b>Operating Revenue:</b>		
State Fair program	\$	2,178,965
Off season programs		825,093
Total operating revenues		3,004,058
<b>Expenses</b>		
State Fair program		1,949,696
Off Season programs		1,014,564
Management and general		173,335
Total expenses		3,137,595
Increase (decrease) in net assets from operations		(133,537)
<b>Other income (expense):</b>		
Investment income		16,572
Louisiana state appropriation		600,000
Miscellaneous		33,546
Total other income (expense)		650,118
<b>Increase in net assets without donor restrictions</b>		516,581
<b>Net Assets at beginning of year, restated</b>		2,112,294
<b>Net Assets at end of year</b>	\$	2,628,875

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.



**THE STATE FAIR OF LOUISIANA**  
Shreveport, Louisiana

**Statement of Cash Flows**  
For the year ended December 31, 2023

	<u>2023</u>
<b>Cash Flows From Operating Activities:</b>	
Cash received from program sales and rents	\$ 2,862,939
Cash received from grants	900,000
Other receipts	33,546
Cash paid to employees	(515,760)
Cash paid to suppliers	(2,596,663)
Interest paid	(9,655)
<b>Net Cash Provided by Operating Activities</b>	<u>674,407</u>
<b>Cash flows from investing activities:</b>	
Purchase of fixed assets	(7,500)
Investment income	16,572
<b>Net Cash Used by Investing Activities</b>	<u>9,072</u>
<b>Cash flows from financing activities:</b>	
Decrease in leases payable	(2,791)
<b>Net Cash Provided(Used) by financing activities</b>	<u>(2,791)</u>
<b>Net (Decrease) Increase in Cash</b>	680,688
<b>Cash and cash equivalents at the beginning of the year</b>	<u>245,581</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>\$ 926,269</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**THE STATE FAIR OF LOUISIANA**  
Shreveport, Louisiana

**Statement of Functional Expenses**  
For the year ended December 31, 2023

<b>Expenses</b>	<b>Program Activities</b>		<b>Supporting</b>	<b>Total</b>
	<b>Fair</b>	<b>Off Season</b>	<b>Management and General</b>	
Payroll and benefits	\$ 235,522	\$ 179,658	\$ 99,434	\$ 514,614
Contract labor	176,035	163,911	-	339,946
Office expenses and supplies	57,561	21,780	22,882	102,223
Advertising	190,396	23,769	-	214,165
Consultants and professional fees	43,456	7,089	16,250	66,795
Security services	259,515	83,928	480	343,923
Attractions and entertainment	316,651	2,070	-	318,721
Equipment rentals	74,047	3,940	-	77,987
Livestock show costs	144,940	15,541	179	160,660
Insurance - property	73,651	54,616	-	128,267
Interest expense	-	-	6,887	6,887
Concessions	-	42,287	-	42,287
Utilities	208,996	308,993	3,807	521,796
Materials and supplies	2,616	1,308	1,308	5,232
Repairs and maintenance	84,773	80,326	1,857	166,956
Depreciation	81,537	25,348	20,251	127,136
<b>Total Expenses</b>	<b>\$ 1,949,696</b>	<b>\$ 1,014,564</b>	<b>\$ 173,335</b>	<b>\$ 3,137,595</b>
	62%	32%	6%	100.00%

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## NOTES TO THE FINANCIAL STATEMENTS

**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
December 31, 2023

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**Nature of Organization**

The State Fair of Louisiana (the Fair) is a nonprofit corporation organized under the laws of the State of Louisiana on a nonstock basis having one class of member. The objects and purposes for which this nonprofit corporation is formed and exists are declared to be maintenance in the Parish of Caddo, State of Louisiana, of public fairs, expositions and exhibitions of stock and farm products, and for the encouragement of agricultural and horticultural pursuits, and in all ways to promote the various industries of the State of Louisiana and the welfare of its citizens.

