



INDIANA STATE **FAIRGROUNDS** & EVENT CENTER

2015 ANNUAL REPORT

Indiana State Fair Commission



INDIANA STATE **FAIRGROUNDS** & EVENT CENTER

MISSION

To preserve and enhance the Indiana State Fairgrounds & Event Center and the annual Indiana State Fair for the benefit of all citizens of Indiana.

VISION

To be a premier year-round gathering place that maximizes its resources to host a wide range of diverse activities. To be recognized as the best State Fair in the country, showcasing agriculture and youth in an educational, entertaining and safe environment.

CORE VALUES

We believe in:

- Operating in a safe and environmentally conscious manner.
- Agriculture and food as our foundation.
- Investing in and nurturing our customers, our personnel and our facilities.
- Fiscal Responsibility.
- Building family memories and traditions for future generations.
- Responsible stewardship of this historic and treasured state institution.
- Constant innovation and dynamic, relevant presentations.

INDIANA STATE FAIR COMMISSION (ISFC)

Andre B. Lacy, *Chairman*

Dana Huber

Bill Leininger

Bruce Everhart

Matt Martin

Ted McKinney

Beth Bechdol

Leigh Riley Evans

Jennifer Pavlik

Senator James W. Merritt Jr., and Representative Bob Cherry

ISFC EXECUTIVE TEAM

Cynthia C. Hoye - Executive Director

David Ellis - Chief Financial Officer

Mike Berkery - Chief Operating Officer

Ray Allison - Vice President, Administration

INDIANA STATE FAIR BOARD

Elected

District 1	Scott Fritz
District 2	Bill Leininger, <i>President</i>
District 3	Patrick Barker
District 4	Stanley Poe
District 5	Todd Uhl
District 6	Jim Lankford
District 7	Ashton Eller

Appointed

Alan D. Washburn
Lee Ann Eizinger
Jackie Bell
Julia Wickard
Paul Graf
Dr. Jim Weisman
Carlos Garcia

Ex-Officio Members

Governor's Office Representative - **Jennifer Pavlik**

Director of Indiana State Department of Agriculture - **Ted McKinney**

Associate Dean & Director of Purdue Extension - **Dr. Jason Henderson**

Executive Producer & Director of Government Affairs - **Doug Huntsinger**

MESSAGE FROM THE EXECUTIVE DIRECTOR AND CHAIRMAN

The Indiana State Fairgrounds & Event Center continues to grow and evolve as we meet our customers' expectations in the 21st Century; always mindful of our mission to preserve this historic place while being relevant for future generations.



This past year we continued to use the platform of the Fairgrounds as a vehicle to teach people where their food comes from, enhanced the facility with the addition of the Enough Plaza and canopy from the infield, and celebrated the Year of the Farmer. The Year of the Farmer presented by Dow AgroSciences, was more than the theme for the Fair. We welcomed 17 different Indiana farmers to a statewide platform to share their message and accomplishments.

In 2015, we saw 48 new events grace the historic grounds and make new memories. Attracting new events and creating new memories is what we strive for every year.

With more than 50 percent new staff since we started our strategic plan, PATH 2017, it speaks volumes to the culture and work ethic of our team that we are on track to complete those goals. The Indiana State Fair Commission is devoted to challenging the team to providing crisp perspectives and feedback that will only enhance the technology infrastructure, fiscal responsibility and continued improvements to our aging facilities.

The 2016 Indiana State Fair theme - ***Celebrating Indiana's Bicentennial*** - emphasizes our place in Indiana history. Fairgoers can look forward to several exhibits highlighting our state's history, art and tradition—hope to see you there!

A blue ink signature of Cynthia C. Hoye, featuring a large, stylized 'C' and 'H'.

Cynthia C. Hoye, CFE
Executive Director
Indiana State Fairgrounds & Event Center

A blue ink signature of Andre B. Lacy, written in a cursive style.

Andre B. Lacy
Chairman
Indiana State Fairgrounds & Event Center



INDIANA STATE FAIR COMMISSION COMMUNITY PARTNERS

The organizations listed below represent more than \$2 million in subsidies made by the Commission to the community, agriculture, youth and education each year.

