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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

August 22, 2016

Cindy Hoye, Executive Director
Indiana State Fair Commission
1202 E 38th St
Indianapolis, IN 46205

We have reviewed the audit report prepared by Crowe Horwath LLP, Independent Public Accountants, for the period January 1, 2014 to December 31, 2014. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Indiana State Fair Commission, as of December 31, 2014, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

INDIANA STATE FAIR COMMISSION
(A COMPONENT UNIT OF THE
STATE OF INDIANA)

FINANCIAL STATEMENTS
December 31, 2014

INDIANA STATE FAIR COMMISSION
(A COMPONENT UNIT OF THE STATE OF INDIANA)
Indianapolis, Indiana

FINANCIAL STATEMENTS
December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

The Members of the Commission
Indiana State Fair Commission
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Indiana State Fair Commission (Commission), a component unit of the State of Indiana, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Indiana State Fair Commission as of December 31, 2014, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, errors in the prior year were discovered during the current year. An adjustment has been made to pledges receivable, construction in progress and capital lease payable, and net position as of January 1, 2014 to correct the errors. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Crowe Horwath LLP
Crowe Horwath LLP

Indianapolis, Indiana
June 30, 2015

INDIANA STATE FAIR COMMISSION
2014 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2014

As management of the Indiana State Fair Commission (Commission), we offer readers of the Commission's basic financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2014.

FINANCIAL HIGHLIGHTS

- The Commission's assets exceeded its liabilities at the close of the most recent fiscal year by \$42.5 million (net position). Of this amount, \$5.5 million (unrestricted net position) may be used to meet any of the Commission's ongoing obligations. There is a total of \$.5 million in net position that has been internally designated by the Commission for specific purposes: this amount is set aside as a reserve for net earnings for the Indiana State Fair; the funds are intended to be available for the Commission to use toward paying lease payments associated with the Coliseum Project debt service if the Fair fails to hit budgeted net earnings.
- The Commission's current assets decreased by \$4.2 million, and total liabilities increased \$6.0 million during the current fiscal year. Cash and cash equivalents decreased \$.1 million. The most significant shifts in current assets were decreases in unrestricted assets used for the Coliseum Renovation Project, and in accounts receivable, the liabilities increase was due to funds received through a capital lease related to the Coliseum Renovation Project; cash had a minimal change due to normal business fluctuations.
- The Commission's total net position decreased by \$6.6 million during the current fiscal year. Increases in depreciation expense related to the Coliseum Renovation and higher capital lease payments were the two most noteworthy causes for the decrease in total net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The State Fair Commission was established per Indiana Code 15-1.5-2 as the trustee for and on behalf of the people of the State of Indiana to administer the State Fairgrounds as trust property of the State of Indiana. The Commission is a separate body, corporate and politic. The Commission is not a state agency. Therefore, the organization's financial activities are accounted for in a manner similar to a commercial enterprise on the accrual basis of accounting. The Commission's basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Change in Net Fund Position, Statement of Cash Flows, and the notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves. All information included in this analysis is presented for the two most recent fiscal years to provide the opportunity for comparison between years.

The Indiana State Fair Foundation was created in July, 2011. The Board of Directors of the Foundation is made up of Commission Members of the Indiana State Fair Commission. Therefore, the Foundation is considered a Blended Component Unit of the Commission for the purpose of financial reporting.

The *Statement of Net Position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

INDIANA STATE FAIR COMMISSION
2014 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Commission's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. In contrast, the *Statement of Cash Flows* is concerned solely with flows of cash and cash equivalents. Transactions are recorded when cash is received or exchanged, without concern of when the underlying event causing the transactions occurred.

In addition to the financial statements within this report, the *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

As indicated in the *Summary of Significant Accounting Policies Note B*, management has recorded prior period adjustments for pledges receivable, capital assets, capital lease liability and beginning net position. The MD&A has been updated for the 2013 restatements.

FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Commission, assets exceeded liabilities by \$42.5 million at the close of the most recent fiscal year.

Indiana State Fair Commission's Comparative Summary of Net Position
(In Thousands of Dollars)

	2014	2013 as restated
Current and other assets	\$ 11,722	\$ 15,897
Capital assets	<u>91,943</u>	<u>88,302</u>
Total assets	<u>103,665</u>	<u>104,199</u>
Deferred outflows of resources	<u>160</u>	<u>233</u>
Current liabilities	2,754	2,775
Noncurrent liabilities	<u>58,585</u>	<u>52,524</u>
Total liabilities	<u>61,339</u>	<u>55,299</u>
Net position:		
Net investment in capital assets	32,408	34,281
Restricted	4,039	6,005
Unrestricted	<u>6,039</u>	<u>8,847</u>
Total net position	<u>\$ 42,486</u>	<u>\$ 49,133</u>

INDIANA STATE FAIR COMMISSION
2014 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2014

FINANCIAL ANALYSIS (continued)

Net position decreased in 2014 after having increased in both of the two previous fiscal years. The increases were primarily generated by contributions received by the Foundation related to the Coliseum Renovation Project; the decrease in the most recent fiscal year can be attributed to significant increases in depreciation expense and capital lease payments.

Restricted net position decreased in 2014 by \$2.0 million. The one major factor related to this decrease was the use of restricted Foundation funds for the Coliseum Renovation Project.