Substantially all of the Fair's revenue is from the sale of admissions to Fair sponsored events and exhibitions as well as the rental of its buildings for events promoted by others. Accordingly, the Fair is heavily dependent on the local community and the health of the local economy in which it operates.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Financial Statement Presentation**

The Fair has adopted Accounting Standards Update (ASU) 2016-14 – "Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not for Profit Entities." Under ASU 2016-14, the Fair is required to report information regarding its financial position and activities according to two classes of net assets: assets with donor restrictions and assets without donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Board of Directors and/or the passage of time. The Fair does not have assets with donor restrictions and did not report any donor restricted revenue for the current year.

Expenses are generally reported as decreases in net assets without donor restriction. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as transfers between the applicable classes of net assets. Gains and losses on investments and other assets and liabilities are reported as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Fair considers all cash in bank accounts and highly liquid debt instruments, not associated with the Reserve Fund, with an original or remaining maturity of three months or less, to be cash equivalents. Highly liquid debt instruments not associated with the Reserve Fund with remaining lives in excess of three months are classified as short-term investments.

**Accounts Receivable**

The Fair carries its accounts receivable at estimated net realizable values. The Fair recognizes specific accounts as uncollectible; accordingly, an allowance for doubtful accounts is recorded as needed. No collateral is required.

**Prepaid items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
December 31, 2023

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**Property and Equipment**

Buildings and equipment are carried at cost and depreciated over their estimated useful lives on the straight-line method. Major additions are capitalized and depreciated; maintenance and repairs which do not improve or extend the life of the respective assets are expensed as incurred. Depreciation for financial reporting purposes is provided on the straight-line method based upon the estimated useful lives of the assets as follows: buildings – 15 to 60 years; land improvements – 10 to 75 years; equipment – 5 to 20 years.

**Reserve Fund**

As provided by contract with the City of Shreveport, one-half of the net earnings of the State Fair of Louisiana shall be set aside permanently in a Reserve Fund. This allocation is to continue until the Reserve Fund shall equal \$700,000. Any sums transferred, which raise the balance above this amount, shall be used for property improvements.

**Leases**

The Fair has adopted ASC 842 “Leases.” The Fair determines if an arrangement is a lease at inception. Operating leases are included in lease right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. Finance lease assets are included in property and equipment with an associated lease liabilities in the statement of financial position.

Lease ROU assets represent the Fair’s right to use an underlying asset for the lease term and lease liabilities represent the Fair’s obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using the stated rate in the lease, when available, or, when the stated rate is not available, the Fair’s incremental borrowing rate based on the information available at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Fair acts as the lessor for certain buildings and grounds. Assets subject to operating leases are indicated in property and equipment on the statement of financial position, net of accumulated depreciation. Lease payments are recognized as income on the statement of activities over the lease term on an undiscounted, straight-line basis. Variable lease payments are recognized as income in the period in which the conditions associated with those payments occur. None of the operating leases convey ownership of the underlying asset. The Fair has no sales type or direct financing leases.

**Revenue Recognition**

The Fair has adopted ASU 2014-09 – “Revenue from Contracts with Customers (Topic 606)” as amended. Under the ASU, entities are required to identify and segment contracts into performance obligations and requires entities to account for certain contract costs and revenues as contract assets or contract liabilities. Contract liabilities are reported as deferred revenues on the statements of position and consist of obligations to transfer goods or services to customers for which the Fair has received consideration from customers, including advance payments from customers for future goods and services. Revenues arising from contracts with customers are recognized at a point in time or over time as specified by the performance obligations stated or implied by the contract. As of December 31, 2023, \$39,692 has not been recognized in the statement of activities because the fair has not provided the service (use of buildings and grounds) but is expected to be recognized over the next 12 months. Revenue recognized for the year ending December 31, 2023, that was included in the deferred revenue balance at the beginning of the year was \$35,119.

The following provides a summary of performance obligations in contracts with customers:

Retail Sales of Event Admissions and Parking:

Revenue from retail sales of event admissions and parking is recognized at a point in time directly associated with the event date in an amount the Fair expects in exchange for those sales. The Fair also advances event admissions and parking tickets to third-party outlets for sales by those entities. Unsold tickets are returned to the Fair by the end of the event. Third-party outlet revenue is recognized at a point in time directly associated with the event date in the amount that reflects the consideration the Fair expects to be entitled to in exchange for those sales. If provided for in the contract, sales commission expenses are netted against revenue.