- 4-H Programming for the Indiana State Fair
- All American Horse Classic
- Banker's Life Fieldhouse
- Blacksmith Association
- Board of Animal Health
- Boy Scouts of America
- Circle City Sidewalk Stompers
- City of Indianapolis
- Clear Channel
- Commission Education Programming
- County Fairs in Indiana
- Eiteljorg Museum
- Guard 53 Civil Support Team
- Habitat for Humanity
- Harness Horse Youth Foundation
- Homeland Security
- Hoosier 100
- Hoosier Beef Congress
- Hoosier Horse Fair
- Indiana Barn Foundation
- Indiana Bureau of Motor Vehicles
- Indiana Farm Bureau
- Indiana Horse Racing Commission
- Indiana MOM Dental Clinic
- Indiana School for the Deaf
- Indiana State Department of Agriculture
- Indiana State Fair Brewer's Competition
- Indiana State Fair Livestock Competitions
- Indiana State Fair Youth Leadership Council
- Indiana State Police
- Indiana Tourism
- Indiana Young Farmers
- Indianapolis Charity Horse Show
- Indianapolis Fire Department Safety Olympics
- Indianapolis Metropolitan Police Department
- Indianapolis Soybean Alliance
- IndyGo
- Keystone Business Association
- Little Red Door Cancer Agency
- Mapleton Fall Creek Development Corporation
- Marion County Health Department
- Marion County Sheriff's Department
- Marion County Soil & Water
- McMiracle on 38th Street
- Mega Pet Adoption
- Midwest Search Dogs
- Monumental Marathon
- National FFA
- Nexgeneracers
- Noble of Indiana
- Office of the Lt. Governor
- Purdue Extension Marion County
- Retired Legislators
- Salvation Army Coats for Kids
- Salvation Army Toy Shop
- YMCA Toys for Tots

2015 MILESTONES

- Welcomed 907,342 guests to the Great Indiana State Fair - the 5th highest attendance mark in the 159 years of the Fair.
- Generated \$1.2 million net revenue from the Great Indiana State Fair.
- Returned Repair and Replacement funds to \$2 million per year, to protect the Commission's investments in maintaining and preserving this great facility.
- Through the Indiana State Fair Foundation, hosted the inaugural Harvest Dinner raising over \$60,000 to benefit the 4-H Celebration of Champions.
- Launched the Bicentennial Train and the new Harvest Pavilion as two new signature elements at the 2015 Indiana State Fair.
- Surveyed 2015 State Fair Exhibitors to improve our services and operations in 2016. Feedback was overwhelmingly positive and useful.
- Expanded scope of events in year two of the renovated Indiana Farmers Coliseum by hosting the prestigious Indiana University Foundation Gala.
- Welcomed back high school graduations and basketball events to the Indiana Farmers Coliseum.
- Developed a new organization-wide website and introduced new Fair Entry software (Exhibitor's Corner).
- Announced title sponsorship of the Blue Ribbon Pavilion, now called the "Elements Financial Blue Ribbon Pavilion". And through a significant gift to the Indiana State Fair Foundation, the Youth Pavilion was renamed the "Pop Weaver Youth Pavilion and Cheri Daniels Arena".
- For the first time, with the Year of the Farmer Celebration, integrated the annual fair theme into the entire campus during the State Fair.

2015 CAPITAL IMPROVEMENTS

In keeping with our mission to preserve and enhance the historic Fairgrounds, the following improvements were made in 2015:

SPEED BARNs

Renovations were completed on six of the historic Speed Barns.

INDIANA FARMERS COLISEUM PLAZA

The main entrance to the Indiana Farmers Coliseum was transformed into a new pedestrian plaza to create a more welcoming and safe environment for guests attending events in the building. The project included new pavement, landscaping, lighting and accessible curbs and ramps. Thanks to a generous donation to the Coliseum Capital Campaign from Eli Lilly Foundation and Elanco, the plaza was renamed the ENOUGH Plaza during the 2015 Indiana State Fair, and in 2016 will see the addition of two interactive kiosks that will brand the plaza and create new digital marketing and wayfinding opportunities.

CANOPIES FOR WALK TUNNELS

Included in the overall ENOUGH Plaza project was the addition of striking new canopies covering the walk tunnel from the Infield parking lot to the plaza and Indiana Farmers Coliseum. Designed to provide shelter from the elements for all guests as they move from their vehicles to the Coliseum, the canopies also provide a great first impression and welcoming entrance to the ENOUGH Plaza and Indiana Farmers Coliseum.







2015 MILESTONE SPOTLIGHT

The Year of the Farmer

The Indiana State Fair is truly a mix of traditions spruced with new elements, education coupled with fantastic entertainment, wonderful exhibitors and guests – all highlighting examples of rural and urban life colliding for 17 days. This makes our Indiana State Fair truly special.

For the 2015 Indiana State Fair we were able to collaborate with a great partner to make it our best “Year of” celebration to date – **The Year of the Farmer, presented by Dow AgroSciences.**

Some key takeaways from this important theme include:

- Awareness of our “Year of” campaign jumped significantly – with over 95% of our survey respondents knowing the campaign.
- We created a Featured Farmer Program with Dow AgroSciences that featured an Indiana farm family each day of the State Fair. The Featured Farmers received on average 18 media hits per farmer from the time of their announcement through the end of the State Fair.
- The Year of the Farmer related articles or references received 319 media hits and \$2,239,819 in media value. Total State Fair references reached 3,484 media hits.
- A “Light Up the Night” parade transformed the Farmers Day Parade to an event for Opening Day evening; featuring illuminated tractors decorated to parade by the Hoosier Lottery Grandstand.
- “Fairs Care” – an initiative to combat hunger in Indiana, was re-branded as “Farmers Care” to match the overall State Fair campaign. Efforts to promote the re-branding included a donation program on our website and a gate donation opportunity for our guests, on Dow AgroSciences Farmers Day.