Indiana State Fair Commission's Comparative Summary of Changes in Net Position
(In Thousands of Dollars)

	2014	2013 as restated
Operating revenues:		
State Fair	\$ 10,939	\$ 10,536
Rental of buildings	4,302	3,252
Parking	1,160	1,198
Concessions	675	611
Fairgrounds events	38	7
Skating	361	153
Other	215	192
Total operating revenues	<u>17,690</u>	<u>15,949</u>
Operating expenses:		
State Fair	10,842	9,113
Professional services	6,543	4,467
Depreciation	5,307	3,905
Payroll	5,523	5,165
Materials & supplies	1,053	756
Capital expenditures	645	115
Other	769	693
Total operating expenses	<u>30,682</u>	<u>24,214</u>
Loss from operations	<u>(12,992)</u>	<u>(8,265)</u>
Non-operating revenues:		
Tax distributions	7,649	7,756
Contributions	623	1,675
Investment income	11	1,167
Total Nonoperating Revenues	<u>8,283</u>	<u>10,598</u>
Non-operating expense:		
Interest expense	<u>(2,169)</u>	<u>(1,053)</u>
Total non-operating expense	<u>(2,169)</u>	<u>(1,053)</u>
Loss before capital contributions	(6,878)	1,280
Capital contributions	<u>231</u>	<u>1,870</u>
Change in net position	<u>(6,647)</u>	<u>3,150</u>
Net position:		
Beginning of year	<u>49,133</u>	<u>45,983</u>
End of year	<u>\$ 42,486</u>	<u>\$ 49,133</u>

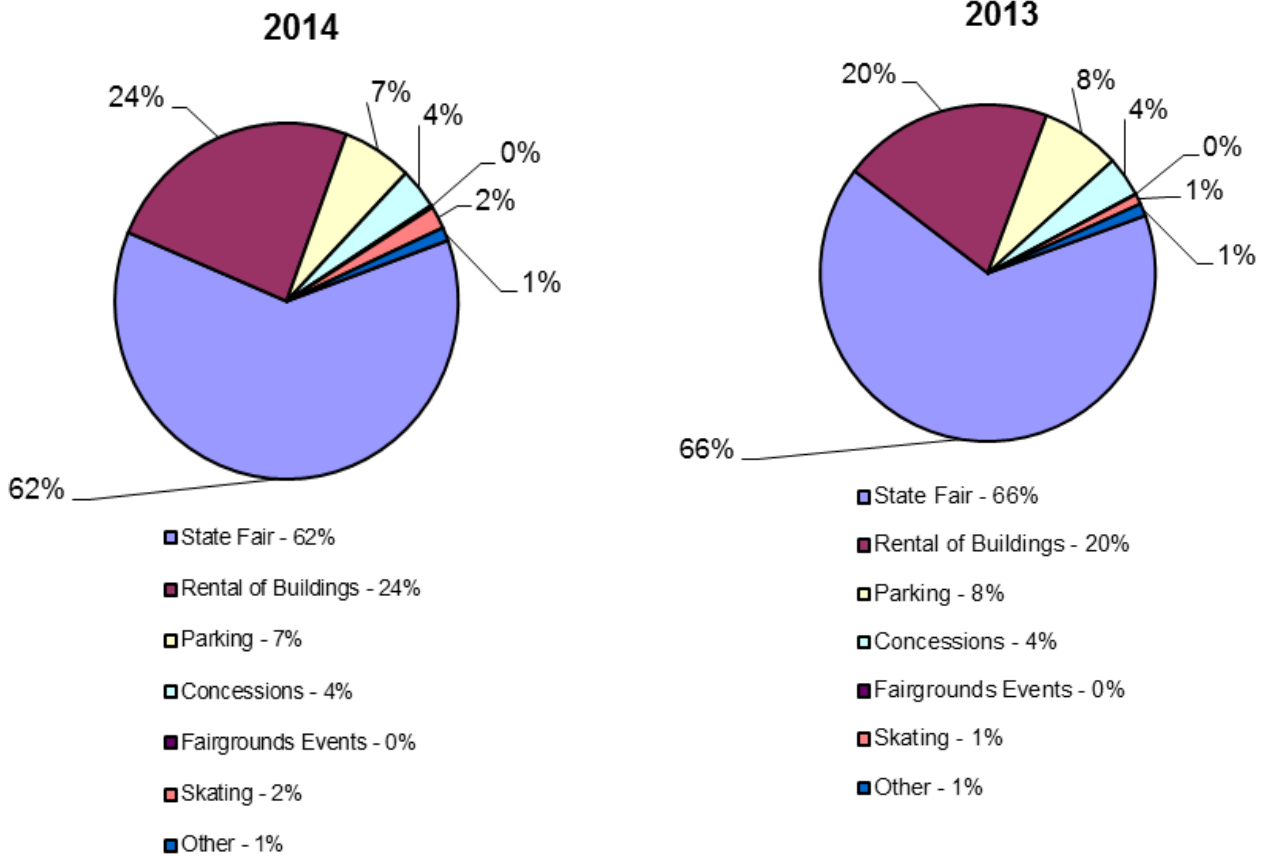
INDIANA STATE FAIR COMMISSION
2014 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2014

FINANCIAL ANALYSIS (continued)

State Fair revenue increased \$.4 million. The ideal weather in August resulted in a near record attendance at the 2014 Fair. The return of major ticketed concerts to the Fair increased entertainment revenue. Fair attendance of 954,884 was slightly lower than the record attendance of the previous year; which resulted in gates and parking being marginally lower. Expenses increased by \$1.7 million. The increase is mainly due costs associated with the ticketed concerts, combined with the continued increased investment in overall entertainment for the Fair.

The Commission's net position decreased \$6.6 million during the current fiscal year, after increasing \$3.2 million and \$5.5 million during the preceding two fiscal years. The decrease, as well as the preceding increases, has a notable correlation to the financial results of the Fair, as well as the financial impact of the Coliseum Renovation Project.