**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
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Carnival Operations:

The Fair contracts annual carnival operations with a professional amusement provider on a revenue-sharing basis. Additionally, the carnival operator may be required to pay the Fair certain fees for cleaning, maintenance, repairs, and other expenses incurred by the Fair. Revenue from carnival operations is recognized at a point in time directly associated with the event date in an amount that reflects the consideration the fair expects to receive based upon the revenue sharing and cost recovery formula specified in the contract.

Facilities, Grounds and Equipment Rentals:

Revenue from short-term rentals of facilities, grounds, and equipment is recognized at a point in time when the customer exercises or has the right to exercise usage over the specified facilities, grounds, or equipment in an amount that reflects the consideration the Fair expects to be entitled to in exchange for the services provided. Deferred revenues consist primarily of prepaid short-term rental payments for events that will take place in the next fiscal year.

Exhibitors and Concessionaires:

Revenue from contracts with exhibitors and concessionaires is recognized at a point in time directly associated with the event date in an amount that reflects the consideration the Fair expects to be entitled to based upon the services provided. Revenues may include a flat-fee, percentage of concession sales (less direct costs) or a combination of both.

Event Sponsorship:

Revenue from contracts with sponsors is recognized at a point in time directly associated with the date of the sponsored event in an amount that reflects the consideration the Fair expects to be entitled to in exchange for goods and services provided.

**Advertising**

Advertising costs are expenses as incurred. The Fair expended \$214,165 in the year ended December 31, 2023, for advertising. The advertising costs included incurred are reported under the following functional expenses:

Fair	\$	190,396
Off season		23,769
	\$	<u>214,165</u>

For the year ended December 31, 2023, the Fair provided complimentary fair admission tickets in exchange for advertising services and accommodations from local providers, the value of which is included as revenue and expense in the Statement of Activities. Included in Fair revenue and expense for 2023 is \$104,594 related to such transactions.

**Income Taxes**

The State Fair of Louisiana is exempt from federal income tax under provisions of Section 501(c)(5) of the Internal Revenue Code of 1986 and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana. The Fair's Forms 990, Return of Organization Exempt from Income Tax, for the years ending December 31, 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

**Use of Estimates**

The preparation of 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 those estimates. Significant estimates made by management include the depreciable life of assets, and the allowance for doubtful accounts.

**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
December 31, 2023

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**Sales Tax**

The Fair is required to collect local and state sales taxes based on a percentage of qualifying sales. The Fair's policy is to exclude sales taxes from the transaction price of all revenue when collected and from expenses paid. Instead, the Fair records the collection and payment of sales taxes through a liability account.

**Functional Allocation of Expenses**

The costs of providing the Fair's various programs and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Fair reports the following program and supporting services costs as a percentage of the total expenses:

Fair	62%
Off Season	32%
Management & General	6%

**2. Cash and Cash Equivalents and Concentration of Credit Risk**

Included in cash at December 31, 2023 are interest bearing deposits (collected bank balance) totaling approximately \$1,626,269 reported as:

Cash and cash equivalents	\$ 926,269
Reserve fund assets	700,000
	<u>\$ 1,626,269</u>

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the entity will not be able to recover its deposits. The Fair has concentrated its credit risk for cash by maintaining deposits in financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC) or provided by the Securities Investor Protection Corporation (SIPC). The maximum loss that would have resulted from that risk totaled approximately \$739,171 at December 31, 2023 for the excess of deposit liabilities reported by the financial institutions over the amount that would have been covered by insurance. The Fair has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk to cash and cash equivalents.

**3. Accounts Receivable**

Accounts receivable at December 31, 2023 consists of the following:

Utility reimbursements	\$ 89,306
Concessions	23,385
Sponsorships	19,000
Other	9,252
	<u>140,943</u>
Total accounts receivable	<u>\$ 140,943</u>

**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
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**4. Reserve fund assets**

An agreement between State Fair of Louisiana and the City of Shreveport dated May 15, 1986, provides for the establishment of a Reserve Fund or Contingency Fund to provide for possible future losses and to maintain permanently, a sound financial condition of the State Fair of Louisiana. Any expenditure which reduces the fund below \$700,000 must be authorized by the Board of Directors and only for the purpose of covering incurred losses or for other emergency purposes.