The Farmers Care county food drive program attracted 29 counties donating over \$16,007 and 21,243 pounds of food provided to food pantries across the state. The online donations and gate promotion raised another \$2,250.

- Visit Indiana Harvest Pavilion (formerly the DuPont Food Pavilion) was filled with new programming elements to complement the Year of the Farmer.

AMAZING MAIZE

Partnership with the Indiana State Museum and Indiana Corn Marketing. Indiana Corn Marketing Council created a corn usage display and education banners to hang along the border of the Amazing Maize exhibit.

AGRICULTURAL LEGO EXHIBIT

Partnership with Brick World LLC. Brick World LLC custom designed a 6 by 12 foot farm created out of LEGO's. A seek and find was created for fairgoers to locate different items located on the farm. A LEGO building area was created for fairgoers to have the opportunity to free build with both Duplo and regular 2X4 bricks.

BECK'S HYBRIDS

Exhibit was in the Beck's Hybrid Why I Farm Theater. Why I Farm videos looped to educate fairgoers about why farmers choose to farm.

DOW AGROSCIENCES

Created an interactive science exhibit for weekend fairgoers that included seed planting and bug encounters.

INDIANA STATE DEPARTMENT OF AGRICULTURE

Indiana Grown Initiative was the focus of the booth and had tastings of Indiana food products.

- Thanks to the successful reception of The Year of the Farmer, and supportive partnership with Dow AgroSciences, many of these elements will carry over into the 2016 Indiana State Fair, Celebrating Indiana's Bicentennial.





GIVING BACK - INVESTING IN THE FUTURE OF INDIANA'S AGRICULTURE

Indiana State Fair Foundation - Harvest Dinner Inaugural Event

Traditional harvest dinners bring together family and friends for celebration and fellowship at the end of a long harvest season. They are the culmination of months of hard work, commitment and stewardship. They are the very essence of what it means to be a farmer in Indiana.

The Indiana State Fair is our state's largest celebration of agriculture, so what better way to celebrate than with a Harvest Dinner to honor Indiana Farmers.

During the 2015 Indiana State Fair, the dirt-filled floor of the Indiana Farmers Coliseum served as the venue for the inaugural Harvest Dinner - hosted by the Indiana State Fair Foundation - to benefit the 4-H Celebration of Champions. The goal was to combine corporate Indiana with the agriculture community to support the Indiana 4-H champions.

With the success of the inaugural Harvest Dinner plus additional fundraising efforts centered on the Celebration of Champions event, we were able to raise nearly \$100,000. The fundraising efforts, combined with some dollars in the Youth Development Fund, fully supported the event.

The Harvest Dinner had a reception area with live entertainment, family-style served meal and a keynote address from Keira Amstutz, President and C.E.O. of Indiana Humanities, who shared her perspective on food, family and all things Indiana.

Another element of the event was the Harvest Award, which will be given annually at the Harvest Dinner to an individual, organization or company that has made a significant contribution to the growth of our Great Indiana State Fair with a focus on agriculture, youth and education. The 2015 Harvest Award recipient was Dow AgroSciences, honored for their significant and sustained contributions to the Indiana State Fair and support of the Year of the Farmer.





THE STRATEGIC PLANNING EVOLUTION CONTINUES...

Since 2006, the Indiana State Fair Commission staff has assembled an annual Business Plan as our playbook for the year. We take great pride in articulating our goals and documenting accomplishments against those goals. In 2013 we took this concept a step further and developed PATH 2017 - a four-year strategic plan designed to lead us on a PATH toward exceptional innovation in the areas of safety, education, community outreach and daily business practices.

This plan, like our annual Business Plan, does not exist as a static document. It is a guide that is tweaked as events change - to help us not only respond with best practices, but also forecast challenges and opportunities, and control our destiny.



