

Note 2. Property, plant and equipment. (Continued)

Since construction of the new administration building was completed in January, 1968, the balance carried in construction in progress was transferred to fixed assets.

Note 3. Income taxes.

The State Fair of Louisiana is exempt from federal income tax under provisions of Section 500(c)(5) of the Internal Revenue Code of 1954 and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana.

Note 4. Pension plan.

Pension expenses relating to the State Fair of Louisiana Pension Plan amounted to \$51,350 for 1967 and \$25,064 for 1968. As of January 1, 1967, the date of the latest valuation, unfunded prior service liability was \$37,894.

	<u>1967</u>	<u>1968</u>
Actuarial present value of accumulated plan benefits:		
Vested	242,290	320,653
Unvested	79,456	71,333
Unfunded	<u>370,736</u>	<u>782,022</u>
Net assets available for benefits	<u>300,443</u>	<u>781,817</u>

Any employee who has attained the age of 21 and completed 1,000 hours of employment during their initial 12 months of employment, is eligible to participate in the plan. The age requirement to participate in the plan prior to January 1, 1968 was 25.

The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 5.5% for both January 1, 1967 and January 1, 1968.

Note 5. 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:

	<u>1967</u>	<u>1968</u>
Mirac Memorial Coliseum	1,350,000	1,350,000
Livestock barn	280,000	258,800
Children's berrand complex	600,000	600,000
Master plan	100,000	100,000
	<u>2,330,000</u>	<u>2,308,800</u>
Less-accumulated depreciation	988,327	914,536
	<u>1,341,673</u>	<u>1,394,264</u>

STATE FAIR OF LOUISIANA  
OUTSIDE GATE TICKET PRICES  
FOR THE FAIRS OF 1916 THROUGH 1987

<u>Year</u>	<u>Adult</u>	<u>Auto</u>	<u>Child</u>
1987	4.00	3.00	1.00
1986	3.00	3.00	1.00
1985	3.00	3.00	1.00
1984	3.00	3.00	1.00
1983	2.00	2.00	1.00
1982	2.00	2.00	1.00
1981	2.00	2.00	-
1980	2.00	1.00	-
1979	2.00	1.00	-
1978	2.00	1.00	-
1977	1.50	1.00	-
1976	1.50	1.00	-

STATE FAIR OF LOUISIANA  
SCHEDULE OF RETAIL AND BUREAUED INCOME AND EXPENSES  
FOR THE YEAR ENDED NOVEMBER 30, 1957

	<u>Federal</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>Income:</u>			
Admission to grounds	600,000	587,818	( 12,182)
Circus attractions	15,000	7,867	( 7,133)
Carnival shows and rides	250,000	218,117	( 31,883)
Concessions	200,000	219,740	19,740
Commercial exhibit space	30,000	33,067	3,067
Entry fees and other	80,000	89,000	9,000
Interest	45,000	78,140	33,140
Off season activities	360,000	271,339	( 88,661)
	<u>1,700,000</u>	<u>1,476,768</u>	<u>( 223,232)</u>
<u>Expenses:</u>			
Advertising and publicity	78,000	74,867	( 3,133)
Agriculture and livestock show	213,000	221,399	8,399
Attractions	182,000	187,394	5,394
Car and truck	4,000	1,864	( 2,136)
Decorations and signs	10,500	10,674	174
Buses and subscriptions	2,800	3,609	809
Electricity, gas and water	86,800	91,182	4,382
Electricians and supplies	84,800	77,130	( 7,670)
Fuel	3,000	6,813	3,813
Grounds expense	24,500	24,716	216
Insurance	184,000	184,746	746
Labor	137,000	148,818	11,818
Office supplies and expense	12,300	13,293	993
Outside gate expense	94,000	92,888	( 1,112)
Postage	3,900	3,283	( 617)
Professional fees-legal and audit	23,000	25,674	2,674
Public relations	4,000	4,166	166
Repairs and improvements	30,000	68,293	38,293
Retirement plan	28,800	27,915	( 885)
Refuse disposal	7,800	4,584	( 3,216)
Salaries	136,000	143,848	7,848
Security	36,800	75,713	38,913
Social security taxes	58,800	63,168	4,368
Telephone	8,300	8,103	( 197)
Travel and meetings	12,000	14,676	2,676
Contingency	300,000	-	( 300,000)
	<u>1,700,000</u>	<u>1,488,876</u>	<u>( 211,124)</u>
Net income	-	<u>( 211,124)</u>	<u>( 211,124)</u>