Reserve fund investments are invested in bank certificates of deposit and demand deposits. Total depository insurance coverage of these certificates of deposit and the demand deposit is \$700,000 as of December 31, 2023. Reserve fund assets are as follows on December 31, 2023:

	Cost	Estimated Market Value
Reserve fund assets:		
Interest bearing demand deposits	\$ 400,000	\$ 400,000
Short-term Certificates of deposit	300,000	300,000
Total reserve fund assets	\$ 700,000	\$ 700,000

**5. Property and Equipment**

The major classifications of property and equipment at December 31, consist of the following:

	2022	Additions	Disposals	2023
Nondepreciable assets:				
Land	\$ 14,500	\$ -	\$ -	\$ 14,500
Depreciable assets:				-
Buildings	7,136,775	-	-	7,136,775
Equipment	2,685,526	7,500	(2,498)	2,690,528
Improvements	1,476,178	-	-	1,476,178
Website	15,000	-	-	15,000
Right of use assets:				-
Equipment	13,147	7,832	(7,183)	13,796
Total assets	11,341,126	15,332	(9,681)	11,346,777
Less accumulated depreciation/amortization:				
Accumulated depreciation	10,076,610	124,345	(2,498)	10,198,457
Accumulated amortization	11,192	2,791	(7,183)	6,800
Total accumulated depreciation/amortization:	10,087,802	127,136	(9,681)	10,205,257
Property and equipment, net	\$ 1,253,324	\$ (111,804)	\$ -	\$ 1,141,520

Depreciation and amortization expense of \$127,136 was charged to the programs as follows:

	2023
Fair	\$ 81,537
Off season	25,348
Management and general	20,251
	\$ 127,136



**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
December 31, 2023

**6. Leases as Lessee**

As disclosed in Note 1, the Fair has adopted FASB ASC 842. Under ASC 842, a contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. The Fair has two right-of-use (ROU) equipment leases that were determined to be operating leases and are summarized as follows on December 31, 2023:

Office equipment lease beginning July 2019, payable in 60 monthly installments of \$99 per month, discounted at 0%.	\$	596
Office equipment lease beginning March 2023, payable in 48 monthly installements of \$191 per month, discounted at 8% imputed based on average prime lending rate at inception of the lease.		6,400
Total operating lease liabilities		6,996
Less current portion		(2,445)
Long-term debt	\$	4,551

Maturities of operating lease liabilities for the years ending December 31:

		Total lease payments		Less Interest		Operating Lease Liability
2024	\$	2,891	\$	445	\$	2,446
2025		2,295		292		2,003
2026		2,294		125		2,169
2027		382		4		378
	\$	7,862	\$	866	\$	6,996

The Fair recognizes \$2,791 for operating lease costs reported in State Fair program expenses for year ended December 31, 2023.

**Supplemental cash flow information**

Cash paid for amounts included in the measurement of liabilities for operating leases

Operating cash flows	\$2,791
Financing cash flows	481

ROU assets obtained in exchange for lease liabilities:

Operating leases	\$6,996
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Weighted average remaining lease term (in years)

Operating leases	2.0
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Weighted average discount rate

Operating leases	6.8%
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**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
December 31, 2023

**7. Leases as Lessor**

The Fair acts as the lessor for certain buildings and grounds. All leases are operating-type leases and do not convey ownership of the underlying asset. Management considers all future minimum lease payments to be fully collectable. The Fair acts as lessor for the following as of December 31, 2023:

Grounds with a carrying value of zero beginning October 2015, with monthly payments of \$1,078 through September 2025.

Grounds with a carrying value of zero beginning October 2015, with monthly payments of \$667 through September 2025.

Grounds with a carrying value of zero beginning October 2015, with monthly payments of \$667 through September 2025.

Grounds with a carrying value of zero beginning October 2015, with monthly payments of \$760 through June 2028.

Grounds with a carrying value of zero, beginning July 2018, with minimum monthly payments of \$875 through June 2028, followed by five additional 10-year terms and one additional term of five years. As a variable consideration, if the lessee subleases the property, the Fair shall receive 50% of the sublease revenues earned.