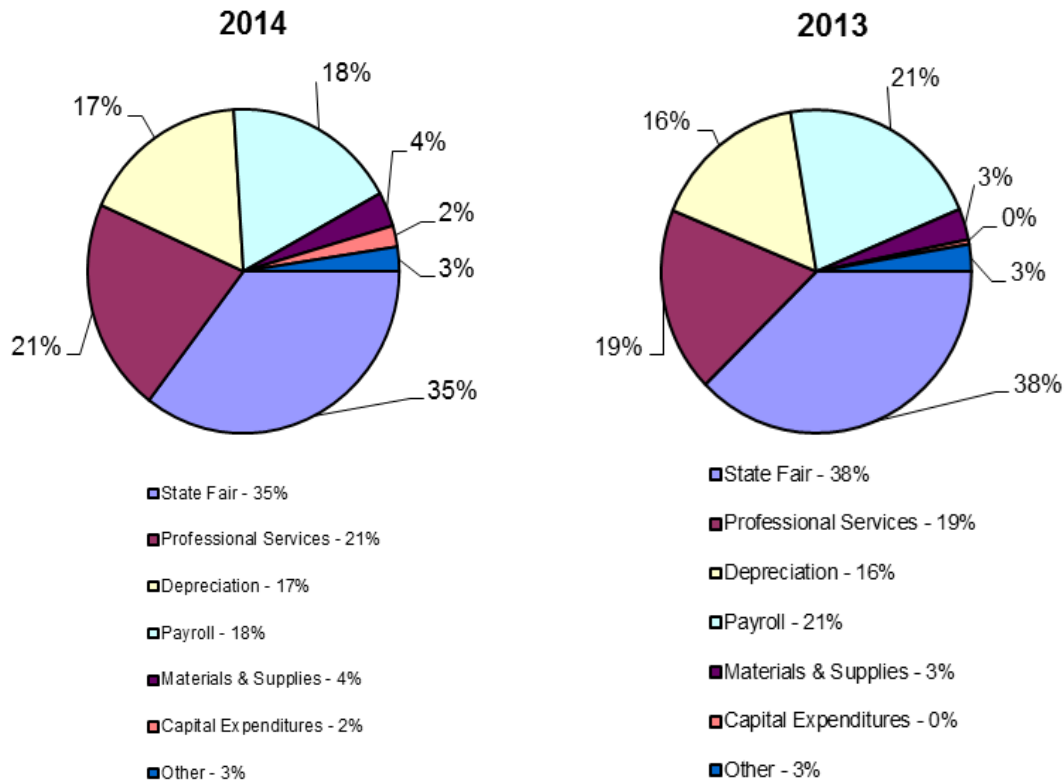
REVENUES BY SOURCE



INDIANA STATE FAIR COMMISSION
2014 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2014

FINANCIAL ANALYSIS (continued)

EXPENSES BY TYPE



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Commission's total capital assets as of December 31, 2014, amounts to \$90.5 million (net of accumulated depreciation). This includes land, land improvements, buildings, equipment, and furnishings and fixtures. There was an additional \$1.4 million in construction in progress as of that date bringing the total capital assets to \$91.9 million. Net investment in capital assets at December 31, 2014 was \$32.4 million. The total decrease in the Commission's net investment in capital assets for the current fiscal year was \$1.9 million.

Major capital asset events during the current fiscal year included the following:

- The Coliseum Renovation Project was completed on time and on budget in 2014. There was \$7.7 million added to capital assets related to this project in 2014. A total of \$58.5 million was capitalized for depreciation.
- Construction was started on a transportation enhancement grant project to renovate the plaza area in front of the Coliseum. The Commission portion of that grant is expected to be \$770 thousand, of which \$362 thousand was expended in 2014.
- Major repairs were done to the roof of the Home and Family Arts Building. The Commission expended \$168 thousand for these repairs in 2014.

INDIANA STATE FAIR COMMISSION
2014 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

- A major renovation of the speed barns located on the Fairgrounds continued in 2014 with \$152 thousand being spent during the fiscal year. The project is being funded by State Funding through the Standardbred Racing Fund. The total project will be a minimum of \$2.2 million.
- Citizens Gas replaced several gas lines throughout the Fairgrounds costing the Commission \$138 thousand in 2014.
- Other major projects include replacing HVAC systems in the Home and Family Arts Building and Expo Hall (\$86 thousand), the purchase of a new forklift (\$40 thousand), a new roof on the Normandy Barn (\$34 thousand), and tenant office renovations in the Public Safety Building (\$35 thousand).

Indiana State Fair Commission's Capital Assets
(Net of Depreciation)
(In Thousands of Dollars)

	2014	2013, as restated
Land	\$ 1,334	\$ 1,334
Land improvements	3,967	4,579
Buildings	84,958	30,282
Equipment	69	67
Furnishings & fixtures	249	356
Construction in progress	<u>1,366</u>	<u>51,684</u>
Total	<u>\$ 91,943</u>	<u>\$ 88,302</u>

Additional information on the Commission's capital assets can be found in the notes to the financial statements.

Debt: On November 9, 2012 the Indiana Finance Authority (IFA) completed a bond issue (Series 2012L), maturing July 1, 2017, used to pay a one-time lease payment of \$4.7 million to the Commission; whereby the Commission leased the Coliseum to the IFA under a Base Lease. The proceeds, along with other available funds were used to pay off the 2002 bonds.

Also, on November 9, 2012, the IFA completed a second bond issue (Series 2012M); the principal of that bond issue was \$57.6 million. The proceeds from that bond were used for the Coliseum Renovation Project. The Commission has entered into a Master Use and Occupancy Agreement with the IFA; per the agreement, the Commission will make lease payments to the IFA for the use of the Coliseum. As of December 31, 2014, there was \$1.2 million in short term principal and \$58.5 million in long term debt principal outstanding on the agreement.

Both debt transactions are recorded as a Capital Lease Payable in the financial statements and notes.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of this information should be addressed to Indiana State Fair Commission, 1202 East 38th Street, Indianapolis, IN 46205.

