

STATE FAIR OF LOUISIANA
Shreveport, Louisiana

Financial Statements
For the year ended December 31, 2025

STATE FAIR OF LOUISIANA

FINANCIAL STATEMENTS

December 31, 2025

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Statement of Cash Flows	7
Statement of Functional Expenses	8
Notes to the Financial Statements	9-17
Supplementary Schedule	
Schedule of Compensation, Benefits and Other Payments to Agency Head	19
Other Reporting Required by <i>Government Auditing Standards</i>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	21-22
Schedule of Findings	23



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INDEPENDENT AUDITOR'S REPORT

To the Executive Committee
of the State Fair of Louisiana
Shreveport, Louisiana

Opinion

We have audited the accompanying financial statements of the State Fair of Louisiana (a Louisiana not-for-profit corporation) (State Fair) which comprise the statement of net position as of December 31, 2025, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Fair of Louisiana as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State Fair and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State Fair's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 State Fair's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State Fair's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Schedule

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2026, on our consideration of the State Fair's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State Fair's internal control over financial reporting on compliance. That

report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State Fair's internal control over financial reporting and compliance.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC
Mansfield, Louisiana
June 19, 2026

FINANCIAL STATEMENTS

THE STATE FAIR OF LOUISIANA
Shreveport, Louisiana

Statement of Net Position
For the year ended December 31, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,577,988
Accounts receivable, net of allowance	252,591
Prepaid items	28,680
Total current assets	<u>1,859,259</u>

Non-Current Assets

Cash Reserve fund assets (Note 4)	700,000
Property and equipment, net	971,977
Total non-current assets	<u>1,671,977</u>

Total Assets	\$ <u>3,531,236</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued liabilities	\$ 94,023
Payroll liabilities	8,117
Deferred revenues	17,000
Current portion of long-term lease liability	2,169
Current portion of long-term debt	3,597
Total current liabilities	<u>124,906</u>

Non-Current Liabilities

Long-term lease liability	379
Long-term debt	142,926
Total long-term liabilities	<u>143,305</u>

Total Liabilities	<u>268,211</u>
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Net Assets

Without donor restrictions	
Unrestricted and undesignated	2,563,025
Board designated	700,000

Total Net Assets	<u>3,263,025</u>
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Total Liabilities and Net Assets	\$ <u>3,531,236</u>
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The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

THE STATE FAIR OF LOUISIANA

Shreveport, Louisiana

Statement of Activities

For the year ended December 31, 2025

	Without donor restrictions
Operating Revenue:	
State Fair program	\$ 2,367,086
Off season programs	713,571
Total operating revenues	<u>3,080,657</u>
Expenses	
State Fair program	1,862,609
Off Season programs	933,905
Management and general	155,260
Total expenses	<u>2,951,774</u>
Increase (decrease) in net assets from operations	<u>128,883</u>
Other income (expense):	
Investment income	66,224
Louisiana state appropriations	315,000
Local Grants	50,000
Gain on sale of assets	3,089
Total other income (expense)	<u>434,313</u>
Change in net assets without donor restrictions	563,196
Net Assets at beginning of year	<u>2,699,829</u>
Net Assets at end of year	<u><u>\$ 3,263,025</u></u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

THE STATE FAIR OF LOUISIANA
Shreveport, Louisiana

Statement of Functional Expenses
For the year ended December 31, 2025

Expenses	Program Activities		Supporting	Total
	Fair	Off Season	Management and General	
Payroll and benefits	\$ 292,070	\$ 138,980	\$ 54,620	\$ 485,670
Contract labor	192,976	161,076	-	354,052
Office expenses and supplies	87,460	28,890	20,353	136,703
Advertising	173,979	2,674	-	176,653
Consultants and professional fees	1,500	18,319	21,000	40,819
Security services	235,321	32,992	-	268,313
Attractions and entertainment	381,817	32,850	-	414,667
Equipment rentals	81,534	144	-	81,678
Livestock show costs	158,872	15,810	-	174,682
Insurance - property	905	123,866	-	124,771
Interest expense	-	-	3,480	3,480
Concessions	3,418	-	-	3,418
Utilities	137,839	317,944	34,581	490,364
Repairs and maintenance	43,163	41,352	-	84,515
Depreciation	71,755	19,008	21,226	111,989
Total Expenses	\$ 1,862,609	\$ 933,905	\$ 155,260	\$ 2,951,774
	63%	32%	5%	100%

The notes to the financial statements are an integral part of this statement
See the accompanying independent auditor's report.

