

State Fair of Louisiana

Statements of Cash Flows

Year Ended December 31,	1998			1997		
	Unaudited	Temporarily Restricted	Total	Unaudited	Temporarily Restricted	Total
Cash Flows From Operating Activities:						
Increase (decrease) in assets from operations	\$ 1,048,000	\$ -	\$ 1,048,000	\$ 1,504,000	\$ -	\$ 1,504,000
Adjustments to reconcile to net cash provided by operating activities:						
Depreciation	189,333	-	189,333	161,883	-	161,883
Loss on retirement of assets	4,883	-	4,883	21,938	-	21,938
Change in operating assets and liabilities:						
Accounts receivable	(134,000)	-	(134,000)	(71,477)	-	(71,477)
Prepaid expenses	(30,120)	-	(30,120)	(7,794)	-	(7,794)
Accounts payable and accrued expenses	89,884	-	89,884	(21,488)	-	(21,488)
Deferred events ticket sales	4,779	-	4,779	(4,488)	-	(4,488)
Deferred revenues	-	-	-	19,527	-	19,527
Net cash provided by operating activities	487,669	-	487,669	714,388	-	714,388
Cash Flows From Investing Activities:						
Expenditures for buildings, equipment and improvements	(300,781)	-	(300,781)	(320,413)	-	(320,413)
Proceeds from the sale of assets	-	-	-	7,584	-	7,584
Proceeds from the sale and maturity of investments	899,370	-	899,370	-	-	-
Purchase of investments	(183,400)	-	(183,400)	(26,091)	(189,200)	(215,291)
Net cash used in investing activities	(184,811)	-	(184,811)	(238,920)	(189,200)	(428,120)

(Continued)

State Fair of Louisiana

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State Fair of Louisiana

Notes to Financial Statements (Continued)

**28. Fair Value
of Financial
Instruments**
- (Continued)

Financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Management believes that the carrying amounts of the Fair's financial instruments approximate fair value due to their maturity dates and original purchase values.

State Fair of Louisiana

Statements of Cash Flows (Continued)

From Cash Flows of:	1995			1994		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Cash Flows From Financing Activities -						
Transfer to temporarily restricted	-	-	-	(2,000)	100,000	-
Net Increase (Decrease) in cash	(\$4,500)	-	(\$4,500)	18,404	-	18,404
Cash at beginning of year	204,408	-	204,408	20,800	-	20,800
Cash at end of year	\$199,908	0	\$199,908	\$39,204	0	\$39,204

See accompanying summary of accounting policies and notes to financial statements.



Independent Auditors' Report

The Executive Committee
State Fair of Louisiana
Shreveport, Louisiana

We have audited the accompanying statements of financial position of State Fair of Louisiana for the years ended December 31, 1993 and 1994, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Fair's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of State Fair of Louisiana as of December 31, 1993 and 1994, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

As discussed in Note 6 to the Financial Statements, the State Fair of Louisiana adopted Statements of Financial Accounting Standards Nos. 136 and 137.

Robertson, Bailes & McClelland, L.L.P.

February 13, 1996

State Fair of Louisiana

Financial Statements

Years Ended December 31, 1993 and 1994



ROBERTSON, PARRY & MCCLELLAND, L.L.P.
Accountants and Consultants

Year Ended December 31,	1991			1991		
	Unrestricted	Temporarily	Total	Unrestricted	Temporarily	Total
		Restricted			Restricted	
Assets						
Current assets:						
Cash	\$ 288,847	\$ -	\$ 288,847	\$ 288,239	\$ -	\$ 288,239
Investment (Notes 9 and 10)	118,488	-	118,488	290,990	-	290,990
Accounts receivable	185,760	-	185,760	85,130	-	85,130
Prepaid expenses and others	98,781	-	98,781	86,024	-	86,024
Total current assets	681,876	-	681,876	750,383	-	750,383
Receivable from investments (Note 4)	-	700,000	700,000	-	700,000	700,000
Property and equipment, net (Notes 1 and 3)	8,640,844	-	8,640,844	1,078,036	-	1,078,036
Other assets	118,890	-	118,890	-	-	-
	\$1,079,760	\$700,000	\$1,079,760	\$1,078,037	\$700,000	\$1,078,037