INDIANA STATE FAIR COMMISSION
STATEMENT OF NET POSITION
December 31, 2014

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 4,499,240
Restricted Cash and Cash Equivalents: Standardbred Racing Fund	434,190
Cash and Cash Equivalents: Foundation	1,157,246
Restricted Cash and Cash Equivalents: Foundation	3,604,693
Accounts Receivable	790,186
Pledge Receivable	124,985
Interest Receivable	1,480
Prepaid Expense	<u>75,418</u>
Total Current Assets	<u>10,687,438</u>
Noncurrent Assets:	
Investments - Unrestricted	535,000
Commission Designated Investments - Indiana State Fair Reserve	<u>500,000</u>
Total Unrestricted and Designated Investments	<u>1,035,000</u>
Capital Assets:	
Construction in Progress	1,365,431
Property, Plant and Equipment	
Land and Improvements	15,541,547
Buildings and Improvements	137,073,937
Machinery and Equipment	4,074,599
Office Furniture and Equipment	1,246,448
Less: Accumulated Depreciation	<u>(67,358,939)</u>
Capital Assets, Net of Depreciation	<u>91,943,023</u>
Total Noncurrent Assets	<u>92,978,023</u>
Deferred Outflows of Resources	
Unamortized Loss on Sale of Bonds	<u>159,749</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 103,825,210</u>

Liabilities and Net Position

Current Liabilities:	
Accounts Payable	\$ 1,157,824
Salaries Payable	105,855
Payroll Withholdings Payable	6,213
Capital Leases Payable - Current	1,212,500
Taxes Payable	6,670
Unearned Revenue	151,840
Compensated Absences Payable - Current	<u>113,542</u>
Total Current Liabilities	<u>2,754,444</u>
Noncurrent Liabilities:	
Capital Leases Payable - Long-Term	58,481,963
Compensated Absences - Long-Term Payable	<u>103,038</u>
Total Noncurrent Liabilities	<u>58,585,001</u>
Total Liabilities	<u>61,339,445</u>
Net Position:	
Net Investment in Capital Assets	32,408,309
Restricted - Expendable:	
Indiana State Fair Foundation Projects	3,604,693
Standardbred Racing Fund	434,190
Unrestricted	<u>6,038,573</u>
Total Net Position	<u>42,485,765</u>
Total Liabilities and Net Position	<u>\$ 103,825,210</u>

See accompanying notes to financial statements

INDIANA STATE FAIR COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2014

Operating Revenues:

Fair Operations:

Gates	\$ 3,556,228
Concessions/Midway	2,677,614
Entertainment	881,431
Sponsorship	1,270,322
Department	148,861
Sport/Events	119,640
Livestock	409,282
Shuttle Bus	213,124
Parking	1,007,230
Other	<u>655,289</u>

Total Fair Operations 10,939,021

Non-Fair Operations:

Concessions	675,408
Rentals of Buildings, Grounds, and Equipment	2,896,437
Expense Reimbursement	1,405,456
Fairground Events	38,244
Ice Skating and Skate Shop	361,007
Parking	1,159,797
Sponsorships	180,000
Other	<u>35,220</u>

Total Non-Fair Operations 6,751,569

Total Operating Revenues 17,690,590

Operating Expenses:

Fair Operations:

Personal Services	2,371,534
Services Other Than Personal	390,802
Services by Contract	6,660,944
Materials, Parts and Supplies	729,075
Equipment	297
Grants/Subsidies/Refunds/Awards	642,521
Travel	<u>46,749</u>

Total Fair Operations 10,841,922

See accompanying notes to financial statements

INDIANA STATE FAIR COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2014

Operating Expenses (continued):

Non-Fair Operations:

Personal Services	5,523,099
Services Other Than Personal	2,540,761
Services by Contract	4,003,013
Materials, Parts and Supplies	1,053,015
Equipment	12,680
Lands/Structures	632,164
Depreciation	5,307,255
Grants/Subsidies/Refunds/Awards	711,989
Travel	20,730
Bad Debt Expense	<u>36,708</u>

Total Non-Fair Operations 19,841,414

Total Operating Expenses 30,683,336

Operating Loss (12,992,746)

Nonoperating Revenues (Expenses):

Property Tax Distribution	102
State General Fund Appropriations	706,500
Riverboat Distribution	5,769,844
Pari-Mutual, Off Track Betting Distribution	172,542
Standardbred Racing Fund	1,000,000
Investment Earnings	11,468
Interest Expense	(2,169,416)
Grants and Contributions	<u>622,362</u>

Total Nonoperating Revenues 6,113,402

Loss before Capital Contributions (6,879,344)

Capital Contributions 231,213

Change in Net Position (6,648,131)

Total Net Position, January 1 48,299,093

Prior Period Adjustment (Note I) 834,803

Total Net Position, January 1 (as restated) 49,133,896

Total Net Position, December 31 \$ 42,485,765

See accompanying notes to financial statements

INDIANA STATE FAIR COMMISSION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2014

Cash Flows from Operating Activities:	
Receipts from Customers and Users	\$ 19,083,683
Payments to Suppliers	(16,976,690)
Payments to Employees	<u>(7,999,120)</u>
Net Cash Used by Operating Activities	<u>(5,892,127)</u>
Cash Flows from Noncapital Financing Activities:	
Tax Distributions from State	6,942,488
State General Fund Appropriations	993,000
Grants and Contributions	<u>512,742</u>
Net Cash Provided by Noncapital Financing Activities:	<u>8,448,230</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition/Construction of Capital Assets	(2,465,073)
Principal Paid on Capital Lease Debt	(810,000)
Interest Paid on Capital Lease Debt	(2,096,387)
Grants and Contributions	<u>1,050,651</u>
Net Cash Used by Capital and Related Financing Activities	<u>(4,320,809)</u>
Cash Flows From Investing Activities:	
Purchase of Investments	(25,000)
Interest Income Received	<u>12,874</u>
Net Cash Used in Investing Activities	<u>(12,126)</u>
Net Increase in Cash and Cash Equivalents	(1,776,832)
Cash and Cash Equivalents, January 1	<u>11,472,201</u>
Cash and Cash Equivalents, December 31	<u>\$ 9,695,369</u>
Reconciliation of Cash and Cash Equivalents:	
Cash and Cash Equivalents, Current, per Statement of Net Position	\$ 5,656,486
Restricted Cash and Cash Equivalents, Current, per Statement of Net Position	<u>4,038,883</u>
Cash and Cash Equivalents, per Statement of Net Position	<u>\$ 9,695,369</u>
Cash Flows from Operating Activities:	
Operating Loss	\$ <u>(12,992,746)</u>
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation/Amortization Expense	5,307,255
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	1,420,717
(Increase) Decrease in Inventory	16,936
(Increase) Decrease in Prepaid Expenses	(12,477)
(Increase) Decrease in Net Pension Asset	(22,185)
Increase (Decrease) in Accounts Payable	500,475
Increase (Decrease) in Salaries and Payroll Withholding Payables	49,531
Increase (Decrease) in Unearned Revenue	(27,624)
Increase (Decrease) in Accrued Compensated Absences	(131,833)
Increase (Decrease) in Taxes Payable	<u>(176)</u>
Total Adjustments	<u>7,100,619</u>
Net Cash Used by Operating Activities	<u>\$ (5,892,127)</u>
Noncash Financing Activities:	
Capital asset additions acquired through capital lease	\$ 6,482,914

