

Nebraska State Fair Board

Independent Auditor's Report and Financial Statements

December 31, 2014 and 2013



Nebraska State Fair Board
December 31, 2014 and 2013

Contents

Independent Auditor’s Report..... 1

Financial Statements

 Balance Sheets3

 Statements of Revenues, Expenses and Changes in Net Position.....4

 Statements of Cash Flows5

 Notes to Financial Statements.....6

Supplementary Information

 Schedules of Fair Operations15

Independent Auditor's Report

Board of Directors
Nebraska State Fair Board
Grand Island, Nebraska

We have audited the accompanying basic financial statements, which are comprised of the balance sheets as of December 31, 2014 and 2013, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended and the related notes to the basic financial statements of the Nebraska State Fair Board.

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 audits. We conducted our audits 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 Nebraska State Fair Board as of December 31, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Nebraska State Fair Board's basic financial statements. The schedules of fair operations listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Lincoln, Nebraska
June 24, 2015

Nebraska State Fair Board
Balance Sheets
December 31, 2014 and 2013

Assets

	<u>2014</u>	<u>2013</u>
Current Assets		
Cash	\$ 710,122	\$ 1,767,441
Accounts receivable	113,684	87,712
Accounts receivable - intergovernmental	949,062	1,035,164
Certificate of deposit	9,864	9,864
Prepaid expenses	18,500	27,222
	<u>1,801,232</u>	<u>2,927,403</u>
Total current assets	<u>1,801,232</u>	<u>2,927,403</u>
Capital Assets, Net	<u>14,313,232</u>	<u>12,121,188</u>
Total assets	<u><u>\$ 16,114,464</u></u>	<u><u>\$ 15,048,591</u></u>

Liabilities and Net Position

Current Liabilities		
Accounts payable	\$ 326,286	\$ 1,249,171
Accrued liabilities	343,313	230,803
Unearned revenue	496,124	559,330
Current portion - long-term debt	311,088	375,705
	<u>1,476,811</u>	<u>2,415,009</u>
Total current liabilities	<u>1,476,811</u>	<u>2,415,009</u>
Noncurrent Liabilities		
Compensated absences	26,015	27,240
Contributions payable	100,000	200,000
Long-term debt, net of current portion	6,760,499	5,109,858
	<u>6,886,514</u>	<u>5,337,098</u>
Total noncurrent liabilities	<u>6,886,514</u>	<u>5,337,098</u>
Total liabilities	<u>8,363,325</u>	<u>7,752,107</u>
Net Position		
Net investment in capital assets	6,979,146	5,585,633
Unrestricted	771,993	1,710,851
	<u>7,751,139</u>	<u>7,296,484</u>
Total net position	<u>7,751,139</u>	<u>7,296,484</u>
Total liabilities and net position	<u><u>\$ 16,114,464</u></u>	<u><u>\$ 15,048,591</u></u>

Nebraska State Fair Board
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Admissions/fair	\$ 1,263,723	\$ 1,288,394
Carnival	311,193	319,683
Entertainment	305,183	435,334
Food/beverage service	244,990	239,573
Campgrounds	48,266	50,105
Livestock show	4,184	6,500
Departmental receipts	233,617	150,339
Departmental sponsorships	10,350	14,593
Space rental and storage	618,994	555,977
Other commissions	25,870	21,604
Sponsorships (nondepartmental)	650,150	632,764
Non-cash sponsorships	155,000	201,000
Miscellaneous	6,348	2,770
Total operating revenues	<u>3,877,868</u>	<u>3,918,636</u>
Operating Expenses		
Department premiums/awards	309,212	281,183
Taxes	230,718	220,316
Insurance	232,923	222,582
Wages	1,145,333	1,072,552
Professional services	955,772	910,158
Equipment rental	349,351	334,159
Material/supplies	214,264	168,062
Administrative	399,828	396,950
Entertainment	1,042,378	1,161,042
Food/beverage service	67,029	89,275
Livestock show	995	2,742
Advertising/promotion	517,343	470,345
Fair department expenses	457,162	389,588
Utilities	182,786	162,343
Depreciation expense	831,885	720,566
In-kind sponsorship expenses (non-cash)	155,000	201,000
Miscellaneous	3,236	8,067
Total operating expenses	<u>7,095,215</u>	<u>6,810,930</u>
Operating Loss	<u>(3,217,347)</u>	<u>(2,892,294)</u>
Nonoperating Revenues (Expenses)		
Intergovernmental revenues	3,859,964	4,348,341
Contributions	28,556	(500,000)
Capital contributions	60,020	67,500
Interest income	5,087	4,159
Interest expense	(210,412)	(96,027)
(Loss) Gain on sale of capital assets	(71,213)	1,300
Net nonoperating revenues	<u>3,672,002</u>	<u>3,825,273</u>
Increase in Net Position	454,655	932,979
Net Position, Beginning of Year	<u>7,296,484</u>	<u>6,363,505</u>
Net Position, End of Year	<u>\$ 7,751,139</u>	<u>\$ 7,296,484</u>