## STATE FAIR OF LOUISIANA

## SCHEDULE OF INCOME AND EXPENSES-OFF-SEASON ACTIVITIES

FOR THE YEARS ENDED NOVEMBER 30, 1987 AND 1988

	1987	1988
<u>Income:</u>		
Building and grounds rental	345,818	378,785
Concessions	117,778	168,327
	<u>463,596</u>	<u>547,112</u>
<u>Expenses:</u>		
Advertising	3,609	450
dues and meetings	260	
Labor	183,790	182,817
Professional fees	6,750	6,250
Repairs and maintenance	36,803	8,044
Salaries	45,703	47,418
Supplies	18,464	9,958
Telephone	4,766	8,687
Travel	1,790	2,488
Utilities	29,087	32,568
Waste disposal	3,154	5,817
Garden Gums Expo	838	1,028
	<u>374,768</u>	<u>358,001</u>
Net income	<u>88,828</u>	<u>189,111</u>
<u>Mid-winter livestock show</u>		
<u>Income:</u>		
Entry fees	4,317	9,917
Exhibitors and concessions	28,690	17,728
Attractions	41,621	33,583
	<u>74,628</u>	<u>61,228</u>
<u>Expenses:</u>		
Prize money paid	21,823	27,676
Other expenses	28,294	18,380
	<u>50,117</u>	<u>46,056</u>
Net income	<u>24,511</u>	<u>15,172</u>

## STATE FAIR OF LOUISIANA

## SCHEDULE OF EXPENSES-FAIR

FOR THE YEARS ENDED NOVEMBER 30, 1960 AND 1959

	1960	1959	Increase (Decrease)
Advertising and publicity	14,882	67,803	7,269
Agriculture and livestock program			
Premiums paid	60,400	58,394	2,178
Other expenses	250,913	138,480	14,453
Attractions	157,394	268,398	(10,984)
Car and truck	3,264	6,932	(3,668)
Decorations and signs	18,874	50,611	63
Decorations and signs	3,633	3,894	(243)
Bills and subscriptions	90,168	88,293	2,869
Electricity, gas and water	73,138	64,444	18,696
Electricians and supplies			
Fuel	5,913	8,685	(3,872)
Grounds expense	24,278	25,031	9,285
Insurance	168,746	149,666	15,145
Labor	146,616	175,698	11,037
Office supplies and expense	13,243	57,909	308
Outside gate expense	62,689	48,213	15,875
Photography exhibit		1,900	(1,900)
Postage	3,293	3,821	(528)
Professional fees-legal and audit	26,574	23,880	2,694
Public relations	6,165	4,481	3,784
Repairs and improvements	66,223	91,688	25,464
Retirement plan	22,816	28,825	(6,739)
Refuse disposal	4,651	6,808	(2,157)
Salaries	143,448	128,836	13,812
Security	73,733	36,475	(3,762)
Social Security taxes	63,188	65,821	7,641
Telephone	8,103	8,173	(70)
Travel and meetings	14,678	13,061	1,615
Total	<u>1,488,876</u>	<u>1,385,395</u>	<u>127,680</u>

## STATE FAIR OF LOUISIANA

## SCHEDULE OF GROSS INCOME-TAHS

FOR THE YEARS ENDED NOVEMBER 30, 1967 AND 1968

	1967	1968	Increase (Decrease)
<u>Admission to grounds:</u>			
Adults	362,493	343,439	11,834
Children	17,603	22,384	( 5,151)
Rates	94,662	103,778	( 9,116)
Advance sale	21,736	15,128	6,618
Exhibitors and other	29,520	17,648	7,838
Football game	-	4,561	( 4,561)
	<u>525,914</u>	<u>507,338</u>	<u>2,743</u>
<u>Attractions:</u>			
OPEN HOUSE	7,982	6,584	3,885
Motor Sports Spectacular	-	7,462	( 7,462)
Carnival shows and rides	218,112	248,662	( 30,549)
	<u>226,094</u>	<u>262,708</u>	<u>( 36,614)</u>
<u>Concessions</u>	272,780	273,624	( 844)
<u>Commercial exhibit space</u>	33,862	30,678	3,426
<u>Other fair income:</u>			
Livestock and Poultry pens	20,483	29,806	7,557
Horse show fees	18,907	21,876	( 1,950)
Trailer park	13,038	13,960	( 2,324)
Utility collections	16,642	15,212	420
Other	10,468	2,320	8,168
	<u>89,538</u>	<u>83,374</u>	<u>7,072</u>
<u>Total gross income</u>	<u>1,129,187</u>	<u>1,349,894</u>	<u>( 20,711)</u>
<u>Less-expenses</u>	<u>1,488,875</u>	<u>1,565,265</u>	<u>172,689</u>
<u>Net loss-Fair</u>	<u>( 359,688)</u>	<u>( 215,371)</u>	<u>( 143,227)</u>



Note 6. Sinking Fund.