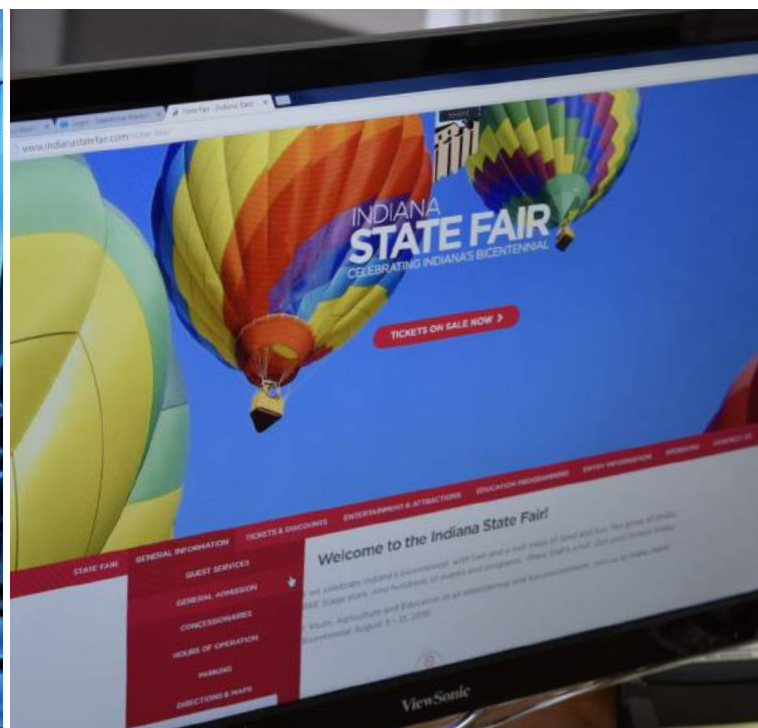
2015 STRATEGIC ACCOMPLISHMENTS

- ISFC Re-brand development was completed, for roll out in Q1 of 2016.
- Completed planning for the Annual Fund and ISF Foundation including adding a Director of Development.
- Developed a new Community Relations role as part of hiring a Media & Community Relations Manager.
- Created new programming in the Harvest Pavilion during the Fair.
- Planned rate structure changes and incremental increases for Fairgrounds' facility customers.
- Moved to online ticket sales for pre-fair purchases and realized an increase from 6,000 tickets to over 90,000 tickets sold.
- Secured a Virtual Learning grant through the Indiana Soybean Alliance.
- Secured over \$100,000 in grants for the Education Department.





- Created and filled the first State Fair Livestock Manager position.
- Implemented online safety training and a staff final exam.
- Updated the 5-Year Technology Plan and completed the plan for IT systems consolidation in Q1 of 2016.
- Completed a 3-year Marketing Plan.



INDIANA STATE FAIR COMMISSION
Consolidated Balance Sheet
as of December 31, 2015

Assets

Current Assets

Cash & Equivalents	\$ 4,326,141
Cash & Equivalents, Restricted	5,224,718
Accounts Receivable, Trade	711,396
Accounts Receivable, Pledges	1,165,670
Accounts Receivable, State of Indiana	420,000
Accounts Receivable, Interest	845
Prepaid Expense	10,775

Total Current Assets

11,859,545

Noncurrent Assets

Investments - Unrestricted	535,000
Commission Designated Investments - Indiana State Fair Reserve	500,000

Total Unrestricted and Designated Investments

1,035,000

Property, Plant & Equipment

Land & Improvements	15,736,670
Buildings & Improvements	139,933,043
Machinery & Equipment	4,146,099
Office Furniture & Equipment	1,295,996
Less: Accumulated Depreciation	(72,618,084)

Total Property Plant & Equipment

88,493,724

Deferred Outflows of Resources

Unamortized Loss on Sale of Bonds	104,978
Deferred Pension Expense	1,160,776

Total Assets

\$ 102,654,023

Liabilities & Fund Equity

Current Liabilities Payable from Unrestricted Funds

Accounts Payable	\$ 860,849
Salaries Payable	126,788
Payroll Withholdings Payable	9,138
Capital Leases Payable - Current	1,587,500
Taxes Payable	23,339
Unearned Revenue	144,928
Compensated Absences Payable-Current	123,893

Total Current Liabilities

2,876,435

Long-Term Liabilities

Capital Leases Payable - Long Term	56,894,608
Compensated Absences Long Term Payable	93,820
Net Pension Liability	3,193,562

Total Long-Term Liabilities

60,181,990

Total Liabilities

63,058,425

Deferred Inflows of Resources

Deferred Pension Expense	15,522
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Net Position

Net Investment in Capital Assets	30,116,594
Restricted - Expendable	
Indiana State Fair Foundation	4,567,356
Standardbred Racing Fund	657,362
Unrestricted	4,238,764

Total Net Position

39,580,076

Total Liabilities & Net Position

\$ 102,654,023

INDIANA STATE FAIR COMMISSION
Fairgrounds
Income Statement
For Year Ended December 31, 2015

Operating Revenues

Fairgrounds Operations

Concessions	866,192
Rental of Buildings, Grounds, & Equipment	3,821,103
Expense Reimbursement	1,796,846
Events	50,354
Ice Skating & Skate Shop	384,963
Parking	1,336,273
Sponsorships	170,000
Other	109,435