Nebraska State Fair Board
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Receipts from customers	\$ 3,668,690	\$ 3,638,538
Payments to employees	(1,138,588)	(1,070,283)
Payments to suppliers	(5,120,127)	(5,103,555)
Net cash used in operating activities	<u>(2,590,025)</u>	<u>(2,535,300)</u>
Noncapital Financing Activities		
Intergovernmental revenue	3,946,066	4,443,135
Contributions	28,556	-
Net cash provided by noncapital financing activities	<u>3,974,622</u>	<u>4,443,135</u>
Capital and Related Financing Activities		
Purchase of capital assets	(3,842,735)	(3,138,213)
Proceeds from issuance of long-term debt	2,412,010	3,062,502
Proceeds from sale of capital assets	20,120	1,300
Principal payments on capital leases and long-term debt	(825,986)	(195,009)
Interest payments	(210,412)	(96,027)
Net cash used in capital and related financing activities	<u>(2,447,003)</u>	<u>(365,447)</u>
Investing Activities		
Interest receipts	5,087	4,159
Net cash provided by investing activities	<u>5,087</u>	<u>4,159</u>
Increase (Decrease) in Cash	<u>(1,057,319)</u>	<u>1,546,547</u>
Cash, Beginning of Year	<u>1,767,441</u>	<u>220,894</u>
Cash, End of Year	<u><u>\$ 710,122</u></u>	<u><u>\$ 1,767,441</u></u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (3,217,347)	\$ (2,892,294)
Depreciation	831,885	720,566
Changes in operating assets and liabilities		
Accounts receivable	(25,972)	(37,706)
Prepaid expenses	8,722	(7,317)
Accounts payable	(170,392)	(273,571)
Accrued liabilities and compensated absences	11,285	(3,586)
Unearned revenue	(28,206)	(41,392)
Net Cash Used in Operating Activities	<u><u>\$ (2,590,025)</u></u>	<u><u>\$ (2,535,300)</u></u>
Supplemental Cash Flows Information		
Accounts payable incurred for purchase of capital assets	\$ 227,400	\$ 979,893
Gain on sale of capital assets	\$ (71,213)	\$ 1,300
In-kind contribution of capital assets	\$ 60,020	\$ 55,000

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2014 and 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Nebraska State Fair Board (the Board) is a not-for-profit corporation created by the State of Nebraska for the purpose of deliberating and consulting as to the needs and conditions of agricultural interests throughout the State of Nebraska. The Board supervises the state fair located in Grand Island, Nebraska.

Basis of Accounting and Presentation

The financial statements of the Board have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally intergovernmental revenues) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions. Government-mandated nonexchange transactions that are not program specific (such as intergovernmental revenues), investment income and contributions are included in nonoperating revenues and expenses. The Board first applies restricted net assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.

Use of Estimates

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable consist primarily of amounts due from operations and reimbursements from the Nebraska State Fair Park Foundation for wages and benefits paid on the Foundation's behalf. Accounts receivable – intergovernmental represents quarterly lottery proceeds due to the Board from the Nebraska State Lottery. No allowance is recorded as management believes all amounts are collectible.

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2014 and 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Capital Assets

Capital assets are reported at original cost. Leasehold improvements consist of amounts paid by the Board for construction of the fair facilities in Grand Island. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings and leasehold improvements	3 – 50 years
Equipment	3 – 10 years

The Board capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowing. Total interest incurred each year was:

	2014	2013
Interest costs capitalized	\$ 56,426	\$ 47,566
Interest costs charged to expense	210,412	96,027
Total interest incurred	<u>\$ 266,838</u>	<u>\$ 143,593</u>

Unearned Revenue

Unearned revenue consists of prepaid ticket sales, in-kind revenue being recognized over the term of the agreement and sponsorship revenue being recognized over the term of the agreement. There was \$457,188 and \$488,438 of sponsorship revenue remaining at December 31, 2014 and 2013, which is to be recognized between 2013 and 2022. There was \$38,599 and \$70,099 of in-kind revenue remaining at December 31, 2014 and 2013, which is to be recognized over the next one and two years, respectively.