Grounds with a carrying value of zero, beginning June 2010, with minimum monthly payments of \$3,500 through June 2020, with automatic extensions of 36 months unless otherwise modified.

Long-term leasing revenues were as follows

Building lease revenue	\$ 371,153
Grounds lease revenue	91,248
Variable lease revenue	39,657
Reimbursements under contracts	(341,153)
Long-term leasing revenue	\$ 160,905

Schedule of future minimum long-term lease payments is as follows:

	Facilities	Grounds	Total
2024	\$ 30,000	\$ 91,932	\$ 121,932
2025	30,000	84,698	114,698
2026	30,000	41,994	71,994
2027	10,000	20,994	30,994
2028	-	10,497	10,497
Total undiscounted cash flows	100,000	250,115	350,115
Present value of lease payments	89,426	177,816	267,242
Difference between undiscounted cash flows and discounted cash flows	\$ 10,574	\$ 72,299	\$ 82,873

**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
December 31, 2023

**8. Notes payable and long-term debt**

Notes payable consist of the following on December 31, 2023:

\$150,000 EIDL note issued 8/4/2020 at 2.75% interest payable to the United States Small Business Administration to be paid in 330 monthly installments of \$641 beginning February 2023, with one final payment of \$25,866 in July 2050, with each installment \$ 150,000 first applied to interest accrued beginning August 2020, then applied to principal and interest, collateralized by substantially all assets.

Total debt	150,000
Less current portion	-
Long-term debt	\$ 150,000

The following is a summary of changes in long-term debt for the year ended December 31, 2023:

	2022	Additions	Deletions	2023
EIDL Loan	\$ 150,000	\$ -	\$ -	\$ 150,000
Accrued Interest	10,601	-	(2,768)	7,833
Total	\$ 160,601	\$ -	\$ (2,768)	\$ 157,833

Future scheduled maturities of notes payable are as follows for the years ending December 31:

	Principal	Interest	Total
2024	\$ -	\$ 7,692	\$ 7,692
2025	-	7,692	7,692
2026	3,268	4,424	7,692
2027	3,724	3,968	7,692
2028	3,806	3,886	7,692
2029-2033	20,641	17,819	38,460
2034-2038	23,684	14,776	38,460
2039-2043	27,177	11,283	38,460
2044-2048	31,181	7,279	38,460
2049-2050	36,519	1,433	37,952
	\$ 150,000	\$ 80,252	\$ 230,252

**9. 401(k) Plan**

Effective January 1, 2013, the Fair established a qualified, contributory 401(k) plan ("Plan") for all eligible employees. Eligible employees can contribute up to 90% of gross compensation, subject to such maximum annual amounts as may be allowed under the Internal Revenue Code, into the Plan. For each Safe Harbor Participant, as defined, the Fair contributes 3% of compensation. Also, the Fair may contribute a discretionary amount as determined annually by the Executive Committee. No discretionary contributions were made in 2022 or 2021. The total of the matching contributions made by the Fair in 2023 was \$14,045.

**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Notes to Financial Statements  
December 31, 2023

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**10. Liquidity and Availability of financial Assets**

The following reflects the State Fair of Louisiana's financial assets available within one year of the statement of financial position date for general expenditures:

	2023
Cash and cash equivalents	\$ 926,269
Accounts receivable, net	140,943
	<u>\$ 1,067,212</u>

**11. Risk Management**

The Fair is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle the part of the risk of loss, the Fair has workers' compensation insurance for any employee injured on the job and surety bond coverage. No settled claims from these risks have exceeded insurance coverage for the past three years. There are no significant reductions in insurance coverage from the prior year. Management does not believe the ultimate outcome of any such matters will be material to the financial statements of the Fair.

**12. Related Party Transactions**

There were no material related party transactions identified for the year ended December 31, 2023.

**13. Restatement of Prior Period Net Assets**

Net assets at the beginning of 2023 have been adjusted for \$300,000 in grant revenue that should have been recognized in the prior year. The effect of the correction was to increase the change in net assets for 2022 by \$300,000.