Total Fairgrounds Operations Revenue	8,535,166
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Operating Expenses

Fairgrounds Operations Expense

Personal Services	6,227,480
Services other than Personal	2,428,160
Services by Contract	3,715,891
Materials, Parts & Supplies	723,797
Grants/Subsidies/Refunds/Awards	999,531
Depreciation Expense	5,259,145
Land/Structures/Equipment	719,192
Travel	8,215

Total Fairgrounds Operations Expense	20,081,411
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Net Income (Loss) from Operations	(11,546,245)
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Non-Operating Revenues (Expenses)

General Fund Appropriations	573,000
State Repair and Restoration Funding	2,000,000
Pari-Mutuel, Off-track Betting Distribution	165,665
Riverboat Distribution	5,662,794
Standardbred Racing Fund	1,000,000
Interest Income	5,490
Interest Expense 2002 Bond (Bond Debt Service)	(2,572,359)
Contributions and Grants	278,666

Total Non-Operating Revenues (Expenses)	7,113,256
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Net Income (Loss)	\$ (4,432,990)
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INDIANA STATE FAIR COMMISSION
Indiana State Fair
Income Statement
For Year Ended December 31, 2015

Operating Revenues

Fair Operations

Gates	\$ 3,958,658
Concessions/Midway	2,957,670
Entertainment	493,932
Sponsorship	1,731,534
Department	204,518
Sport/Events	119,249
Livestock	521,228
Shuttle Bus	224,288
Parking	959,886
Other	336,523

Total Fair Operations Revenue **11,507,486**

Operating Expenses

Fair Operations

Personal Services	2,397,146
Services Other than Personal	395,337
Services by Contract	5,908,627
Materials, Parts & Supplies	907,630
Equipment	3,441
Awards	647,375
Travel	60,540

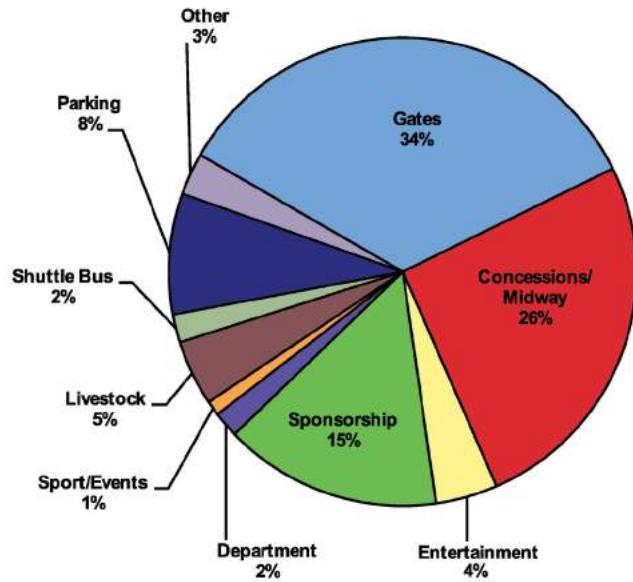
Total Fair Operations Expense **10,320,096**

Net Income (Loss)

