

# Colorado State Fair & Exposition

October 26, 2000

STATE FAIRGROUNDS / PUEBLO, CO 81004-2499  
(719) 561-8484 / FAX 561-0283

Bill Owens, Governor  
General Assembly  
Joint Budget Committee  
Legislative Audit Committee

## REGARDING: COLORADO STATE FAIR ANNUAL REPORT

The following report is presented to you as required by C.R.S. 35-65-406. The mission of the Colorado State Fair is provided by statute as follows:

### MISSION

The mission of the Colorado State Fair and Industrial Exposition has been established by the Colorado Legislature as the annual showcase of the State's livestock and agricultural, horticultural, industrial, mining, water conservation, tourist industry, recreational, educational, and scientific facilities, processes and products of the State.

### VISION STATEMENT

As we move into the next century, the vision of the Colorado State Fair is to produce a quality Fair with increased involvement and attendance by people throughout the state of Colorado at an affordable price. Our priority is to utilize the historically valued facilities and grounds in an efficient and profitable manner, and encourage the citizens of the state of Colorado to participate in and be proud of the Colorado State Fair.

The State Fair will focus on increasing non-fair time usage of the facilities and grounds through low-risk profit-making ventures with individual enterprises, local, regional and state organizations, trade-groups, etc. that will reflect positively on the State Fair and alleviate the cost burden of maintaining the grounds and facilities in the non-fair time season. We will continue to improve the economic impact that the rentals and usage of the State Fair facilities have on local and statewide economies.

The State Fair will continue the reengineering of its organizational design for improvements in critical measures of performance including generating more income, improved marketing, capital construction, deferred maintenance, and the pro-active attention to budget, finance, and reporting.

### Management

Currently, the Fair's general manager has been on board three and one-half years. He has an agricultural and banking background. Additionally, the Fair hired an assistant general manager in January 2000 with a Colorado State Government background. The Fair's organizational structure will continue to compose 26.9 FTE within the State's personnel compensation guidelines. Temporary personnel will be employed on an as needed basis dictated by the annual Fair or other special events either through personal service contracts or temporary state employment.

## **Marketing**

The Colorado State Fair's marketing plan reflects two programs: The annual State Fair promotion and advertising campaign and the promotion of the non-fair time special events and activities. The Fair contracts with an advertising agency to market the annual fair including the creative production and media buys. We have built a solid foundation with respect to our marketing mix and promotion. The key components of our marketing plan are continually evaluated for modification. Non-Fair marketing is accomplished by in-house personnel.

## **Finance**

The Colorado State Fair is budgeting for a small operating profit in fiscal year 2000-2001 with a similar profit budgeted for fiscal year 2001-2002. The achievement of an operating profit is subject to the "at-risk" element of adverse weather conditions with respect to the Fair Exposition, which could severely impact profits.

The Fair is expected to receive contributions from the City and County of Pueblo of approximately \$400,000 in FY 2000-2001. The City and County of Pueblo are two of the Fair's most valued partners. We expect to renegotiate contracts accordingly.

The long-term debt of approximately \$2,190,500 is serviced timely. We plan to monitor interest rates and will consider re-financing our two major debt instruments if conditions are favorable and in compliance with the bond indenture.

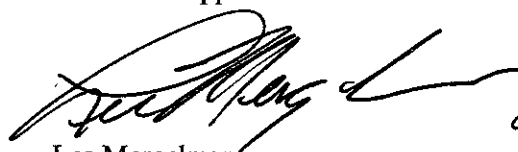
The Colorado State Fair has installed and is operating a business accounting system that will interface with COFRS but allow management to have the financial information necessary to monitor budgets, revenue and expenses. Direct COFRS interface is in the process of being completed. State Fair management has prioritized the accountability of the Fair's accounting, budgeting, and reporting to the citizens of the state of Colorado and the elected officials who represent them.

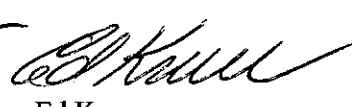
The State Fair Board has established the following objectives that will provide direction for the Fair manager and staff to fulfill the mission and vision statements.

### **Objectives**

- I. Operate the Colorado State Fair in a business-like profitable manner.
- II. Produce a Fair that is educational, entertaining, and useful to the citizens of the State of Colorado.
- III. Increase non-fair time grounds and facilities usage in a business-like profitable manner.
- IV. Increase the accountability of the Fair through continued improvements in accounting, budgeting and reporting to the citizens of Colorado.
- V. Continue to upgrade our long-range facilities to address the Fairground's improvements needs and usage.

State Fair Management, Staff and Board are working very hard to accomplish the expectations of the State Legislation. We welcome any suggestions from Legislators that would make the Fair more attractive and increase the usage of the Fairgrounds and our revenue. Thank you for your continued support of the Colorado State Fair.

