2. **Use of excess funds** – The board of directors placed excess funds into a building fund which was subsequently used in capital projects.

* * * *

This letter is intended solely for the use of the board of directors and management and should not be used for any other purpose.

In the near future, Jim McClelland will contact you to discuss the comments contained in this letter. We will also be available to discuss any of these points with the board of directors should you wish us to do so.

We appreciate the outstanding cooperation our staff received from your current staff during the audit of the Fair's financial statements.

Sincerely,

c: Mr. Ed Powell

Establishing such a policy would serve as an additional protection to management and the board of directors. Given the highly public nature of the Fair, the additional protection afforded by a policy such as this would allow the Fair to better respond to any accusations of impropriety. The recent parking fee publicity is one example of the potential for accusations.
We have found that establishing such a policy does not significantly hinder day to day activities since board members are generally available to sign needed checks. Authorizing a good cross section of the board to sign checks should reduce the possibility of not having access to check signers.

General Accounting

Lapses in internal control in 1996.

The Fair's accounting function suffered greatly during 1996 due to personnel changes.
Bank accounts were not reconciled timely, the accounting for funds received during the Fair was not as accurate as it could be and financial information provided to the board of directors was not accurate. As a result, one invoice was paid twice, checks were not recorded, depreciation expense was not recorded, receipts were not recorded and similar errors occurred. Some 30 journal entries were required in 1996 to correct the financial statements. This hindered the timely completion of the audit and caused the Fair to incur extra expense.

These problems can be traced to a change in the personnel structure of the Fair. Rather than list specific errors, we believe the significant point at this time is to recognize the problems occurred and management has taken steps to change the situation since the time of our audit. The addition of an accountant whose sole responsibility will be accounting and relieving the accounts payable bookkeeper from ticketing responsibilities for the 1997 State Fair should alleviate the majority of the problems noted this year.

We commend management on the personnel changes made over the course of the past several months.

Status of Prior Year Management Letter Comments

The following is the status of prior year management letter comments:

1. **Documentation for American Express and Country Club bills should be strengthened.** Documentation of these expenditures was better in 1996. However, we suggest management continue to strengthen such documentation by indicating the dates and purposes of business trips.

We do not intend to imply any of the preceding situations are applicable to the mentioned transactions. However, it is our duty to point out the potential for abuse. Accordingly, we recommend that this practice be strictly prohibited in the future.

Disbursements and receipts
should agree to executed contracts.

We noted during our testing of cash receipts that contract changes sometimes occur which are not noted as part of an executed contract. This most often will occur during the Fair when the staff is busy and such details are not foremost in the staff's mind. This could allow a vendor to claim it overpaid the Fair. Without proof of a contract change, the Fair would have no legal recourse but to refund the money to the vendor.

Another instance may be where the Fair has reduced the amount of charges to a contractor (the carnival, a promoter, etc.) to offset unexpected reductions in the contractor's income. This could present the potential for abuse.

We do not suggest there are any improprieties, but are required to point out the potential. To protect the Fair, we strongly encourage the implementation of a policy requiring contract change be in writing before it is honored.

The Fair should consider adopting
a policy requiring a board member's
signature on disbursements exceeding a specified limit.

The Fair's operations require management to issue large disbursements to individuals as well as companies. This requirement creates a greater than normal potential for abuse if not adequately controlled. There is also the potential for amounts to be expended in a manner in which the board of directors disagrees. Once the expenditure is made, there is often no way to recover.

Therefore, we believe management and the board of directors should review its check signing policies. We suggest a board member's signature be required on checks issued for non-event related expenditures, such as payment of fixed asset purchases, entertainment at the Fair and other normal operational expenses in excess of a specified amount. The amount above which a board member's signature is required is wholly up to management and the board of directors to determine.

Expenditures such as event settlements with promoters and cash needed for vault funds would continue to follow the current procedures.

RBM

Internal Control

In planning and performing our audit of the financial statements of the State Fair of Louisiana for the year ended December 31, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

Cash Receipts and Disbursements

Payment for services rendered by a company should
<u>be made payable to the company and not an individual.</u>

During our testing of cash disbursements, we found two payments for services rendered by Republic Contractors, Inc. were made payable to one of the Company's shareholders. The total amount of the checks was $40,682.40. The amounts were not supported by a formal invoice, but, by a handwritten recap of costs for the entire Hirsch Coliseum Project plus extras. The payment of funds due a corporation to one of its shareholders creates significant risk to the Fair.

First, there is a possibility the stockholder will not notify the Company of the payment received. The Company would never record the income and never receive the benefit due it from the payment to the stockholder. This could lead to the Fair being liable to the Company for payment of the amount due even though payment was made to the stockholder.