State Fair of Louisiana

Statements of Activities

Year Ended December 31,	1999			1998		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Fair	\$1,000,000	\$ -	\$1,000,000	\$1,300,000	\$ -	\$1,300,000
Gift income	700,000	-	700,000	700,000	-	700,000
Other (Note 4)	500,000	-	500,000	80,000	-	80,000
Total Revenues	2,200,000	-	2,200,000	2,080,000	-	2,080,000
Expenses:						
Fair	1,000,000	-	1,000,000	600,000	-	600,000
Gift income	800,000	-	800,000	800,000	-	800,000
Depreciation	100,000	-	100,000	60,000	-	60,000
Total expenses	2,100,000	-	2,100,000	1,460,000	-	1,460,000
Increase in net assets (unless otherwise noted as per year of change in accounting principle)	100,000	-	100,000	300,000	-	300,000
Corrective effect on prior years of change in accounting principle (Note 4)	100,000	-	100,000	-	-	-
Increase in net assets	200,000	-	200,000	300,000	-	300,000
Net assets, beginning of year	2,000,000	700,000	2,700,000	2,000,000	600,000	2,600,000
Statistical transfer	-	-	-	(100,000)	100,000	-
Net assets, end of year	\$4,200,000	\$700,000	\$4,900,000	\$4,200,000	\$700,000	\$4,900,000

See accompanying summary of accounting policies and notes to financial statements.

State Fair of Louisiana

Statements of Financial Position

Year Ended December 31,	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	\$ 100,000	\$ -	\$ 100,000	\$ 0,000	\$ -	\$ 0,000
Advance event ticket sales	10,000	-	10,000	5,000	-	5,000
Current portion of deferred income (Note 4)	60,000	-	60,000	300,000	-	300,000
Total current liabilities	170,000	-	170,000	305,000	-	305,000
Deferred income (Note 4)	24,000	-	24,000	0,000	-	0,000
Deferred compensation	10,000	-	10,000	-	-	-
Total liabilities	204,000	-	204,000	305,000	-	305,000
Contributions and expenditures (Note 4)						
Net Assets:						
Endowment (Note 4)	4,000,000	-	4,000,000	3,000,000	-	3,000,000
Temporarily restricted (Note 4)	-	700,000	700,000	-	300,000	300,000
Total net assets	4,000,000	700,000	4,700,000	3,000,000	300,000	3,300,000
	\$4,711,700	\$700,000	\$5,411,700	\$3,005,000	\$300,000	\$3,305,000

See accompanying summary of accounting policies and notes to financial statements.

ENGAGEMENT APPROVAL

5.9.03

Dear Practitioner and Auditor:

Pursuant to your joint request and subject to the conditions listed on the reverse side of this form, I am approving the attached engagement agreement for the engagement period listed below.

Audit engagements must be performed in accordance with Government Auditing Standards and OMB Circular A-75 or A-133, where applicable, and they must comply with the provisions of the Louisiana Governmental Audit Guide.

Compilation and attestation engagements must be performed in accordance with the Louisiana Governmental Audit Guide and the American Institute of Certified Public Accountants' Statements on Standards for Accounting and Review Services and Statements on Standards for Attestation Engagements.

Louisiana Revised Statute 24:513 and Section 128.01 of the Louisiana Governmental Audit Guide require all engagements to be completed and transmitted to the legislative auditor within six months of the close of the entity's fiscal year. Any noncompliance with these requirements shall be reported, together with a full explanation of the events leading to the noncompliance, in either the compliance report or management letter.

Immediately upon completion of the audit, nine copies of the report and any management letter (eight bound and one unbound - single-sided and not prepared for binding) must be submitted to my office.

Approved
 Daniel G. Kyle, CPA
 Legislative Auditor

Mr. Not engaged

Approval Date: _____

Entity Name:	State Fair of Louisiana	
Approval Period: From	01/01/95	To 12/31/95
	Multi-Year: 1 2 3 4	

<p>State: C 1</p> <p>Engagement Period Begins: 01/01/95</p> <p>Engagement Period Ends: 12/31/95</p> <p>Bank No.: 57 Bank Item: 003097</p> <p>OFID: 672</p> <p>Match Overwrite: _____ (Blank or X)</p> <p>Engagement Package Start Date: 999999</p> <p>Submitter's ID: 609</p> <p>Submitter's Name: Heschler</p> <p>Date Received: 999999 (Cont 1)</p> <p>Completion Date: 999999 (Cont 2)</p>	<p>Condition 4: <input checked="" type="checkbox"/> (A-Approved, B-Denied, C-Not Engaged, E-Acknowledged, F-Reserved)</p> <p>Condition 3: _____ (Blank or X)</p> <p>Override: _____ (Blank or 1) Purpose: _____ (Blank or Y)</p> <p>Type: C Status: B Worksheet: B</p> <p>Program: <input checked="" type="checkbox"/> Program Name: _____</p> <p>Remarks: Std procedure</p> <p>Control Number: 97202164</p> <p>Entered in LAAC database: <input checked="" type="checkbox"/></p>
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<p>Mr. Sam Gardner President & General Manager State Fair of Louisiana P.O. Box 58307 Shreveport, LA</p>	<p>Robertson, Baileymobile 114 666 Travis Street, Ste 800 Shreveport, LA 71101-5094</p>
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State Fair of Louisiana