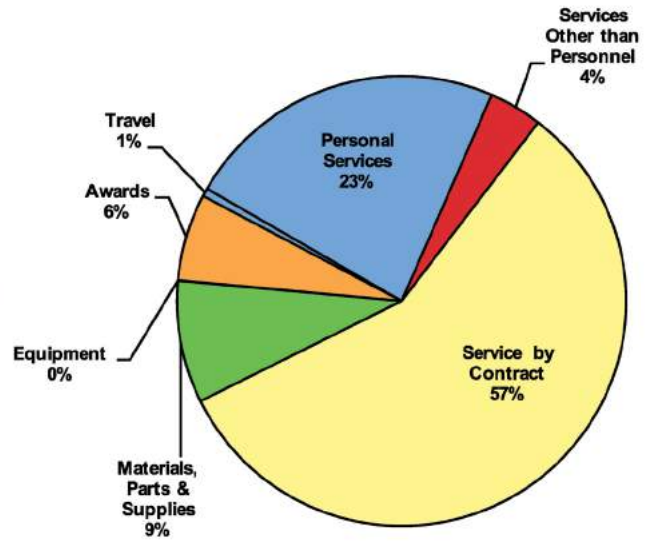
\$ 1,187,390

INDIANA STATE FAIR

Operations Revenue

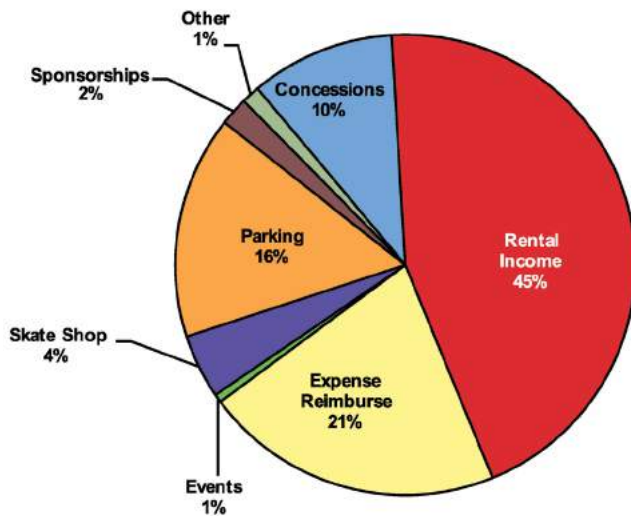


Operations Expenses

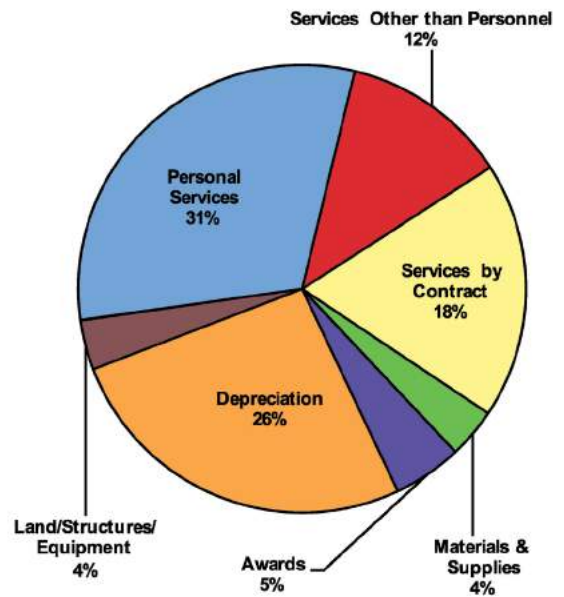


INDIANA STATE FAIRGROUNDS

Operations Revenues



Operations Expenses



INDIANA STATE FAIR COMMISSION
2015 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2015

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, 2015.

FINANCIAL HIGHLIGHTS

- The Commission's net position is \$39.6 million at the December 31, 2015. Of this amount, \$4.2 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 increased by \$1.2 million, and total liabilities decreased \$0.1 million during the current fiscal year. Cash and cash equivalents decreased \$0.1 million. The most significant shifts in current assets were increases in pledge receivables related to the Indiana State Fair Foundation, and in receivables from the State of Indiana due to timing of general fund appropriations, the liabilities decrease was due to principle payments made towards the capital lease related to the Coliseum Renovation Project offset with an increase in the net pension liability related to the PERF pension plan. Cash had a minimal change due to normal business fluctuations.
- The Commission's total net position decreased by approximately \$1.0 million during the current fiscal year. Increases to interest expense on the capital lease liability related to the Coliseum Renovation Project and an increase in personal services expense due to increased required annual contributions to the PERF pension plan and related GASB 68 pension expense 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 (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 deferred outflows of resources and liabilities and deferred inflows of resources, 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
2015 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2015

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 the 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.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39.6 million at the close of the most recent fiscal year.

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

	2015	2014 as restated
Current and other assets	\$ 12,894	\$ 11,722
Capital assets	88,494	91,943
Total assets	<u>101,388</u>	<u>103,665</u>
Deferred outflows of resources	<u>1,266</u>	<u>514</u>
Current liabilities	2,876	2,754
Noncurrent liabilities	60,182	60,446
Total liabilities	<u>63,058</u>	<u>63,200</u>
Deferred inflows of resources	<u>16</u>	<u>380</u>
Net position:		
Net investment in capital assets	30,117	32,408
Restricted	5,225	4,039
Unrestricted	<u>4,238</u>	<u>4,152</u>
Total net position	<u>\$ 39,580</u>	<u>\$ 40,599</u>

The 2014 figures presented above have been adjusted for the prior period adjustment relating to the implementation of GASB Statement No. 68 which is disclosed in the notes to the financial statements. As a result of the entry, non-current liabilities increased \$1,860,578, unrestricted net position decreased \$1,886,423, deferred outflows of resources increased by \$353,729, and deferred inflows of resources increased by \$379,574 for 2014.

INDIANA STATE FAIR COMMISSION
2015 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2015

FINANCIAL ANALYSIS (continued)

Net position decreased in 2015 and 2014. The decreases can be attributed to significant increases in depreciation expense and interest expense related to capital lease payments.

Restricted net position increased in 2015 by \$1.2 million. The one major factor related to this increase was more funds received by the Foundation primarily for the Coliseum Renovation Project. The Coliseum Project funds continue to be restricted and will be used to make an early call on the bonds associated with the capital lease obligation. The early call will take place in fiscal year 2017.