Second, if a Form 1099-Misc is not issued to the stockholder using his social security number, the Fair would be liable for penalties and interest for not properly filing information returns. In this instance, the Form 1099-Misc was issued to the stockholder, but using the Company's employer identification number.

Mr. Sam Giordano
July 8, 1997
Page 2

We recommend the Fair contact its actuaries and have them review the plan documents to be certain the plan does not cover "leased" employees under present law. Should the actuaries determine the document either, a) covers leased employees, or, b) is ambiguous on the topic, we recommend the documents be amended to exclude leased employees as eligible under the Fair's defined benefit pension plan.

The Fair should maintain documentation
proving exemption from the Fair Labor Standards Act.

The Fair does not pay time and one-half to hourly employees that work overtime. Instead, it relies on an exemption from the Fair Labor Standards Act ("FLSA") that exempts "amusement establishments" from such requirements and pays only straight time to its employees.

In the past, no documentation has been maintained to show the Fair meets the requirements to be eligible for the exemption under the FLSA. These standards require the exempt entity be in operation for less than seven months during the year, or, 66 2/3% of the receipts are earned in a six month period. Failure to meet the requirements could subject the Fair to severe penalties, including payment of past wages.

We suggest management determine the 66 2/3% requirement is still being met. Based on the results the test, management should proceed as necessary. Assuming the test is met, the Fair needs to document its compliance with the FLSA exemption requirements. Otherwise, the Fair should begin to pay overtime.

Written job descriptions for all major functions
should be prepared to minimize ADA exposure.

The Americans with Disabilities Act places major constraints on an employer's relationship with its employees. One such provision requires the employer to make "reasonable accommodations" to allow a disabled employee to perform job duties. No one is able to determine exactly what the "reasonable" accommodations might be nor what level of expense is required before the employer reaches the "unreasonable" mark.

As a defensive measure, many companies have prepared detailed job descriptions which will allow them to screen potential job applicants before they are hired. The Act will not allow an employer to inquire into the health of a candidate, but the employer can inquire as to whether the candidate can perform the required duties. To minimize exposure we suggest the Fair prepare and keep on file a detailed description of the duties of all personnel.

RBM
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July 8, 1997

Mr. Sam Giordano
President
The State Fair of Louisiana
Post Office Box 38327
Shreveport, Louisiana 71133

Dear Mr. Giordano:

In connection with our audit of the financial statements of Louisiana State Fair (the "Fair") for the year ended December 31, 1996, we observed the Fair's significant accounting policies and procedures and certain business, financial, administrative and non-profit tax practices.

In planning and performing our audit of the financial statements, we considered the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

As a result of our observations, we wish to bring the items in the following paragraphs to your attention.

Personnel

Management should review the provisions
of the Fair's defined benefit plan to
determine if any leased employees are eligible to participate.

The Fair leases a large portion of its work force from temporary agencies, primarily Jean Simpson. While this saves time and expense for the Fair, it may have an unintended consequence of adding eligible employees under the Fair's defined benefit pension plan.

In recent years, employment benefit plans have come under great scrutiny. With the general trend in corporate downsizing, the eligibility of "leased" employees to participate in defined benefit pension plans has become a major issue. The main test in determining whether leased employees are eligible for pension benefits is the language in the plan document. Presently, the document is silent on the issue.

5. Change in Accounting Principle – (continued)

Flows. As permitted by this Statement, the Fair has discontinued its use of fund accounting and has 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.

6. Related Party Transactions

During 1996 and 1995, the State Fair of Louisiana rented a building for storage from a member of the executive committee.

During 1996 and 1995, the State Fair of Louisiana acquired an automobile from a company owned by an executive committee member.

7. Investment

The investment consists of a U.S. Treasury Bill as of December 31, 1995 with an aggregate cost of $114,448. The market value of the Treasury Bill as of December 31, 1995 was $114,910.

8. Other Income

Included in other income in 1995 is $195,064 received through the State of Louisiana Cooperative Endeavor Program.

9. Concentrations of Credit Risk

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. A portion of the admissions sales are made by outlets on the Fair's behalf. At December 31, 1996 and 1995, accounts receivable included approximately $331,000 and $132,000, respectively, due from one outlet for proceeds from the sale of tickets in connection with the annual State Fair. At December 31, 1995, accounts receivable included approximately $76,000 for the sale of land to the City of Shreveport.

3. Reserve Fund – (continued)

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.

4. 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, 1992, the Fair entered into an employment agreement with its current president and general manager which is effective from December 1, 1992 through December 31, 1997. The agreement was amended in 1995 to allow for the deferral of any discretionary bonuses. The Fair currently deposits amounts to be deferred in a "Rabbi" trust.