THE STATE FAIR OF LOUISIANA
Shreveport, Louisiana

Statement of Cash Flows
For the year ended December 31, 2025

	2025
Cash Flows From Operating Activities:	
Cash received from program sales and rents	\$ 2,797,438
Cash received from operating grants	225,000
Interest income	66,224
Cash paid to employees	(487,868)
Cash paid to suppliers	(2,165,590)
Interest paid	(7,215)
Net Cash Provided by Operating Activities	<u>427,989</u>
Cash flows from investing activities:	
Purchase of fixed assets	(48,793)
Sale of assets	3,750
Net Cash Provided by Investing Activities	<u>(45,043)</u>
Cash flows from financing activities:	
Payments in leases payable	(2,002)
Payments on notes payable	(3,477)
Lease financing cost	(292)
Net Cash (Used) by financing activities	<u>(5,771)</u>
Net (Decrease) Increase in Cash	377,175
Cash and cash equivalents at the beginning of the year	1,900,813
Cash and cash equivalents at the end of the year	<u><u>\$ 2,277,988</u></u>
Cash Reconciliation	
Cash & cash equivalents	\$ 1,577,988
Cash reserve fund	700,000
Total cash & cash equivalents	<u><u>\$ 2,277,988</u></u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

Nature of Organization

The State Fair of Louisiana (the Fair) is a nonprofit corporation organized under the laws of the State of Louisiana on a nonstock basis having one class of member. The objects and purposes for which this nonprofit corporation is formed and exists are declared to be maintenance in the Parish of Caddo, State of Louisiana, of public fairs, expositions and exhibitions of stock and farm products, and for the encouragement of agricultural and horticultural pursuits, and in all ways to promote the various industries of the State of Louisiana and the welfare of its citizens.

Substantially all of the Fair's revenue is from the sale of admissions to Fair sponsored events and exhibitions as well as the rental of its buildings for events promoted by others. Accordingly, the Fair is heavily dependent on the local community and the health of the local economy in which it operates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Fair has adopted Accounting Standards Update (ASU) 2016-14 – "Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not for Profit Entities." Under ASU 2016-14, the Fair is required to report information regarding its financial position and activities according to two classes of net assets: assets with donor restrictions and assets without donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Board of Directors and/or the passage of time. The Fair does not have assets with donor restrictions and did not report any donor-restricted revenue for the current year.

Expenses are generally reported as decreases in net assets without donor restriction. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as transfers between the applicable classes of net assets. Gains and losses on investments and other assets and liabilities are reported as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Fair considers all cash in bank accounts and highly liquid debt instruments, not associated with the Reserve Fund, with an original or remaining maturity of three months or less, to be cash equivalents.

Cash Reserve Fund

An agreement between State Fair of Louisiana and the City of Shreveport dated May 15, 1986, provides for the establishment of a Cash Reserve Fund or Contingency Fund to provide for possible future losses and to maintain permanently, a sound financial condition of the State Fair of Louisiana. Any expenditure which reduces the fund below \$700,000 must be authorized by the Board of Directors and only for the purpose of covering incurred losses or for other emergency purposes. Highly liquid debt instruments not associated with the Cash Reserve Fund with remaining lives in excess of three months are classified as short-term investments.

Accounts Receivable

The Fair carries its accounts receivable at estimated net realizable values. The Fair recognizes specific accounts as uncollectible; accordingly, an allowance for doubtful accounts is recorded as needed. No collateral is required.