**14. Subsequent Events**

Management has performed an evaluation of the Fair's activities through September 13, 2024, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

**STATE FAIR OF LOUISIANA  
Shreveport, Louisiana**

Schedule of Compensation, Benefits and Other Payments to Agency Head  
December 31, 2023

Louisiana Revised Statute 24:513(A)(3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2016 Regular Session of the Louisiana Legislature to clarify that nongovernmental or non-for-profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds.

The State Fair of Louisiana is not required to report the total compensation, reimbursements, and benefits paid to the Fair's president and general manager, as none of those payments were made from public funds.

THE REPORTS REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS AND*  
THE LOUISIANA GOVERNMENTAL AUDIT GUIDE

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



# Dees Gardner, Certified Public Accountants, LLC

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## **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 Executive Committee  
of the State Fair of Louisiana  
Shreveport, Louisiana

We have audited, 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, the financial statements of State Fair of Louisiana (a nonprofit organization), which comprise the statement of financial position as of and for the year ended December 31, 2023, 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 September 13, 2024.

### **Report on Internal Control Over Financial Reporting**

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether State Fair of Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as 2023-01.



### **The State Fair's Response to Findings**

The State Fair's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The State Fair's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 entity'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 entity's internal control and compliance.

This report is intended solely for the information and use of the State Fair of Louisiana, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report which is a matter of public record in accordance with Louisiana Revised Statute 44.6 and is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 24:513.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
September 13, 2024

**STATE FAIR OF LOUISIANA**  
**Shreveport, Louisiana**  
Schedule of Findings and Responses  
December 31, 2023

**FINDING RELATED TO COMPLIANCE**

**2023-01. Late submission of Report**

Criteria: Louisiana state law requires that the District have an annual audit performed and submitted to the Legislative auditor within six (6) months after the close of the fiscal year.

Condition: For the year ended December 31, 2023, the State Fair did not submit the annual audit within six months after the close of their fiscal year.

Cause: The prior auditor became ill and informed the State Fair at the beginning of 2024 that he would be unable to do the audit. A new auditor had to be found after the close of the audit year.

Effect: The State Fair is not in compliance with state law.

Recommendation: The State Fair should ensure that the annual audit is performed and submitted to the Legislative Auditor within six (6) months after the close of the fiscal year.

**Management's Response:** The year ended December 31, 2023, was not a typical year. Audits have been submitted timely in the past. Due to the unforeseen illness of our prior auditor, it was necessary to find a new auditor after year end. We will ensure a timely report is filed in subsequent years.

**Schedule of Prior Years' Findings**

None.

## OTHER REPORT



# Dees Gardner, Certified Public Accountants, LLC

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## Independent Accountant's Report On Applying Agreed-Upon Procedures

To the State Fair of Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. The State Fair of Louisiana's management is responsible for those C/C areas identified in the SAUPs.

The State Fair of Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) **Written Policies and Procedures**

---

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

*No exceptions were noted as a result of this procedure.*

ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*No exceptions were noted as a result of this procedure.*

iii. **Disbursements**, including processing, reviewing, and approving.

*No exceptions were noted as a result of this procedure.*

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

*No exceptions were noted as a result of this procedure.*

v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

*No exceptions were noted as a result of this procedure.*

vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*No exceptions were noted as a result of this procedure.*

vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*No exceptions were noted as a result of this procedure.*

- viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
*No exceptions were noted as a result of this procedure.*
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials, were notified of any changes to the entity's ethics policy.  
*Section not applicable to entity.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*Section not applicable to entity.*
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.  
*No exceptions were noted as a result of this procedure.*
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.  
*Section not applicable to entity.*

## **2) Board or Finance Committee**

---

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - No exceptions were noted as a result of this procedure.*
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.  
*No exceptions were noted as a result of this procedure.*
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.  
*No exceptions were noted as a result of this procedure.*  
  
For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.  
*Section not applicable to entity.*
  - iii. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.  
*No exceptions were noted as a result of this procedure.*

### **3) Bank Reconciliations**

---

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

*A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and 1 additional account was selected for review.*

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions were noted as a result of this procedure.*

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

*No evidence of management review.*

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were noted as a result of this procedure.*