5. 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 $300,972 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

2. Pension Plan – (Continued)

Net pension cost included the following components:

	1996	1995
Service cost – benefits earned during the period	$ 17,000	$ 17,000
Interest cost on projected benefit obligation	9,000	11,000
Actual return on plan assets	(15,000)	(15,000)
Net amortization and deferral	(3,000)	(1,000)
Net pension cost	$ 8,000	$ 12,000

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 was 7% for 1996 and 1995. The expected long-term rate of return on assets was 8% for 1996 and 1995.

3. 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:

	1996	1995
Certificates of deposit	$600,000	$700,000
Repurchase agreements	100,000	-
	$700,000	$700,000

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, 1996 and 1995.

	1996	1995
Plan assets at fair value	**$189,000**	$190,000
Actuarial present value of benefit obligations:		
Accumulated benefit obligation, including vested benefits of $86,000 and $90,000	**$105,000**	$100,000
Effect of projected future salary increases	**39,000**	51,000
Projected benefit obligation	**$144,000**	$151,000
Fair value of plan assets in excess of projected benefit obligation	**$ 45,000**	$ 39,000
Unrecognized net loss from past experience different from that assumed	**16,000**	33,000
Unrecognized prior service cost at December 1, 1994 being recognized over 15 years	**10,000**	11,000
Unrecognized net asset at November 30, 1988 being recognized over 20 years	**(49,000)**	(53,000)
Prepaid pension cost	**$ 22,000**	$ 30,000

1. 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 20 years.

The major classifications of property and equipment for the year ended December 31, 1996 and 1995 were as follows:

	1996	1995
Land	**$ 14,500**	$ 14,599
Buildings	**5,404,438**	5,177,936
Land improvements	**882,236**	759,876
Equipment	**1,596,113**	1,517,063
Construction in progress	**-**	16,147
	7,897,287	7,485,621
Less accumulated depreciation and amortization	**4,147,223**	3,942,577
Net property and equipment	**$3,750,064**	$3,543,044

2. 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. 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.

Statements of Cash Flows – (continued)

$121,483 in one institution and $553,410 in another institution prior to reductions in those deposits to account for 1) Reserve Fund investments and 2) outstanding checks and deposits.

Reclassifications

Certain 1995 amounts have been reclassified to conform with 1996 presentation.

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 2).

Revenue Recognition

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.

The Fair reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The net change in assets of other funds are reported as offsetting revenue (expense) solely to simplify financial statement presentation. Restricted donations on which the restriction expires in the same period as the revenue is recognized are reported as unrestricted revenues.

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 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.

Included in cash at December 31, 1996 are interest bearing deposits totalling $628,672 after reducing certain deposits for amounts allocable to Reserve Fund investments. Interest bearing deposits include

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 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.

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 those 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 $700,000. Any sums transferred, which raise the balance above this amount, shall be used for property improvements.

State Fair of Louisiana

Statements of Cash Flows

	1996			1995		
Years Ended December 31,	**Unrestricted**	**Temporarily Restricted**	**Total**	Unrestricted	Temporarily Restricted	Total
Cash Flows From Operating Activities:						
Increase in net assets from operations	**$ 53,615**	**$ –**	**$ 53,615**	$ 348,800	$ –	$ 348,800
Adjustments to reconcile increase in net assets to net cash provided by operating activities:						
Depreciation	**213,681**	–	**213,681**	169,332	–	169,332
Loss on retirement of assets	**18,248**	–	**18,248**	4,851	–	4,851
Deferred compensation	**11,014**	–	**11,014**	12,000	–	12,000
Change in operating assets and liabilities:						
Accounts receivable	**(117,881)**	–	**(117,881)**	(134,908)	–	(134,908)
Prepaid expenses	**10,079**	–	**10,079**	(10,722)	–	(10,722)
Accounts payable and accrued expenses	**(3,008)**	–	**(3,008)**	85,554	–	85,554
Advance event ticket sales	**241,885**	–	**241,885**	4,779	–	4,779
Deferred revenue	**(1,240)**	–	**(1,240)**	–	–	–
Net cash provided by operating activities	**426,393**	–	**426,393**	479,686	–	479,686
Cash Flows From Investing Activities:						
Expenditures for buildings, equipment and improvements	**(438,949)**	–	**(438,949)**	(598,751)	–	(598,751)
Proceeds from the sale and maturity of investments	**214,448**	–	**214,448**	899,179	–	899,179
Purchase of investments	**(11,014)**	–	**(11,014)**	(834,636)	–	(834,636)
Net cash used in investing activities	**(235,515)**	–	**(235,515)**	(534,208)	–	(534,208)
Net increase (decrease) in cash	**190,878**	–	**190,878**	(54,522)	–	(54,522)
Cash, at beginning of year	**250,817**	–	**250,817**	305,339	–	305,339
Cash, at end of year	**$ 441,695**	**$ –**	**$ 441,695**	$250,817	$ –	$250,817