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid items

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

Property and Equipment

Buildings and equipment are carried at cost and depreciated over their estimated useful lives on the straight-line method. Major additions are capitalized and depreciated; maintenance and repairs which do not improve or extend the life of the respective assets are expensed as incurred. Depreciation for financial reporting purposes is provided on the straight-line method based upon the estimated useful lives of the assets as follows: buildings – 15 to 60 years; land improvements – 10 to 75 years; equipment – 5 to 20 years.

Leases

The Fair has adopted ASC 842 “Leases.” The Fair determines if an arrangement is a lease at inception. Operating leases are included in lease right-of-use (“ROU”) assets and lease liabilities in the statement of net position. Finance lease assets are included in property and equipment with an associated lease liability in the statement of net position.

Lease ROU assets represent the Fair’s right to use an underlying asset for the lease term and lease liabilities represent the Fair’s obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using the stated rate in the lease, when available, or, when the stated rate is not available, the Fair’s incremental borrowing rate based on the information available at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Fair acts as the lessor for certain buildings and grounds. Assets subject to operating leases are indicated in property and equipment on the statement of net position, net of accumulated depreciation. Lease payments are recognized as income on the statement of activities over the lease term on an undiscounted, straight-line basis. Variable lease payments are recognized as income in the period in which the conditions associated with those payments occur. None of the operating leases convey ownership of the underlying asset. The Fair has no sales type or direct financing leases.

Revenue Recognition

The Fair has adopted ASU 2014-09 – “Revenue from Contracts with Customers (Topic 606)” as amended. Under the ASU, entities are required to identify and segment contracts into performance obligations and requires entities to account for certain contract costs and revenues as contract assets or contract liabilities. Contract liabilities are reported as deferred revenues on the statements of position and consist of obligations to transfer goods or services to customers for which the Fair has received consideration from customers, including advance payments from customers for future goods and services. Revenues arising from contracts with customers are recognized at a point in time or over time as specified by the performance obligations stated or implied by the contract. As of December 31, 2025, \$17,000 has not been recognized in the statement of activities because the fair has not provided the service (use of buildings and grounds) but is expected to be recognized over the next 12 months. Revenue recognized for the year ending December 31, 2025, that was included in the deferred revenue balance at the beginning of the year was \$18,099.

The following provides a summary of performance obligations in contracts with customers:

Retail Sales of Event Admissions:

Revenue from retail sales of event admissions is recognized at a point in time directly associated with the event date in an amount the Fair expects in exchange for those sales. The Fair also advances event admissions tickets to third-party outlets for sales by those entities. Unsold tickets are returned to the Fair by the end of the event. Third-party outlet revenue is recognized at a point in time directly associated with the event date in the amount that reflects the consideration the Fair expects to be entitled to in exchange for those sales. If provided for in the contract, sales commission expenses are netted against revenue.

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Carnival Operations:

The Fair contracts annual carnival operations with a professional amusement provider on a revenue-sharing basis. Additionally, the carnival operator may be required to pay the Fair certain fees for cleaning, maintenance, repairs, and other expenses incurred by the Fair. Revenue from carnival operations is recognized at a point in time directly associated with the event date in an amount that reflects the consideration the fair expects to receive based upon the revenue sharing and cost recovery formula specified in the contract.

Facilities, Grounds and Equipment Rentals:

Revenue from short-term rentals of facilities, grounds, and equipment is recognized at a point in time when the customer exercises or has the right to exercise usage over the specified facilities, grounds, or equipment in an amount that reflects the consideration the Fair expects to be entitled to in exchange for the services provided. Deferred revenues consist primarily of prepaid short-term rental payments for events that will take place in the next fiscal year.

Exhibitors and Concessionaires:

Revenue from contracts with exhibitors and concessionaires is recognized at a point in time directly associated with the event date in an amount that reflects the consideration the Fair expects to be entitled to based upon the services provided. Revenues may include a flat-fee, percentage of concession sales (less direct costs) or a combination of both.