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

	2015	2014, as restated
Operating revenues:		
State Fair	\$ 11,507	\$ 10,939
Rental of buildings	5,618	4,302
Parking	1,336	1,160
Concessions	866	675
Fairgrounds events	50	38
Skating	385	361
Other	280	215
Total operating revenues	<u>20,042</u>	<u>17,690</u>
Operating expenses:		
State Fair	10,320	10,842
Professional services	6,166	6,543
Depreciation	5,259	5,307
Payroll	6,283	5,523
Materials & supplies	763	1,053
Capital expenditures	719	645
Other	595	769
Total operating expenses	<u>30,105</u>	<u>30,682</u>
Loss from operations	<u>(10,063)</u>	<u>(12,992)</u>
Non-operating revenues:		
Tax distributions	9,401	7,649
Contributions	2,208	623
Investment income	7	11
Total nonoperating Revenues	<u>11,616</u>	<u>8,283</u>
Non-operating expense:		
Interest expense	<u>(2,572)</u>	<u>(2,169)</u>
Total non-operating expense	<u>(2,572)</u>	<u>(2,169)</u>
Loss before capital contributions	<u>(1,019)</u>	<u>(6,878)</u>
Capital contributions	<u>-</u>	<u>231</u>
Change in net position	<u>(1,019)</u>	<u>(6,647)</u>
Net position:		
Beginning of year	40,599	49,133
Restatement for GASB 68/71	-	(1,887)
End of year	<u>\$ 39,580</u>	<u>\$ 40,599</u>

2014 operating expenses were not adjusted for the prior period adjustment related to implementing GASB Statement No. 68. The adjustment is shown as an adjustment to beginning net position.

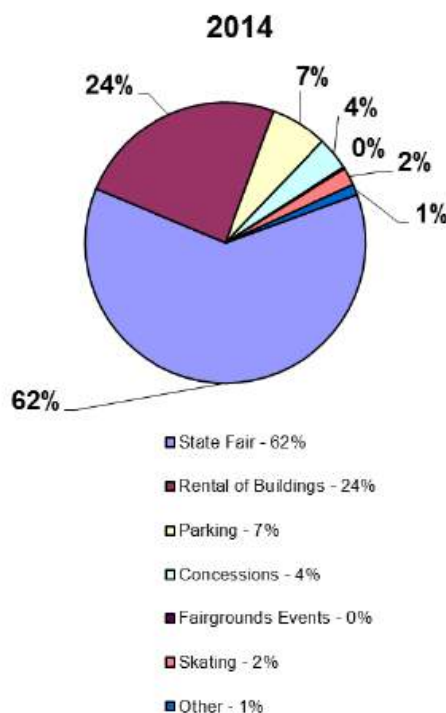
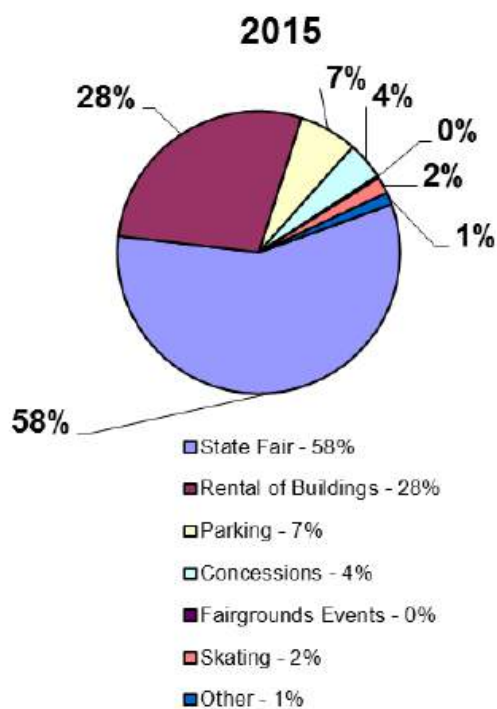
INDIANA STATE FAIR COMMISSION
2015 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2015

FINANCIAL ANALYSIS (continued)

The State Fair (Fair) revenue increased \$0.6 million. The Fair saw another year of ideal weather in August resulted in an attendance in 2015 to be over 900,000 for the third consecutive year. The largest contributing factor in the increase was sponsorship revenues being nearly \$0.6 million more than the previous year; although, gates and concessions revenue were also higher than the previous year. Fair attendance of 907,342 was lower than the near record attendance of the previous year, but marginal gate increases in gate admissions offset the slight decrease in attendance. Expenses decreased by \$0.5 million. The decrease is mainly savings related to costs associated with the ticketed concerts in the Indiana Farmers Coliseum.

The Commission's net position decreased \$1.0 million during the current fiscal year, after decreasing \$6.6 million the previous year. The decreases of the past two years are a notable correlation to the increase in depreciation and interest expense; both associated directly with the financial impact of the Coliseum Renovation Project.