See accompanying notes to financial statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Indiana State Fair Commission, a component unit of the State of Indiana, was established per Indiana Code 15-1.5-2 as the trustee for and on behalf of the people of the State of Indiana to administer the State Fairgrounds as trust property of the State of Indiana. The Commission is a separate body, corporate and politic and is not a state agency. The Commission shall maintain and develop the Fairgrounds and other properties owned by the Commission. The Indiana State Fair Commission is a component unit to be included in the State of Indiana's Comprehensive Annual Financial Report (CAFR) because of it being established a separate body, corporate and politic (not a state agency), by Indiana Code 15-13-2. A component unit is defined as a legally separate organization for which the elected officials of the primary government are financially accountable.

Blended Component Unit

Effective July 1, 2011, SEA 478 (2011) authorized the Indiana State Fair Commission to establish a nonprofit subsidiary corporation to solicit and accept private funding. Using this authority, the Indiana State Fair Foundation, an Internal Revenue Service approved 501(c)(3), was established. The Foundation is a financially responsible organization that helps create legacies to: enrich the lives of all Hoosiers, provide resources for youth development, communicate the traditions and technology of Indiana Agriculture, preserve and enhance the campus of the Indiana State Fairgrounds in perpetuity. The Foundation is a public charity, qualified to accept tax deductible bequests, devises, transfers and gifts dedicated to support the year-round youth development, education and campus stewardship projects of the Indiana State Fair Commission, and is governed by the Commission.

B. Restatement

During 2014, management determined that the previously issued financial statements were incorrect for the following items:

1. GASB Statement 33 requires the recording of contributions receivable for voluntary non-exchange transactions when all eligibility requirements are met. Contributions receivable were not previously recognized in the Commission's financial statements. As such, the beginning net position as of January 1, 2014 has been restated to reflect \$834,803 of contributions receivable. The impact of the restatement on the 2013 change in net position would have been an increase of \$834,803 to recognize contribution revenue. Net position has been restated by \$834,803 to record the contributions receivable at January 1, 2014 as follows:

January 1, 2014 net position:	\$ 48,299,093
Prior period adjustment:	<u>834,803</u>
January 1, 2014 net position (as restated):	<u>\$ 49,133,896</u>

2. Generally accepted accounting principles require costs to be recorded in the period incurred. Capital asset costs for construction in progress incurred in 2013 but not paid until 2014, were not properly recorded at December 31, 2013. As such, capital assets and beginning capital lease payable as of January 1, 2014 has been restated. The impact of the restatement has no impact on the 2013 change in net position or ending net position. Total assets and total liabilities on January 1, 2014 increased by \$8,921,524. This impacted the footnote disclosures showing the rollforward activity of capital asset activity and capital lease liability.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to the matters noted above, management also previously omitted certain required disclosures of condensed combining information for the Commission and its blended component unit. These disclosures have been included in Note III.D to these financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Commission's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to governments for business-type activities using proprietary fund accounting and reporting as enterprise fund. Operations are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing services on a continuing basis be financed and recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

The Commission distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the annual state fair, leases and rentals, and usage charges. Operating expenses include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Position

1. Deposits and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Short-term investments are investments with remaining maturities of up to 90 days. State statute (IC 5-13-10.5) authorizes the Commission to invest in interest-bearing accounts, passbook savings accounts, certificates of deposit, money-market deposit accounts, mutual funds, pooled fund investments, securities backed by the full faith and credit and obligations of the U.S. Treasury, a federal agency, a federal instrumentality, a federal government sponsored enterprise, and repurchase agreements. The statutes require that repurchase agreements be fully collateralized by U.S. Government or U.S. Government Agency obligations. At December 31, 2014, the Commission held demand deposits and certificate of deposits. Investment earnings are reported as nonoperating revenues in the Statement of Revenues, Expenses, and Changes in Net Position.

2. Contributions Receivables

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the Commission records operating and capital pledges as revenue when all eligibility requirements have been met.

3. Prepaid Items

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

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Use of Estimates and Reclassifications

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 disclosures 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.

5. Designated and Restricted Assets

Funds from the Indiana State Fair net income are classified as designated assets on the Statement of Net Position. Net Income from the Fair is used to support lease payments; the funds are set aside to mitigate the volatility of the Fair's budget related to weather.

Funds contributed to the Indiana State Fair Foundation, as well as interest earned on those funds, are classified as restricted assets on the Statement of Net Position and are intended to be used toward the mission of the Foundation.

Restricted assets are released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events. When expenditures are incurred for which both restricted and unrestricted resources are available, it is the policy to apply restricted resources first, then unrestricted resources as needed.

6. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the financial statements. Capital assets are reported at actual historical cost or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land improvements	\$ 25,000	Straight-line	15 Years
Tunnels	25,000	Straight-line	30 Years
Buildings	25,000	Straight-line	20 Years (40 Years Prior to 1981)
Building improvements	25,000	Straight-line	4-20 Years
Machinery and equipment	25,000	Straight-line	3-10 Years
Electrical upgrades	25,000	Straight-line	12-15 Years
Furniture and equipment	25,000	Straight-line	5-10 Years

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The total interest capitalized by the State Fair Commission during the 2014 year was approximately \$2.9 million. Additionally, the Commission expensed approximately \$2.2 million in interest costs during the year.