In-kind Revenues and Expenses

The Board receives in-kind contributions of services and assets from various donors. It is the policy of the Board to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase revenue by a like amount for exchange and exchange-like transactions. For the years ended December 31, 2014 and 2013, \$215,020 and \$261,000, respectively, was received in in-kind contributions and recognized as noncash sponsorships and capital contributions. For the years ended December 31, 2014 and 2013, \$155,000 and \$201,000, respectively, was recognized as expenses.

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2014 and 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Compensated Absences

During 2013, the Board adopted a new compensated absence policy. Board policies permit most employees to accumulate managed time off (MTO) that may be realized as paid time off. Expense and the related liability are recognized as MTO benefits are earned. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date.

Revenue Recognition

Revenues are derived primarily from admissions to the State Fair, rental of facilities and related activities and intergovernmental sources. Revenues from the State Fair are recognized when earned. Revenues from intergovernmental sources are recognized when all eligibility requirements have been met.

Classification of Revenues

The Board has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) fair admissions and (2) facilities rental.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues, such as contributions, intergovernmental revenues and investment income.

Income Taxes

The Board is a not-for-profit corporation and is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(5). However, the Board is subject to federal income tax on any unrelated business taxable income.

The Board files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Board is no longer subject to U.S. federal examinations by tax authorities for years before 2011.

Nebraska State Fair Board
Notes to Financial Statements
December 31, 2014 and 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying statement of revenues, expenses and changes in net position on a gross basis. The amount of taxes presented on a gross basis in the accompanying financial statements was \$132,970 and \$129,132 for the years ended December 31, 2014 and 2013, respectively.

Reclassifications

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. These reclassifications had no effect on change in net position.

Note 2: Deposits

Deposits

Custodial credit risk is the risk that in the event of a bank failure, an entity's deposits may not be returned to it. The Board's deposit policy for custodial credit risk requires compliance with the provisions of state law.

At December 31, 2014, the Board's cash accounts exceeded federally insured limits by approximately \$507,000.

Nebraska state law does not allow for collateralization of deposits in excess of FDIC limits for entities other than political subdivisions.

Summary of Carrying Values

The carrying values of deposits are included in the balance sheets as follows:

	<u>2014</u>	<u>2013</u>
Carrying value Deposits	<u>\$ 719,986</u>	<u>\$ 1,777,305</u>
	<u>2014</u>	<u>2013</u>
Included in the following balance sheet captions		
Cash	\$ 710,122	\$ 1,767,441
Certificate of deposit	9,864	9,864
	<u>\$ 719,986</u>	<u>\$ 1,777,305</u>

Nebraska State Fair Board
Notes to Financial Statements
December 31, 2014 and 2013

Note 3: Capital Assets

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

2014					
	Beginning Balance	Additions	Less Retirements	Transfers	Ending Balance
Land	\$ 40,233	\$ -	\$ -	\$ -	\$ 40,233
Buildings and leasehold improvements	7,137,033	2,640,264	100,000	3,808,496	13,485,793
Equipment and vehicles	3,928,565	456,397	-	-	4,384,962
Construction in progress	3,855,022	18,601	-	(3,808,496)	65,127
	<u>14,960,853</u>	<u>3,115,262</u>	<u>100,000</u>	<u>-</u>	<u>17,976,115</u>
Accumulated depreciation					
Buildings and leasehold improvements	656,762	310,917	8,667	-	959,012
Equipment and vehicles	2,182,903	520,968	-	-	2,703,871
	<u>2,839,665</u>	<u>831,885</u>	<u>8,667</u>	<u>-</u>	<u>3,662,883</u>
Net capital assets	<u>\$ 12,121,188</u>	<u>\$ 2,283,377</u>	<u>\$ 91,333</u>	<u>\$ -</u>	<u>\$ 14,313,232</u>