That certain agreement between State Fair of Louisiana and the City of Shreveport dated May 15, 1988, provides in Paragraph III, B for the establishment of a Sinking 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 expenditures which will reduce the Contingency Fund below \$700,000 shall be authorized specifically by the Board of Directors and only for the purpose of covering incurred losses or for other emergency purposes. The amount in the Sinking Fund is invested in certificates of deposit and are segregated from other unrestricted funds as follows:

	<u>1987</u>	<u>1988</u>
Certificates of deposit-Sinking Fund	700,000	700,000

Note 7. Litigation.

The only pending or threatened litigation affecting State Fair of Louisiana at the present time involves suits arising out of activities by lessees of fair facilities. The State 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.



STATE FAIR OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 1987 AND 1986

The State Fair of Louisiana is a nonprofit corporation organized under the laws of the State of Louisiana on a notstock 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 Iudoo, 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.

Note 1. Summary of significant accounting policies.

Buildings and equipment are carried at cost and depreciated over the estimated useful life 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.

The corporation has a contributory pension plan covering all eligible employees. Pension expense is accrued in accordance with an actuarial cost method and it is the corporation's policy to fund pension costs accrued. Prior service costs under the plan are being funded over a ten year period.

The direct charge-off method of providing for bad debts is used due to relatively small losses resulting from failure to collect accounts receivable.

As provided by contract with the City of Shreveport, one-half of the net earnings of State Fair of Louisiana shall be set aside permanently in a Sinking Fund. This allocation is to continue until the Sinking Fund shall equal \$200,000. Any sum transferred which makes the balance above this amount shall be transferred into the Building Fund.

Note 2. Property, plant 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 20 years.

The major classifications of fixed assets were as follows:

	<u>1987</u>	<u>1986</u>
Land	26,928	14,428
Buildings	4,609,406	4,588,438
Land improvements	580,814	640,264
Equipment	1,385,145	1,167,791
	<u>6,802,393</u>	<u>6,410,921</u>
<u>Less-accumulated depreciation</u>	<u>2,284,535</u>	<u>2,630,087</u>
	<u>\$4,517,858</u>	<u>\$3,780,834</u>

# ENGAGEMENT APPROVAL

59.03

## Dear Practitioner and Auditor

Forward 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 GAMA Circular A-118 or A-119, where applicable, and they must comply with the provisions of the Louisiana Government Audit Guide.

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

Louisiana Revised Statute 34:503 and Section 128-81 of the Louisiana Government 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  
*By Not Engaged*

Approval Date \_\_\_\_\_

Entity Name: <u>State Fair of Louisiana</u>	Multi-Year: <u>1 2 3 4</u>
Approved Period: From <u>12.01.86</u> To <u>11.30.87</u>	

Status: <u>C1</u> Engagement Period Begin: <u>12.01.86</u> Engagement Period End: <u>11.30.87</u> Month No.: <u>57</u> Month Date: <u>04.2.87</u> OPI: <u>673</u> Month Override: _____ (Blank or X) Engagement Package Start Date: <u>09.09.89</u> Submitter's ID: <u>609</u> Submitter's Name: <u>Bischoff</u> Date Received: <u>09.09.89</u> (Date 1) Completion Date: <u>09.09.89</u> (Date 2)	Condition A: <u>N/A</u> Approved, D-Denied, With/Without Equipped, R-Reviewed, B-Reviewed Condition B: _____ (Blank or X) Override: _____ (Blank or D) Page: _____ (Blank or 1) Type: <u>C</u> Status: <u>N</u> Worktype: <u>B</u> Program: <u>18</u> Program Name: _____ Remarks: <u>See per Diem</u> Control Number: <u>92908156</u> Entered in LARS: (Optional) _____
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<u>Mr. Sam Giordano</u> <u>President &amp; General Manager</u> <u>State Fair of Louisiana</u> <u>P.O. Box 38387</u> <u>Shreveport, LA</u>	<u>Robertson, Ballew &amp; Co. Hard</u> <u>606 Travis Street, Ste 800</u> <u>Shreveport, LA 71001-3000</u>
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STATE FAIR OF LOUISIANA

SHREVEPORT, LOUISIANA

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STATE PAIR OF LOUISIANA  
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES  
September 30, 1987 AND 1986