Financial Statements

Years Ended December 31, 1993 and 1994

State Fair of Louisiana

Summary of Accounting Policies

Business	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 the maintenance in the Parish of Cadebo, 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.
Use of Estimates	The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.
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. Contributions in aid of construction are credited to contribution accounts and do not reduce the cost of the assets acquired with such contributions. Contribution accounts are charged with the depreciation on such assets.
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 \$750,000. Any sums transferred, which cause the balance above this amount, shall be used for property improvements.

State Fair of Louisiana

Summary of Accounting Policies (Continued)

Employee Benefits Plan

The Fair has a noncontributory defined-benefit pension plan covering all eligible employees. The general policy of the Fair is to fund amounts deductible for federal income tax purposes. However, for financial reporting purposes, the amounts accrued and expensed are in accordance with Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions" (Note 3).

Revenue Recognition

For the period ended December 31, 1995, unrestricted contributions and grants are recognized as revenue in the period in which the donation is received or the grant due and payable to the Fair. Prior to January 1, 1995, contributions for property improvements were recorded as the related assets or grant expenditures were acquired or incurred.

Income Taxes

The State Fair of Louisiana is exempt from federal income tax under provisions of Section 501(c)(2) of the Internal Revenue Code of 1954 and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana.

Statements of Cash Flows

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, purchased with an original maturity of three months or less, to be cash equivalents. Exclusive of Reserve Fund investments, deposits in interest-bearing accounts were held principally in one bank for the years ended December 31, 1995 and 1994 and totaled \$628,349 and \$413,416, respectively. Prior to reductions in those deposits to account for 1) reserve fund investments or 2) outstanding checks and deposits, respectively.

Reclassifications

Certain 1994 amounts have been reclassified to conform with 1995 presentation.

State Fair of Louisiana

Notes to Financial Statements

3. Property and Equipment

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 30 years.

The major classifications of property and equipment for the year ended December 31, 1995 and 1994 were as follows:

	1995	1994
Land	\$ 14,899	\$ 80,358
Buildings	5,177,836	4,732,716
Land improvements	788,876	592,879
Equipment	1,537,053	1,472,743
Constructions in progress	16,147	6,347
	7,485,811	7,084,953
Less accumulated depreciation and amortization	3,942,977	3,810,800
Net property and equipment	\$3,542,834	\$3,274,153

3. Pension Plan

The Fair sponsors a defined-benefit pension plan that covers all employees who have reached the age of 21 and completed 1,000 hours of employment during their initial 12 months of employment. The plan calls for benefits to be paid to eligible employees at retirement, based primarily upon years of service with the Fair and compensation rates near retirement. In February 1995, the executive committee approved an increase in plan benefit formula effective January 1, 1994. The effect of this change, \$3,000 decrease to net income, is reflected in the accompanying financial statements for the year ended December 31, 1994. Contributions to the plan reflect benefits attributed to employees' services to date, as well as services expected to be earned in the future. Plan assets consist primarily of mutual funds and money market accounts.

State Fair of Louisiana

Notes to Financial Statements (Continued)

2. Pension Plan - (Continued)

The following table sets forth the plan's funded status and amounts recognized in the Fair's financial statements at December 31, 1995 and 1994.

	1995	1994
Plan assets at fair value	\$190,000	\$ 180,000
Actuarial present value of benefit obligations:		
Accumulated benefit obligation, including vested benefits of \$99,000 and \$100,000	\$209,000	\$121,000
Effect of projected future salary increases	\$1,000	\$4,000
Projected benefit obligation	\$210,000	\$125,000
Fair value of plan assets in excess of projected benefit obligation	\$ 20,000	\$ 5,000
Unrecognized net loss from past experience different from that assumed	23,000	6,000
Unrecognized prior service cost at December 1, 1994 being recognized over 15 years	11,000	12,000
Unrecognized net asset at November 30, 1995 being recognized over 20 years	(80,000)	(57,000)
Propital pension cost	\$ 26,000	\$21,000

State Fair of Louisiana

Notes to Financial Statements (Continued)

2. Pension Plan - (Continued)

Net pension cost included the following components:

	1993	1994
Service cost - benefits earned during the period	\$ 17,000	\$ 14,000
Interest cost on projected benefit obligation	33,000	12,000
Actual return on plan assets	(15,000)	(15,000)
Net amortization and deferral	(2,000)	(2,000)
Net pension cost	\$ 33,000	\$ 9,000

The weighted average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 7% and 4%, for 1993 and 1994. The expected long-term rate of return on assets was 8% and 5% for 1993 and 1994, respectively.