2013					
	Beginning Balance	Additions	Less Retirements	Transfers	Ending Balance
Land	\$ 40,233	\$ -	\$ -	\$ -	\$ 40,233
Buildings and leasehold improvements	7,085,541	51,492	-	-	7,137,033
Equipment and vehicles	3,669,973	277,146	18,554	-	3,928,565
Construction in progress	60,870	3,794,152	-	-	3,855,022
	<u>10,856,617</u>	<u>4,122,790</u>	<u>18,554</u>	<u>-</u>	<u>14,960,853</u>
Accumulated depreciation					
Buildings and leasehold improvements	440,849	215,913	-	-	656,762
Equipment and vehicles	1,696,803	504,654	18,554	-	2,182,903
	<u>2,137,652</u>	<u>720,567</u>	<u>18,554</u>	<u>-</u>	<u>2,839,665</u>
Net capital assets	<u>\$ 8,718,965</u>	<u>\$ 3,402,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,121,188</u>

Nebraska State Fair Board
Notes to Financial Statements
December 31, 2014 and 2013

Note 4: Long-term Liabilities

Long-term Debt

Long-term debt included the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Note payable, bank (A)	\$ 7,071,587	\$ 5,485,563
Less current maturities	<u>311,088</u>	<u>375,705</u>
	<u>\$ 6,760,499</u>	<u>\$ 5,109,858</u>

- (A) Provides for borrowings up to \$8,000,000 and is secured by property, equipment and rights to the lottery proceeds. Interest is payable monthly beginning June 10, 2013. Principal and interest are payable in monthly installments of \$49,024 beginning October 10, 2013. Interest is payable at a fixed rate of 4% through June 10, 2018. Beginning June 10, 2018, interest is payable monthly at the New York prime rate plus a margin of .75% with a floor of 4% and a ceiling of 6%. Beginning June 10, 2023, interest is payable monthly at the weekly average yield on 10 year United States treasury securities plus a margin of 2% with a floor of 4%. The rate will reset every five years thereafter until maturity on May 10, 2033.

Aggregate annual maturities of long-term debt at December 31, 2014, are:

	Long-term Debt		
	Total to be Paid	Principal	Interest
2015	\$ 588,289	\$ 311,088	\$ 277,201
2016	588,289	323,762	264,527
2017	588,289	336,952	251,337
2018	588,289	350,680	237,609
2019	588,288	364,967	223,321
2020-2024	2,941,445	2,060,370	881,075
2025-2029	2,941,444	2,515,704	425,740
2030-2031	<u>832,497</u>	<u>808,064</u>	<u>24,433</u>
	<u>\$ 9,656,830</u>	<u>\$ 7,071,587</u>	<u>\$ 2,585,243</u>

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2014 and 2013

Note 4: Long-term Liabilities - Continued

The following is a summary of long-term liability transactions of the Board for the years ended December 31, 2014 and 2013:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2014					
Notes payable	<u>\$ 5,485,563</u>	<u>\$ 2,412,010</u>	<u>\$ 825,986</u>	<u>\$ 7,071,587</u>	<u>\$ 311,088</u>
2013					
Capital lease obligations	\$ 3,386	\$ -	\$ 3,386	\$ -	\$ -
Note payable	<u>2,614,684</u>	<u>5,587,989</u>	<u>2,717,110</u>	<u>5,485,563</u>	<u>375,705</u>
	<u>\$ 2,618,070</u>	<u>\$ 5,587,989</u>	<u>\$ 2,720,496</u>	<u>\$ 5,485,563</u>	<u>\$ 375,705</u>

Other Long-term Liabilities

Other changes in long-term liabilities include the payments and accrual of compensated absences, and contributions to the City of Grand Island to be paid through 2016.

Note 5: Intergovernmental Revenues

Effective January 1, 2005, the Nebraska State Constitution was amended to authorize an appropriation of 10% of the net State Lottery proceeds to the Nebraska State Fair Board, as long as the City of Grand Island matches 10% of those funds. The Board recognized revenues of \$3,859,964 and \$4,348,341 classified as intergovernmental revenue during the years ended December 31, 2014 and 2013, respectively. At December 31, 2014 and 2013, approximately \$949,000 and \$1,035,000, respectively, was recorded as a receivable for fourth quarter lottery activity.

Note 6: Related Party Transactions

As of December 31, 2014 and 2013, accounts receivable includes \$15,020 and \$27,578, respectively, due from Nebraska State Fair Park Foundation (the Foundation) for payroll and other benefits paid by the Board for an employee of the Foundation.

The Board's note payable at December 31, 2014 and 2013, is held by a bank owned by member of the Board.