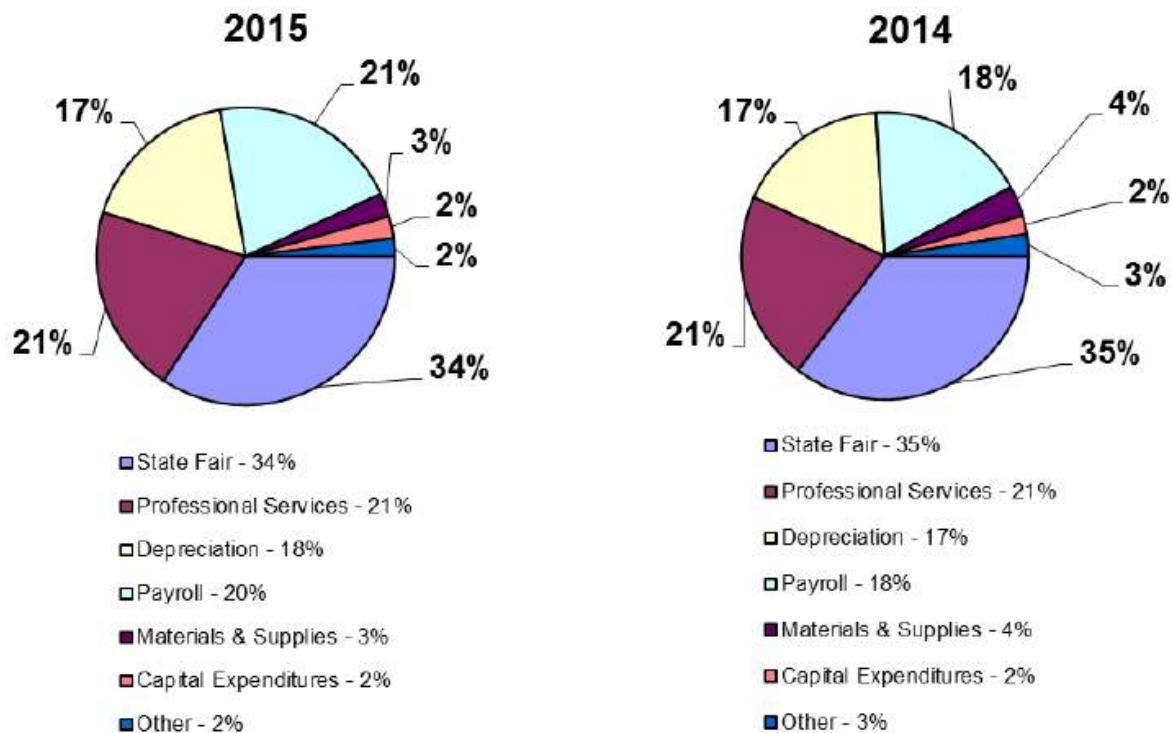
REVENUES BY SOURCE



INDIANA STATE FAIR COMMISSION
2015 MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2015

FINANCIAL ANALYSIS (continued)

EXPENSES BY TYPE



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Commission's total capital assets as of December 31, 2015, amounts to \$88.5 million (net of accumulated depreciation). This includes land, land improvements, buildings, equipment, and furnishings and fixtures. There was no construction in progress as of December 31, 2015. Net investment in capital assets at December 31, 2015 was \$30.1 million. The total decrease in the Commission's net investment in capital assets for the current fiscal year was \$2.3 million.

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

- Phase I of the Speed Barn Renovation Project was completed with a total of \$1.9 million moved to capital assets. Phase II of the project is scheduled to begin in 2016.
- The upgrades to the Enough Plaza were completed in 2015. The Commission's portion of project was \$0.8 million; the total project was nearly \$2 million. The majority of the project was paid for by the Indiana Department of Transportation enlisting funds from federal transportation enhancement grants.
- There was approximately \$165,000 invested in network infrastructure in fiscal year 2015.

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CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

- Other major projects include replacing HVAC systems in the Expo Hall (\$59 thousand), the replacement of degenerated "cattle ties" (\$50 thousand) the Hoover Fence Project (\$30 thousand), and the purchase of a used water truck and JLG knuckle boom (\$44 and \$28 thousand, respectively).

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

	2015	2014
Land	\$ 1,334	\$ 1,334
Land improvements	3,524	3,967
Buildings	83,336	84,958
Equipment	109	69
Furnishings & fixtures	191	249
Construction in progress	<u>-</u>	<u>1,366</u>
Total	<u>\$ 88,494</u>	<u>\$ 91,943</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, 2015, there was \$1.6 million in short term principal and \$56.9 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
FAIRGROUNDS
& EVENT CENTER