Event Sponsorship:

Revenue from contracts with sponsors is recognized at a point in time directly associated with the date of the sponsored event in an amount that reflects the consideration the Fair expects to be entitled to in exchange for goods and services provided.

Advertising

Advertising costs are expensed as incurred. The Fair expended \$176,653 in the year ended December 31, 2025, for advertising. The advertising costs included are reported under the following functional expenses:

Fair	\$	173,979
Off season		2,674
	\$	<u>176,653</u>

For the year ended December 31, 2025, the Fair provided complimentary fair admission tickets in exchange for advertising services and accommodations from local providers, the value of which is included as revenue and expense in the Statement of Activities. Included in Fair revenue and expense for 2025 is \$67,862 related to such transactions.

Income Taxes

The State Fair of Louisiana is exempt from federal income tax under provisions of Section 501(c)(5) of the Internal Revenue Code of 1986 and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana. The Fair's Forms 990, Return of Organization Exempt from Income Tax, for the years ending December 31, 2022, 2023, and 2024, are subject to examination by the IRS, generally for three years after they were filed.

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 and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include the depreciable life of assets, and the allowance for doubtful accounts.

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sales Tax

The Fair is required to collect local and state sales taxes based on a percentage of qualifying sales. The Fair's policy is to exclude sales taxes from the transaction price of all revenue when collected and from expenses paid. Instead, the Fair records the collection and payment of sales taxes through a liability account.

Functional Allocation of Expenses

The costs of providing the Fair's various programs and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Fair reports the following program and supporting services costs as a percentage of the total expenses:

Fair	63%
Off season	32%
Management & General	5%

2. Cash and Cash Equivalents and Concentration of Credit Risk

Included in cash at December 31, 2025, are interest bearing deposits (collected bank balance) totaling approximately \$2,277,988 reported as:

Cash and cash equivalents	\$	1,577,988
Cash reserve fund assets		700,000
	\$	<u>2,277,988</u>

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the entity will not be able to recover its deposits. The Fair has concentrated its credit risk for cash by maintaining deposits in financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC) or provided by the Securities Investor Protection Corporation (SIPC). The maximum loss that would have resulted from that risk totaled approximately \$686,997 at December 31, 2025, for the excess of deposit liabilities reported by the financial institutions over the amount that would have been covered by insurance. The Fair has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash and cash equivalents.

3. Accounts Receivable

Accounts receivable at December 31, 2025, consists of the following:

Utility reimbursements	\$	55,340
Concessions		1,343
Rent		9,665
Grants		140,000
Damage reimbursement		18,930
Independence Bowl Foundation		<u>27,313</u>
Total accounts receivable	\$	<u>252,591</u>

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

4. Cash reserve fund assets

Cash reserve funds are held in bank certificates of deposit and demand deposits. Total depository insurance coverage of these certificates of deposit and the demand deposit is \$700,000 as of December 31, 2025. Reserve fund assets are as follows on December 31, 2025:

	Cost	Estimated Market Value
Cash reserve fund assets:		
Interest bearing demand deposits	\$ 400,000	\$ 400,000
Short-term certificates of deposit	300,000	300,000
Total cash reserve fund assets	<u>\$ 700,000</u>	<u>\$ 700,000</u>

5. Property and Equipment

The major classifications of property and equipment at December 31 consist of the following:

	2024	Additions	Disposals	2025
Nondepreciable assets:				
Land	\$ 14,500	\$ -	\$ -	\$ 14,500
Depreciable assets:				-
Buildings	7,136,775	-	-	7,136,775
Equipment	2,682,900	40,524	(20,556)	2,702,868
Improvements	1,476,178	8,269	-	1,484,447
Website	15,000	-	-	15,000
Right of use assets:				
Equipment	7,832	-	-	7,832
Total assets	<u>11,333,185</u>	<u>48,793</u>	<u>(20,556)</u>	<u>11,361,422</u>
Less accumulated depreciation/amortization:				
Accumulated depreciation	10,293,962	110,031	(19,896)	10,384,097
Accumulated amortization	3,390	1,958	-	5,348
Total accumulated depreciation/amortization:	<u>10,297,352</u>	<u>111,989</u>	<u>(19,896)</u>	<u>10,389,445</u>
Property and equipment, net	<u>\$ 1,035,833</u>	<u>\$ (63,196)</u>	<u>\$ (660)</u>	<u>\$ 971,977</u>