7. Accounts Payable

Operating payables and contracts payable have been combined on the Statement of Net Position. Contracts payable make up \$656,410 of the combined accounts payable.

8. Compensated Absences

- a. Sick Leave – Commission employees earn sick leave at the rate of 9 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is not paid to employees.
- b. Vacation Leave – Commission employees earn vacation leave at rates from 12 days to 25 days per year based upon the number of years of service. Vacation leave may be accumulated indefinitely. Accumulated vacation leave is paid to employees in good standing, through cash payments for up to a maximum of 30 days vacation upon separation of service.
- c. Personal Leave – Commission employees earn personal leave at the rate of 3 days per year. Unused personal leave may be accumulated to a maximum of 3 days. Any personal leave accumulated in excess of 3 days automatically becomes part of the sick leave balance. Accumulated personal leave is not paid to employees.

Vacation leave is accrued when incurred and reported as a liability. No liability is reported for sick or personal leave.

9. Net Position

Net position of the Commission is classified in three components:

- Net investment in capital assets represents capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets.
- Restricted expendable net position is generally noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the State Fair Commission. Restricted expendable net position include funds dedicated to specific capital projects, the Standardbred Racing Fund, and funds set aside for the Indiana State Fair Foundation Projects.
- Unrestricted net position is remaining net position that do not meet the definition of investment in capital assets. The Commission has designated \$500,000 of unrestricted net position as an internal reserve for Indiana State Fair net income.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Grants and Contributions

From time to time, the Commission receives grants from the State of Indiana as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific purpose are reported as nonoperating revenues.

The Commission received \$853,575 in grants and contributions in 2014. The grants include a \$50,000 USDA grant to support the education department. The contributions include \$351,740 from the State of Indiana Horse Racing Commission to offset premiums and administrative expenses related to harness races held at the Fairgrounds, contributions of \$101,000 from CICF and \$25,000 each from the Indiana Corn Marketing Council and Indiana Soybean Alliance were the top contributors to a total of \$231,213 as unrestricted contributions to the Foundation for the Coliseum Renovation Project, \$31,393 was contributed to the Foundation to support youth hockey, and \$70,635 was contributed to the Youth Development Fund from various contributors for the State Fair Celebration Awards.

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

II. DETAILED NOTES ON ACCOUNTS

A. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Indiana State Fair Commission does not have a deposit policy for custodial credit risk. At December 31, 2014, the Indiana State Fair Commission had deposit balances in the amount of \$10,933,582.

B. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

<u>2014</u>	<u>*Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,333,821	\$ -	\$ -	\$ 1,333,821
Construction in progress	<u>51,684,313</u>	<u>508,238</u>	<u>50,827,120</u>	<u>1,365,431</u>
Total capital assets, not being depreciated	<u>53,018,134</u>	<u>508,238</u>	<u>50,827,120</u>	<u>2,699,252</u>
Capital assets, being depreciated:				
Land improvements	14,069,317	138,409	-	14,207,726
Buildings and improvements	77,985,477	59,088,460	-	137,073,937
Machinery and equipment	4,034,599	40,000	-	4,074,599
Office furniture	<u>1,246,448</u>	<u>-</u>	<u>-</u>	<u>1,246,448</u>
Totals	<u>97,335,841</u>	<u>59,266,869</u>	<u>-</u>	<u>156,602,710</u>
Less accumulated depreciation for:				
Land improvements	(9,490,500)	(750,105)	-	(10,240,605)
Buildings and improvements	(47,703,645)	(4,411,932)	-	(52,115,577)
Machinery and equipment	(3,967,090)	(38,434)	-	(4,005,524)
Office furniture	<u>(890,449)</u>	<u>(106,784)</u>	<u>-</u>	<u>(997,233)</u>
Totals	<u>(62,051,684)</u>	<u>(5,307,255)</u>	<u>-</u>	<u>(67,358,939)</u>
Total capital assets, being depreciated, net	<u>35,284,157</u>	<u>53,959,614</u>	<u>-</u>	<u>89,243,771</u>
Total capital assets, net	<u>\$88,302,291</u>	<u>\$54,467,852</u>	<u>\$50,827,120</u>	<u>\$91,943,023</u>

*Restated

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

II. DETAILED NOTES ON ACCOUNTS (continued)

C. Construction Commitments

Construction work in progress is composed of the following:

<u>Project</u>	2014	
	<u>Expended to December 31,</u>	<u>Committed</u>
Speed Barn Renovations	\$ 821,153	\$ 1,500,000
Coliseum Plaza TE Project	<u>544,278</u>	<u>770,284</u>
Totals	<u>\$ 1,365,431</u>	<u>\$ 2,270,284</u>

D. Operating Leases

Operating Leases of a Lessee:

The Commission, as lessee, entered into an operating lease having initial or remaining noncancelable terms exceeding one year with Van Ausdall & Farrar on May 25, 2010, for the lease of a Ricoh MPC 5000 copier. The lease agreement also includes terms related to maintenance costs. The lease expires in May 2015. The total lease expense for the year ending December 31, 2014 was \$6,454.

The Commission, as lessee, entered into an operating lease having initial or remaining noncancelable terms exceeding one year with Konica Minolta on March 7, 2011, for the lease of three BIZHUB model copiers. The lease agreement also includes terms related to maintenance costs. The lease expires in March 2015. The lease with Konica Minolta was amended on August 29, 2012 to add an additional BIZHUB copier to the lease. The amendment does not extend the original expiration date. The total lease expense for the year ending December 31, 2014 was \$45,688.

Future minimum lease payments under operating leases are as follows:

	Business-Type Activities
2015	<u>\$ 9,102</u>
Total	<u>\$ 9,102</u>

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

II. DETAILED NOTES ON ACCOUNTS (continued)

Operating Leases of a Lessor: The Commission is engaged in leasing various facilities to tenants under operating leases expiring over the next 10 years. Substantially all capital assets of the Indiana State Fair Commission are available for leases.