<u>ASSETS</u>	<u>1987</u>	<u>1986</u>
Cash on hand and in banks	433,987	583,077
Certificates of deposit	900,000	900,000
Money market accounts	232,645	574,638
Accounts receivable	30,830	43,029
Accrued interest	3,584	7,750
Prepaid expenses	43,895	75,390
	<u>1,648,938</u>	<u>2,187,984</u>
Certificates of deposit-linking Fund-Bate 6	700,000	700,000
Land, buildings and equipment-Note 2	6,372,370	6,288,711
Less-accumulated depreciation-Note 2	(2,794,536)	(2,630,847)
	<u>3,577,834</u>	<u>3,725,924</u>
Total assets	<u>5,226,772</u>	<u>5,913,908</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>Liabilities:</u>		
Accounts payable	147,000	195,400
Deposits on certificates	110,179	80,605
	<u>257,179</u>	<u>276,005</u>
<u>Fund balances:</u>		
State of Louisiana appropriations-Note 5	1,424,537	1,480,376
Net investment in property	2,153,864	2,287,500
Sinking Fund	700,000	700,000
General Operating Fund	102,859	611,628
	<u>4,381,250</u>	<u>4,987,624</u>
Total liabilities and fund balances	<u>4,638,429</u>	<u>5,263,629</u>

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

STATE FAIR OF LOUISIANA  
STATEMENTS OF INCOME  
FOR THE YEARS ENDED NOVEMBER 30, 1957 AND 1956

	<u>1957</u>	<u>1956</u>	(Increase (Decrease))
<b>Income:</b>			
Admission to grounds	507,958	585,155	( 77,197)
Attractions	228,079	283,218	( 55,139)
Concessions	373,790	213,874	159,916
Commercial exhibit space	39,862	30,826	8,936
Entry fees	31,382	85,783	( 54,401)
Other fair income	37,966	31,682	6,284
Interest earned	78,148	94,958	( 16,810)
Off-season rentals	863,650	541,507	322,143
Mid-winter livestock show	74,250	68,781	5,469
	<u>1,759,287</u>	<u>1,886,725</u>	( 127,438)
<b>Expenses:</b>			
Advertising	74,867	63,883	10,984
Attractions	157,394	188,298	( 30,904)
Agriculture and livestock show	221,385	194,784	26,601
General and administrative expense	962,338	889,027	73,311
Outside sales	67,068	46,213	20,855
Off-season expense	274,764	318,303	( 43,539)
Mid-winter livestock show	87,313	45,835	41,478
	<u>1,707,136</u>	<u>1,636,643</u>	70,493
Operating income (loss)-before depreciation	( 47,849)	250,082	( 297,931)
<b>Depreciation:</b>			
On assets acquired with own funds	153,677	185,685	( 32,008)
On assets acquired with contributions	47,288	44,315	2,973
	<u>199,965</u>	<u>230,000</u>	( 30,035)
Net income (loss) for the year	( 247,814)	19,082	( 266,896)

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

STATE TAXES OF LOUISIANA  
STATEMENTS OF CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED NOVEMBER 30, 1987 AND 1988

	<u>Total</u>	<u>General Operating Fund</u>	<u>Stating Fund</u>	<u>State Appropriations</u>	<u>Net Investment in Property</u>
<u>Balance-November 30, 1985</u>	5,244,860	831,784	700,000	1,531,495	2,205,905
Net income for the year ended November 30, 1986	18,000	28,684			
Depreciation		190,000		( 43,315)	156,695
Additions to fixed assets		( 217,378)			217,378
<u>Balance-November 30, 1986</u>	5,287,514	835,580	700,000	1,488,305	2,267,508
Net loss for the year ended November 30, 1987	( 206,083)	( 306,808)			
Depreciation		190,516		( 43,839)	152,677
Additions to fixed assets		( 29,512)			29,512
<u>Balance-November 30, 1987</u>	5,081,431	792,572	700,000	1,444,537	2,152,483

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

TYPE: FINANCIAL INFORMATION



STATE FARM OF LOUISIANA

STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED NOVEMBER 30, 1963 AND 1962

	<u>1963</u>	<u>1962</u>
<u>Source of funds:</u>		
Net income (Loss) for the year	(200,895)	15,604
Expenses not requiring funds of the current period:		
Depreciation	197,518	168,000
Cash provided from operations	(3,377)	717,694
Decrease in money market accounts	641,960	182,890
Decrease in accounts receivable	32,708	-
Total cash provided	365,802	900,207
<u>Application of funds:</u>		
Expenditures for land, buildings, equipment and improvements	28,337	217,378
Increase in accounts receivable	-	53,385
Increase in accrued interest receivable	936	765
Increase in prepaid expense	8,064	9,314
Decrease in liabilities	85,806	47,896
Total cash used	174,203	297,238
Increase in cash	240,005	74,064
Cash at beginning of year	184,873	107,562
Cash at end of year	424,878	181,626

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