Depreciation and amortization expense of \$111,989 was charged to the programs as follows:

Fair	\$ 71,755
Off season	19,008
Management and general	21,226
	<u>\$ 111,989</u>

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

6. Leases as Lessee

As disclosed in Note 1, the Fair has adopted FASB ASC 842. Under ASC 842, a contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Leases with an initial term of 12 months or less are not recorded on the statement of net position. The Fair has one right-of-use (ROU) equipment leases that were determined to be operating leases and are summarized as follows on December 31, 2025:

	<u>Lease Liability</u>
Office equipment lease beginning March 2023, payable in 48 monthly installments of \$191 per month, discounted at 8% imputed based on average prime lending rate at inception of the lease.	\$ 4,550
Less current portion	(2,002)
Long-term lease liability	<u>\$ 2,548</u>

Maturities of operating lease liabilities for the years ending December 31:

	Total lease payments	Less Interest	Operating Lease Liability
2026	\$ 2,294	\$ 125	\$ 2,169
2027	383	4	379
	<u>\$ 2,677</u>	<u>\$ 129</u>	<u>\$ 2,548</u>

The Fair recognizes \$2,003 for operating lease costs reported in State Fair program expenses for year ended December 31, 2025.

Supplemental cash flow information

Cash paid for amounts included in the measurement of liabilities for operating leases

Operating cash flows	\$2,002
Financing cash flows	292

ROU assets obtained in exchange for lease liabilities:

Operating leases	\$2,548
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Weighted average remaining lease term (in years)

Operating leases	0.7
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Weighted average discount rate

Operating leases	6.8%
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STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

7. Leases as Lessor

The Fair acts as the lessor for certain buildings and grounds. All leases are operating-type leases and do not convey ownership of the underlying asset. Management considers all future minimum lease payments to be fully collectable. The Fair acts as lessor for the following as of December 31, 2025:

A building with a carrying value of zero, beginning October 2016, with minimum monthly payments of \$2,500 through April 2027. As a variable consideration, the lessee pays the Fair the greater of \$2,500 per month or \$1.00 per paid admission ticket to the venue. The lessee is responsible for all maintenance, utilities, and janitorial expenses.

Grounds with a carrying value of zero beginning October 2015, with monthly payments of \$1,078 through September 2025.

Grounds with a carrying value of zero beginning October 2015, with monthly payments of \$667 through September 2025.

Grounds with a carrying value of zero beginning October 2015, with monthly payments of \$667 through September 2025.

Grounds with a carrying value of zero beginning October 2015, with monthly payments of \$760 through June 2028.

Grounds with a carrying value of zero, beginning July 2018, with minimum monthly payments of \$875 through June 2028, followed by five additional 10-year terms and one additional term of five years. As a variable consideration, if the lessee subleases the property, the Fair shall receive 50% of the sublease revenues earned.

Grounds with a carrying value of zero, beginning June 2010, with minimum monthly payments of \$3,500 through June 2020, with automatic extensions of 36 months unless otherwise modified.

Long-term leasing revenues were as follows:

Building lease revenue	\$ 212,917
Grounds lease revenue	91,932
Variable lease revenue	35,878
Reimbursements under contracts	(182,917)
Long-term leasing revenue	<u>\$ 157,810</u>

Schedule of future minimum long-term lease payments is as follows:

	Facilities	Grounds	Total
2026	\$ 30,000	\$ 41,994	\$ 71,994
2027	10,000	20,994	30,994
2028	-	10,497	10,497
Total undiscounted cash flows	<u>\$ 40,000</u>	<u>\$ 73,485</u>	<u>\$ 113,485</u>

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

8. Notes payable and long-term debt

Notes payable consist of the following on December 31, 2025:

\$150,000 EIDL note issued 8/4/2020 at 2.75% interest payable to the United States Small Business Administration to be paid in 330 monthly installments of \$641 beginning February 2023, with one final payment of \$25,866 in July 2050, with each installment \$ 142,926 first applied to interest accrued beginning August 2020, then applied to principal and interest, collateralized by substantially all assets.