The approximate future minimum lease payments to be received in each of the five succeeding years and thereafter under non-cancelable operating leases are as follows:

Year Ending December 31,		
2015	\$	1,105,453
2016		1,103,953
2017		1,102,453
2018		1,102,453
2019		1,120,786
2020-2024		<u>4,861,572</u>
	\$	<u>10,396,670</u>

E. Long-Term Liabilities

1. Capital Leases

The Indiana State Fair Commission has entered into a capital lease for the renovation of the Coliseum and construction of the new Youth Arena. At December 31, 2014, the total capitalized cost of the buildings and improvements was \$58,512,385 and accumulated depreciation was \$1,462,810. Future lease payments and present values of the net minimum lease payment under the capital lease as of December 31, 2014, are as follows:

	<u>Business-Type Activities</u>
2015	\$ 3,583,987
2016	4,263,187
2017	4,261,238
2018	4,262,938
2019	4,273,138
2020-2024	21,405,388
2025-2029	21,460,988
2030-2034	21,547,838
2035-2038	<u>16,897,961</u>
Total minimum lease payments	101,956,663
Less amount representing interest	<u>42,262,200</u>
Present value of net minimum lease payments	<u>\$ 59,694,463</u>

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

II. DETAILED NOTES ON ACCOUNTS (continued)

2. Advance Refunding

On November 9, 2012, the Indiana Finance Authority issued \$4,580,000 in refunding revenue bonds (2012L) with an average interest rate of 2.93% to advance refund \$9,565,000 of outstanding 2002 series bonds with an average interest rate of 4.4%. The net proceeds and local contributions of \$5,014,000 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2002 series bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

The refunding resulted in the accounting loss of \$273,856, recognized as a deferred outflow on the Statement of Net Position. This amount will be amortized using the straight line method and charged to interest expense over 5 years. The Indiana State Fair Commission reduced its aggregate debt service payment by \$715,905 over 5 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$461,029. The outstanding balance (including principal and interest) of the defeased 2002 series bond at December 31, 2014 was \$6,397,593.

3. Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended December 31, 2014, was as follows:

2014	*Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital lease payable	\$ 54,021,549	\$ 6,482,914	\$ 810,000	\$ 59,694,463	\$ 1,212,500
Compensated absences	348,413	-	131,833	216,580	113,542
Total noncurrent liabilities	<u>\$ 54,369,962</u>	<u>\$ 6,482,914</u>	<u>\$ 941,833</u>	<u>\$ 59,911,043</u>	<u>\$ 1,326,042</u>

*Restated

F. Designated and Restricted Assets

Cash and investments designated or restricted include the following:

1. **Indiana State Fair Foundation** – There is \$3.6 million listed as restricted funds for the Indiana State Fair Foundation. All of these funds are related to the Coliseum Project Capital Campaign (including related financing) and the Youth Hockey fund.
2. **Standardbred Racing Fund** – The Commission receives annual distributions from the Standardbred Racing Fund to support standardbred racing and facilities at the State Fairgrounds and to make grants to county fairs to support standardbred racing and facilities at the county fair tracks. Unspent funds are recorded as restricted funds to be spent in the following year.

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

II. DETAILED NOTES ON ACCOUNTS (continued)

3. **Indiana State Fair Reserve** – The net income from the Fair is used to support lease payment obligations related to debt service of revenue bonds. The weather has a great deal of impact on the financial results of the Fair and therefore the net income can be volatile. To mitigate the risk of a Fair not meeting anticipated financial goals the Commission has set aside \$500,000 as an internal reserve to be used to meet debt obligations.

The balances of designated and restricted asset accounts are as follows:

<u>Year Ended December 31</u>	<u>Principle</u>
Indiana State Fair Foundation	\$ 3,604,693
Standardbred Racing Fund	434,190
Indiana State Fair Reserve	<u>500,000</u>
Total designated and restricted assets	<u>\$ 4,538,883</u>

G. Operating Revenue – Expense Reimbursement

The Indiana State Fair Commission receives revenue from the rental of buildings, grounds, and equipment. The contracts related to rental revenue contain allowances for expenses paid by the Commission on behalf of the client. These expenses can include, but are not limited to, utilities, set-up, tear-down, and clean-up. The costs of these expenses are passed along to the client. In many cases, the amount billed to the client is not a dollar to dollar pass through. Therefore, the revenue received for these services is recorded as Expense Reimbursement on the Statement of Revenues, Expenses, and Changes in Net Position. The corresponding expense is recorded under operating expenses.

III. OTHER INFORMATION

A. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters. The Commission is subject to the protection offered by the Indiana Tort Claims Act. Tort claims shall be paid from the Indiana Tort Claims Fund established at IC 34-13-3-24.

The State Fair Commission generally does not purchase commercial insurance for the risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. However, the Commission has acquired property insurance for specific buildings to guard against the destruction of assets, which covers up to \$191,781,597, and possible loss of business revenue related to such destruction of assets, which covers up to \$9,707,853. Currently, the Commission records, as an expenditure, any loss not covered by property insurance as the liability is incurred or replacement items are purchased.

III. OTHER INFORMATION (continued)

The State Fair Commission does have a faithful performance bond, as required by statute (IC 15-13-2-15), which covers up to \$50,000 for each of the following: Executive Director, Deputy Executive Director, Director of Finance, Commission Chair, and each Commission member. There were no significant reductions in insurance coverage during 2014 and there were no settlements that exceeded insurance coverage during any of the past three fiscal years for those risks that the Commission purchased insurance.

B. Retirement Medical Benefits Account

SEA 501 (2007) established a retirement medical benefits account as a health reimbursement arrangement for eligible state government retirees. Full-time benefited employees of the Indiana State Fair Commission are eligible participants to receive this benefit as outlined in SEA 501. Contributions on behalf of the eligible Indiana State Fair Commission participants are made by the State of Indiana. Therefore, no actuarial information is included in this report. Actuarial information concerning the retirement medical benefits account can be found in the 2014 State of Indiana Comprehensive Annual Financial Report.