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2014 and 2013

Note 7: Pension Plan

The Board has a defined contribution pension plan for substantially all full-time employees that meets the requirements of Section 401(a) of the Internal Revenue Code and is administered by Union Bank & Trust. Employees may contribute up to 20% of their compensation each pay period. The Board may elect to make discretionary contributions. For each of the years ended December 31, 2014 and 2013, the Board made contributions of 3% of qualifying wages. In addition, the Board has a deferred compensation plan that meets the requirements of Section 457(b) of the Internal Revenue Code administered by Union Bank & Trust. Employees may contribute up to 20% of their compensation each pay period. The Board may elect to make discretionary contributions. For each of the years ended December 31, 2014 and 2013, the Board made contributions of 3% of qualifying wages. Total employer contributions to both plans were \$14,596 and \$14,767 for the years ended December 31, 2014 and 2013, respectively, and were fully funded at the end of each year.

Note 8: Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Note 9: Commitments and Contingencies

Litigation

The Board is subject to various claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net position and cash flows of the Board. Events could occur that would change this estimate materially in the near term.

Unemployment Taxes

The Board pays unemployment taxes on a reimbursement basis. The Board has estimated accruals as of December 31, 2014 and 2013; however, events could occur that would change these estimates materially in the near term.

Nebraska State Fair Board
Notes to Financial Statements
December 31, 2014 and 2013

Note 10: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statement were available to be issued.

Supplementary Information

Nebraska State Fair Board
Schedules of Fair Operations
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues		
Admissions/fair	\$ 1,263,723	\$ 1,288,394
Carnival	311,193	319,683
Entertainment	305,183	435,334
Food/beverage service	244,990	239,573
Campgrounds	48,266	50,105
Livestock show	4,184	6,500
Departmental receipts	233,617	150,339
Departmental sponsorships	10,350	14,593
Space rental and storage	618,994	555,977
Other commissions	25,870	21,604
Sponsorships (nondepartmental)	650,150	632,764
Non-cash sponsorships	155,000	201,000
Miscellaneous	6,348	2,770
Intergovernmental revenues	3,859,964	4,348,341
Total revenues	<u>7,737,832</u>	<u>8,266,977</u>
Expenses		
Department premiums/awards	309,212	281,183
Taxes	230,718	220,316
Insurance	232,923	222,582
Wages	1,145,333	1,072,552
Professional services	955,772	910,158
Equipment rental	349,351	334,159
Material/supplies	214,264	168,062
Administrative	399,828	396,950
Entertainment	1,042,378	1,161,042
Food/beverage service	67,029	89,275
Livestock show	995	2,742
Advertising/promotion	517,343	470,345
Fair department expenses	457,162	389,588
Utilities	182,786	162,343
In-kind sponsorship expenses (non-cash)	155,000	201,000
Miscellaneous	3,236	8,067
Total expenses	<u>6,263,330</u>	<u>6,090,364</u>
Net Income Before Depreciation, Interest Expense and Other Income (Expenses)	<u>1,474,502</u>	<u>2,176,613</u>
Depreciation, Interest Expense and Other Income (Expenses)		
Depreciation expense	(831,885)	(720,566)
Interest expense	(210,412)	(96,027)
(Loss) Gain on sale of capital assets	(71,213)	1,300
Other income	5,087	4,159
Contributions	28,556	(500,000)
Capital contributions	60,020	67,500
Net depreciation, interest expense and other income	<u>(1,019,847)</u>	<u>(1,243,634)</u>
Change in Net Position	<u>\$ 454,655</u>	<u>\$ 932,979</u>



P.O. Box 1387 • 501 E Fonner Park Road, Suite 200 • Grand Island, NE 68802 • P 308.382.1620 • F 308.384.1555 • StateFair.org

July 14, 2015



Charlie Janssen
Auditor of Public Accounts
PO Box 98917
Lincoln NE 68509-8917

Dear Mr. Janssen,

Please find enclosed a copy of the Nebraska State Fair Board Accountants Report and Financial Statement ending on December 31, 2014. The report is completed and provided to the Nebraska State Fair by the firm of BKD CPA's & Advisors in Lincoln, NE.

These reports reflect the fifth year of the Nebraska State Fair. After perusal, I'm sure you will find that the Nebraska State Fair is very strong financially as we enter our sixth year of providing Nebraskan's with the state's largest entertainment event.

Should you have any questions or comments about the accountants' report, don't hesitate to contact me personally, as I'll be happy to assist you in any way I can.

Best Regards,

Joseph McDermott, CFE
Executive Director
Nebraska State Fair

Enclosure

cc: Pete Ricketts – Governor
Gerry Oligmueller, DAS Budget Division
Linda Duester, Five Points Bank