Total debt	142,926
Less current portion	(3,597)
Long-term debt	<u>\$ 139,329</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2025:

	2024	Additions	Deletions	2025
EIDL Loan	\$ 150,000	\$ -	\$ (3,477)	\$ 146,523
Accrued Interest	3,735	-	(3,735)	-
Total	<u>\$ 153,735</u>	<u>\$ -</u>	<u>\$ (7,212)</u>	<u>\$ 146,523</u>

Future scheduled maturities of notes payable are as follows for the years ending December 31:

	Principal	Interest	Total
2026	3,597	4,095	7,692
2027	3,697	3,995	7,692
2028	3,790	3,902	7,692
2029	3,906	3,786	7,692
2030	4,015	3,677	7,692
2031-2035	21,808	16,652	38,460
2036-2040	25,017	13,443	38,460
2041-2045	28,715	9,745	38,460
2046-2050	51,978	5,286	57,264
	<u>\$ 146,523</u>	<u>\$ 64,581</u>	<u>\$ 211,104</u>

9. 401(k) Plan

Effective January 1, 2013, the Fair established a qualified, contributory 401(k) plan ("Plan") for all eligible employees. Eligible employees can contribute up to 100% of gross compensation, subject to such maximum annual amounts as may be allowed under the Internal Revenue Code, into the Plan. For each Safe Harbor Participant, as defined, the Fair contributes 3% of compensation. Also, the Fair may contribute a discretionary amount as determined annually by the Executive Committee. No discretionary contributions were made in 2025, 2024, or 2023. The total of the matching contributions made by the Fair in 2025 was \$7,585.

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2025

10. Liquidity and Availability of financial Assets

The following reflects the State Fair of Louisiana's financial assets available within one year of the statement of net position date for general expenditures:

Cash and cash equivalents	\$	1,577,988
Accounts receivable, net		<u>252,591</u>
	\$	<u>1,830,579</u>

11. Risk Management

The Fair is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle the part of the risk of loss, the Fair has property insurance, liability insurance, workers' compensation insurance for any employee injured on the job, and surety bond coverage. No settled claims from these risks have exceeded insurance coverage for the past three years. There are no significant reductions in insurance coverage from the prior year. Management does not believe the ultimate outcome of any such matters will be material to the financial statements of the Fair.

12. Related Party Transactions

There were no material related party transactions identified for the year ended December 31, 2025.

13. Subsequent Events

Management has performed an evaluation of the Fair's activities through June 19, 2026, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

STATE FAIR OF LOUISIANA
Shreveport, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
December 31, 2025

Louisiana Revised Statute 24:513(A)(3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2016 Regular Session of the Louisiana Legislature to clarify that nongovernmental or non-for-profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds.

The State Fair of Louisiana is not required to report the total compensation, reimbursements, and benefits paid to the Fair's president and general manager, as none of those payments were made from public funds.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Executive Committee
of the State Fair of Louisiana
Shreveport, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of State Fair of Louisiana, which comprise the statement of net position as of and for the year ended December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered State Fair of Louisiana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the State Fair of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the State Fair of Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether State Fair of Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the State Fair of Louisiana, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report which is a matter of public record in accordance with Louisiana Revised Statute 44.6 and is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 24:513.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
June 19, 2026

STATE FAIR OF LOUISIANA
Shreveport, Louisiana
Schedule of Findings
December 31, 2025

Schedule of Current Year's Findings

None.

Schedule of Prior Year's Findings

None.