C. Pension Plan

Public Employees' Retirement Fund Plan Description

The Indiana State Fair Commission contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries.

All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Commission authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member. PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by going to <http://www.inprs.in.gov> or by contacting:

Public Employees' Retirement Fund
1 N. Capitol, Suite 001
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

PERF members are required to contribute three percent of their annual covered salary. The Commission is required to contribute at an actuarially determined rate; the current rate is 11.20 percent of annual covered payroll. The contribution requirements of plan members and the Commission are established and may be amended by the PERF Board of Trustees.

Annual Pension Cost

For 2012, 2013, and 2014 the Commission's annual contributions were \$334,019, \$431,441, and \$475,358, respectively, equal to the required contributions for each year.

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

III. OTHER INFORMATION (continued)

D. Condensed Combining Information

GASB Statement No. 61 requires that combining information be presented for business-type activities that included a blended component unit within a single column on the basic financial statements.

The following summarizes the combining information for the statement of net position as of December 31, 2014:

	2014			
	State Fair	Foundation	Eliminations	Combined
Current Assets	\$ 6,137,314	\$ 4,890,099	\$ (339,975)	\$ 10,687,438
Capital Assets	91,943,023	-	-	91,943,023
Other Assets	1,035,000	-	-	1,035,000
Total assets	<u>99,115,337</u>	<u>4,890,099</u>	<u>(339,975)</u>	<u>103,665,461</u>
Deferred Outflows of Resources	159,749	-	-	159,749
Total Assets and Deferred Outflows of Resources	<u>99,275,086</u>	<u>4,890,099</u>	<u>(339,975)</u>	<u>103,825,210</u>
Current Liabilities	2,757,619	336,800	(339,975)	2,754,444
Noncurrent Liabilities	58,585,001	-	-	58,585,001
Total Liabilities	<u>61,342,620</u>	<u>336,800</u>	<u>(339,975)</u>	<u>61,339,445</u>
Net Investment in Capital Assets	32,408,309	-	-	32,408,309
Restricted:				
Expendable	434,190	3,604,693	-	4,038,883
Internally Designated	500,000	-	-	500,000
Unrestricted	4,589,967	948,606	-	5,538,573
Total Net Position	<u>37,932,466</u>	<u>4,553,299</u>	<u>-</u>	<u>42,485,765</u>
Total Liabilities and Net Position	<u>\$ 99,275,086</u>	<u>\$ 4,890,099</u>	<u>\$ (339,975)</u>	<u>\$ 103,825,210</u>

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

III. OTHER INFORMATION (continued)

D. Condensed Combining Information (continued)

The following summarizes the combining information for the statement of revenues, expenses, and changes in net position for the year ended December 31, 2014:

	2014			
	State Fair	Foundation	Eliminations	Combined
Operating Revenues:				
Fair Operations	\$ 10,939,021	\$ -	\$ -	\$ 10,939,021
Non-Fair Operations	6,751,569	-	-	6,751,569
Total Operating Revenue	<u>17,690,590</u>	-	-	<u>17,690,590</u>
Operating Expenses:				
Depreciation	5,307,255	-	-	5,307,255
Other Operating Expenses	24,912,075	2,465,433	(2,001,427)	25,376,081
Total Operating Expenses	<u>30,219,330</u>	<u>2,465,433</u>	<u>(2,001,427)</u>	<u>30,683,336</u>
Operating Loss	(12,528,740)	(2,465,433)	2,001,427	(12,992,746)
Nonoperating Revenues (Expenses)				
Property Tax Distribution	102	-	-	102
State General Fund Appropriations	706,500	-	-	706,500
Riverboat Distributions	5,769,844	-	-	5,769,844
Pari-Mutual, Off Track Betting Disbtributions	172,542	-	-	172,542
Standardbred Racing Fund	1,000,000	-	-	1,000,000
Investment Earnings	8,448	3,020	-	11,468
Interest Expense	(2,169,416)	-	-	(2,169,416)
Grants and Contributions	2,352,934	270,855	(2,001,427)	622,362
Total Nonoperating Revenues (Expenses)	<u>7,840,954</u>	<u>273,875</u>	<u>(2,001,427)</u>	<u>6,113,402</u>
Loss before Capital Contributions	(4,687,786)	(2,191,558)	-	(6,879,344)
Capital Contributions	-	231,213	-	231,213
Change in Net Position	(4,687,786)	(1,960,345)	-	(6,648,131)
Total Net Position, January 1	<u>42,620,252</u>	<u>6,513,644</u>	-	<u>49,133,896</u>
Total Net Position, December 31	<u>\$ 37,932,466</u>	<u>\$ 4,553,299</u>	<u>\$ -</u>	<u>\$ 42,485,765</u>

INDIANA STATE FAIR COMMISSION
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2014

III. OTHER INFORMATION (continued)

D. Condensed Combining Information (continued)

The following summarizes the combining information for the statements of cash flows for the year ended December 31, 2014:

	2014			
	State Fair	Foundation	Eliminations	Combined
Cash Flows from Operating Activities	\$ (5,622,923)	\$ (2,270,631)	\$ 2,001,427	\$ (5,892,127)
Cash Flows from Noncapital Financing Activities	8,286,995	161,235	-	8,448,230
Cash Flows from Capital and Related Financing Activities	(2,644,230)	324,848	(2,001,427)	(4,320,809)
Cash Flows from Investing Activities	(15,146)	3,020	-	(12,126)
Net Change in Cash and Cash Equivalents	4,696	(1,781,528)	-	(1,776,832)
Cash and Cash Equivalents, January 1	4,928,734	6,543,467	-	11,472,201
Cash and Cash Equivalents, December 31	<u>\$ 4,933,430</u>	<u>\$ 4,761,939</u>	<u>\$ -</u>	<u>\$ 9,695,369</u>