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

State Fair of Louisiana

Statements of Activities

	1996			1995		
Years Ended December 31,	**Unrestricted**	**Temporarily Restricted**	**Total**	Unrestricted	Temporarily Restricted	Total
Revenues:						
Fair	**$1,380,024**	**$ –**	**$1,380,024**	$1,332,626	$ –	$1,332,626
Off-season	**784,773**	**–**	**784,773**	765,238	221Y	765,238
Other (Note 8)	**70,370**	**–**	**70,370**	354,945	–	354,945
Total revenue	**2,235,167**	**–**	**2,235,167**	2,452,809	–	2,452,809
Expenses:						
Fair	**1,006,870**	**–**	**1,006,870**	1,018,947	–	1,018,947
Off-season	**961,001**	**–**	**961,001**	915,730	–	915,730
Depreciation	**213,681**	**–**	**213,681**	169,332	–	169,332
Total expenses	**2,181,552**	**–**	**2,181,552**	2,104,009	–	2,104,009
Increase in net assets before cumulative effect on prior years of change in accounting principle	**53,615**	**–**	**53,615**	348,800	–	348,800
Cumulative effect on prior years of change in accounting principle (Note 5)	**–**	**–**	**–**	300,972	–	300,972
Increase in net assets	**53,615**	**–**	**53,615**	649,772	–	649,772
Net assets, beginning of year	**4,156,898**	**700,000**	**4,856,898**	3,507,126	700,000	4,207,126
Net assets, end of year	**$4,210,513**	**$700,000**	**$4,910,513**	$4,156,898	$700,000	$4,856,898

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

State Fair of Louisiana

Statements of Financial Position

December 31,	1996 Unrestricted	1996 Temporarily Restricted	1996 Total	1995 Unrestricted	1995 Temporarily Restricted	1995 Total
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	**$ 163,879**	**$ –**	**$ 163,879**	$ 166,887	$ –	$ 166,887
Advance event ticket sales	**252,260**	**–**	**252,260**	10,375	–	10,375
Current portion of deferred income	**13,360**	**–**	**13,360**	12,600	–	12,600
Total current liabilities	**429,499**	**–**	**429,499**	189,862	–	189,862
Deferred income	**12,000**	**–**	**12,000**	14,000	–	14,000
Deferred compensation (Note 4)	**23,014**	**–**	**23,014**	12,000	–	12,000
Total liabilities	**464,513**	**–**	**464,513**	215,862	–	215,862
Commitments and contingencies (Note 4)						
Net Assets:						
Unrestricted (Note 5)	**4,210,513**	**–**	**4,210,513**	4,156,898	–	4,156,898
Temporarily restricted (Note 5)	**–**	**700,000**	**700,000**	–	700,000	700,000
Total net assets	**4,210,513**	**700,000**	**4,910,513**	4,156,898	700,000	4,856,898
	$4,675,026	**$700,000**	**$5,375,026**	$4,372,760	$700,000	$5,072,760

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

	1996			1995		
December 31,	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Assets						
Current assets:						
Cash	$ 441,695	$ –	$ 441,695	$ 250,817	$ –	$ 250,817
Investment (Note 7)	–	–	–	114,448	–	114,448
Accounts receivable (Note 9)	371,581	–	371,581	253,700	–	253,700
Prepaid expenses and other	88,672	–	88,672	98,751	–	98,751
Total current assets	901,948	–	901,948	717,716	–	717,716
Reserve fund investments (Note 3)	–	700,000	700,000	–	700,000	700,000
Property and equipment, net (Note 1)	3,750,064	–	3,750,064	3,543,044	–	3,543,044
Other assets	23,014	–	23,014	112,000	–	112,000
	$4,675,026	$700,000	$5,375,026	$4,372,760	$700,000	$5,072,760

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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, 1996 and 1995, 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. Those 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, 1996 and 1995, and the results of its activities and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

As discussed in Note 5 of the Notes to Financial Statements, the State Fair of Louisiana adopted Statements of Financial Accounting Standards Nos. 116 and 117 in 1995.

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

May 20, 1997

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RBM ROBERTSON, BAILES & McCLELLAND L.L.P.
Accountants and Consultants