3. State of Louisiana Appropriation

Amounts appropriated by the State of Louisiana for use in construction of various buildings on the fairgrounds are being reduced by the annual depreciation charge applicable to those buildings over their estimated useful lives. All funds appropriated have been used for construction. The balances are summarized as follows:

State Fair of Louisiana

Notes to Financial Statements (Continued)

3. State of Louisiana Appropriation - (Continued)

	State Funds	State Fair	Total
Property and equipment, net at December 31, 1994	\$1,268,358	\$1,947,685	\$3,194,058
Plus current year asset additions	-	598,791	598,791
Less 1995 depreciation expense	(68,797)	(208,208)	(169,232)
Transfer to Co-Operative endeavor agreement	168,993	(168,993)	-
Less asset retirements	-	(80,411)	(80,411)
	\$1,368,554	\$2,189,966	\$3,548,544

4. Reserve Fund

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. The investments in the Reserve Fund consist of the following:

	1995	1994
Certificates of deposit	\$700,000	\$500,000
Repurchase agreements	-	200,000
	\$700,000	\$700,000

The Fair's policy is to invest in certificates which give the highest rate of return without placing more than \$100,000 in a single financial institution.

State Fair of Louisiana

Notes to Financial Statements (Continued)

5. Commitments and Contingencies

Pending or threatened litigation affecting State Fair of Louisiana involves claims arising out of activities by lessees of fair facilities as well as claims relating to other events. Management believes the Fair has adequate public liability insurance in the event of any loss, as well as being named as additional insured under the insurance policies of the lessees.

On December 1, 1993, the Fair entered into an employment agreement with its current president and general manager which is effective from December 1, 1993 through December 31, 1997. The agreement was amended in 1995 to allow for the deferral of any discretionary bonus. The Fair currently deposits amounts to be deferred in a "Rabbi" trust.

6. Change in Accounting Principle

The Fair adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, in 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted or temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The adoption of SFAS No. 116, which is reflected in the accompanying 1995 financial statements, increased net assets by the \$300,072 cumulative effect of the change on prior years' financial statements.

In 1995, the Fair elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Fair is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. However, the Fair has no permanently restricted net assets per the definition in SFAS No. 117. In addition, the Fair is required to present a Statement of Cash Flows. As permitted by this new Statement, the Fair has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the classes of net assets required by SFAS No. 117. This reclassification had no effect on the change in net assets for 1995 and 1994.

State Fair of Louisiana

Notes to Financial Statements (Continued)

- 7. Related Party Transactions** During 1995 and 1994, the State Fair of Louisiana rented a building for storage from a member of the executive committee.
- During 1995 and 1994, the State Fair of Louisiana acquired an automobile from a company owned by an executive committee member and in 1994 acquired certain other equipment from a company owned by another executive committee member.
- 8. Deferred Income** During 1994, the State Fair of Louisiana received \$200,000 from the City of Shreveport for certain renovations and additions to Hinrich Memorial Coliseum. As of December 31, 1994, total expenditures related to the project were \$2,828 which were included in other revenue for the year. Included in current portion of deferred revenue as of December 31, 1994 is \$296,167 which represents the original grant from the City of Shreveport, less costs through December 31, 1994, plus certain interest earned on investments made with the funds received. These funds were utilized in 1995. Substantially all remaining deferred revenue relates to funds received for promotional activities which have not yet occurred.
- 9. Investment** The investment consists of a U.S. Treasury Bill as of December 31, 1995 and 1994 with an aggregate cost of \$114,448 and \$290,991, respectively. The market value of the Treasury Bill as of December 31, 1995 and 1994 was \$134,818 and \$292,340, respectively.
- 10. Fair Value of Financial Instruments** During the year ended December 31, 1995, the Fair adopted the provisions of Statement of Financial Accounting Standards No. 107 "Disclosures About Fair Values of Financial Instruments" (SFAS 107). This statement requires that the Fair disclose estimated fair values of its financial instruments. Financial instruments are defined as cash and contractual rights and obligations that require settlement, directly or indirectly, in cash. For purposes of SFAS 107, the fair value of a