### **4) Collections (excluding EFTs)**

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*A listing of deposit sites for the fiscal period and management's representation that the listing is complete were obtained. The only deposit site of the entity was selected.*

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*A listing of collection locations and management's representation that the listing is complete was obtained. The main office collection location of the entity was selected.*

- i. Employees responsible for cash collections do not share cash drawers/registers;

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit; and

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

*No exceptions were noted as a result of these procedures.*

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

*No exceptions were noted as a result of this procedure.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for "Bank Reconciliations" procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly

selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

*No exceptions were noted as a result of this procedure.*

- i. Observe that receipts are sequentially pre-numbered.

*No exceptions were noted as a result of this procedure.*

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions were noted as a result of this procedure.*

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions were noted as a result of this procedure.*

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions were noted as a result of this procedure.*

- v. Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were noted as a result of this procedure.*

**5) Non-Payroll Disbursements (exclude card and petty cash purchases, and travel reimbursements)**

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*A listing of locations that process payments for the fiscal period and management's representation that the listing is complete were obtained. The only location of the entity was selected.*

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

*No exceptions were noted as a result of this procedure.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*No exceptions were noted as a result of this procedure.*

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

*No exceptions were noted as a result of this procedure.*

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

*No exceptions were noted as a result of this procedure.*

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*No exceptions were noted as a result of this procedure.*

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:



- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

*No exceptions were noted as a result of this procedure.*

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure 5B above, as applicable.

*No evidence of segregation of duties.*

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No exceptions were noted as a result of this procedure.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*A listing of active cards for the fiscal period and management's representation that the listing is complete were obtained.*

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

*A random monthly statement for all 3 cards of the entity selected for review.*

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder; and

*No evidence of review or approval in writing.*

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions were noted as a result of this procedure.*

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No written documentation of the business purpose of credit card transactions.*

#### **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

---

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:



*A listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete were obtained.*

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));

*No exceptions to entity policy were noted but policy rates exceed rates established by GSA.*

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

*No exceptions were noted as a result of this procedure.*

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures procedure 1A (vii); and

*No documentation of the business purpose or list of participants for meal charges.*

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No evidence of review or approval in writing.*

## **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*A listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete were obtained.*

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

*No applicable contracts were observed.*

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

*Not applicable to entity.*

- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

*No exceptions were noted as a result of this procedure.*

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were noted as a result of this procedure.*

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*A listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete were obtained. The five employees of the entity selected for review.*

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedures #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe whether all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

*No exceptions were noted as a result of this procedure.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

*No exceptions were noted as a result of this procedure.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*No exceptions were noted as a result of this procedure.*

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions were noted as a result of this procedure.*

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee's or official's cumulative leave records, and agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files and agree the termination payment to entity policy.

*No exceptions were noted as a result of this procedure.*

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions were noted as a result of this procedure.*

## **10) Ethics**

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- A. Using the 5 randomly selected employees or officials from "Payroll and Personnel" procedure #9A, obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*Section not applicable to entity.*

## **11) Debt Service**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

*Section not applicable to entity.*

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select all, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*Section not applicable to entity.*

## **12) Fraud Notice**

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

*Section not applicable to entity.*

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Section not applicable to entity.*

## **13) Information Technology Disaster Recovery/Business Continuity**

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- A. Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*Discussed results of procedures with management.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*Section not applicable to entity.*

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

*Section not applicable to entity.*

## **14) Prevention of Sexual Harassment**

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- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

*Section not applicable to entity.*

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Section not applicable to entity.*

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;  
and
- v. Amount of time it took to resolve each complaint.

*Section not applicable to entity.*

We were engaged by State Fair of Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of State Fair of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, LA  
September 13, 2024

**Management responses to statewide agreed upon procedure exceptions:**

**Section 3 – Bank Reconciliations**

Management will make sure bank reconciliations include documentation of management approval.

**Section 6 – Credit Cards/Debit Cards/Fuel Cards/P-Cards**

Management will indicate review, approval, and business purpose of transactions for monthly credit card statements.

Robb Brazell  
President and General Manager  
State Fair of Louisiana