  
Les Mergelman  
Chairman

  
Ed Kruse  
Manager

**Colorado State Fair  
Annual Report  
October 31, 2000**

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**COLORADO STATE FAIR  
2000 FAIR  
FAIR ACTUAL TO BUDGET COMPARISON**

	FAIR ACTUAL	BUDGET	VARIANCE
<b>REVENUE</b>			
Admission & Parking	\$1,430,420	\$1,627,000	(196,580)
Ticketed Venues	1,098,514	1,210,000	(111,486)
Exhibitors	651,634	550,000	101,634
Commercial Exhibits	540,034	530,000	10,034
Concessions	706,074	663,000	43,074
Carnival	649,999	650,000	(1)
Commissions	111,622	112,000	(378)
Sponsorships	787,841	775,000	12,841
Rentals	39,529	28,500	11,029
Miscellaneous	40,706	0	40,706
Total Operating Revenue	\$6,056,373	\$6,145,500	(\$89,127)
<b>EXPENSES</b>			
Personnel Costs	187,325	360,000	(172,675)
Personnel Costs/Temporary	473,267	560,000	(86,733)
Personal Service Contracts	542,430	230,000	312,430
Entertainment/Prof Contracts	1,331,384	1,400,000	(68,616)
Advertising & Public Relations	543,864	550,000	(6,136)
Sponsorship In-Kind	375,887	420,000	(44,113)
Insurance	7,670	9,000	(1,330)
Legal/Professional Fees	11,379	21,000	(9,621)
Maintenance & Repair	101,378	165,000	(63,622)
Postage	13,741	11,000	2,741
Premiums	658,484	587,000	71,484
Printing	76,578	39,000	37,578
Refunds & Miscellaneous	48,047	60,000	(11,953)
Rental Expense	223,178	139,000	84,178
Supplies	258,949	260,000	(1,051)
Travel	2,761	3,500	(739)
Utilities	144,323	235,000	(90,677)
Other Operating Expense	10,981	39,000	(28,019)
Business Development	0	0	0
Audit Expense	18,725	26,000	(7,275)
Total Operating Expense	\$5,030,353	\$5,114,500	(\$84,147)
<b>OPERATING NET PROFIT BEFORE DEPRECIATION</b>	<b>\$1,026,020</b>	<b>\$1,031,000</b>	<b>(\$4,980)</b>

**COLORADO STATE FAIR  
2000 FAIR  
2000 FAIR COMPARED TO 1999 FAIR**

	2000 FAIR	1999 FAIR	VARIANCE
<b>REVENUE</b>			
Admission & Parking	\$1,430,420	\$1,382,628	47,791
Ticketed Venues	1,098,513.68	1,160,250	(61,736)
Exhibitors	651,634.21	611,980	39,654
Commercial Exhibits	540,033.50	505,938	34,096
Concessions	706,074.36	683,926	22,148
Carnival	649,998.90	652,012	(2,013)
Commissions	111,622.29	118,867	(7,245)
Sponsorships	787,841.15	715,095	72,746
Rentals	39,529.08	44,949	(5,420)
Miscellaneous	40,706.11	25,044	15,662
Total Operating Revenue	\$6,056,373	\$5,900,689	\$155,683
<b>EXPENSES</b>			
Personnel Costs	187,325	273,384	(86,059)
Personnel Costs/Temporary	473,267	612,449	(139,182)
Personal Service Contracts	542,430	294,406	248,024
Entertainment/Prof Contracts	1,331,384	1,427,200	(95,817)
Advertising & Public Relations	543,864	503,111	40,753
Sponsorship In-Kind	375,887	360,246	15,641
Insurance	7,670	7,200	470
Legal/Professional Fees	11,379	12,495	(1,115)
Maintenance & Repair	101,378	121,629	(20,251)
Postage	13,741	11,463	2,278
Premiums	658,484	596,449	62,035
Printing	76,578	58,917	17,661
Refunds & Miscellaneous	48,047	45,343	2,704
Rental Expense	223,178	176,546	46,632
Supplies	258,949	249,695	9,254
Travel	2,761	3,628	(868)
Utilities	144,323	178,559	(34,236)
Other Operating Expense	10,981	29,820	(18,838)
Business Development	0	0	0
Audit Expense	18,725	26,000	(7,275)
Total Operating Expense	\$5,030,353	\$4,988,540	\$41,812
<b>OPERATING NET PROFIT BEFORE DEPRECIATION</b>			
	\$1,026,020	\$912,149	\$113,871

**COLORADO STATE FAIR**  
**Income Statement as of September 30, 2000**

	<u>FAIR</u>	<u>NON-FAIR</u>	<u>TOTAL</u>
<b>REVENUE</b>			
Admission & Parking	\$1,430,420	\$7,184	\$1,437,604
Ticketed Venues	1,098,514	35,335	1,133,849
Exhibitors	651,634	0	651,634
Commercial Exhibits	540,034	50	540,084
Concessions	706,074	45,234	751,308
Carnival	649,999	0	649,999
Commissions	111,622	27	111,650
Sponsorships	787,841	0	787,841
Rentals	39,529	78,202	117,731
Miscellaneous	40,706	2,894	43,600
Total Operating Revenue	\$6,056,373	\$168,926	\$6,225,299
<b>EXPENSES</b>			
Personnel Costs	\$187,325	\$96,705	\$284,030
Personnel Costs/Temporary	473,267	94,232	567,499
Personal Service Contracts	542,430	31,433	573,863
Entertainment Professional Contracts	1,331,384	12,673	1,344,057
Advertisng & Public Relations	543,864	6,993	550,858
Sponsorship In-Kind	375,887	0	375,887
Insurance	7,670	279	7,949
Legal/Professional Fees	11,379	17,458	28,837
Maintenance & Repair	101,378	27,197	128,575
Postage	13,741	650	14,391
Premiums	658,484	0	658,484
Printing	76,578	339	76,917
Refunds & Miscellaneous	48,047	7,679	55,726
Rental Expense	223,178	13,028	236,206
Supplies	258,949	3,909	262,859
Travel	2,761	2,109	4,869
Utilities	144,323	108,717	253,040
Other Operating Expense	10,981	0	10,981
Business Development	0	650	650
Auditing Expense	18,725	0	18,725
Total Operating Expense	\$5,030,352	\$424,051	\$5,454,403
Operating Net Profit before Depreciation	\$1,026,021	(\$255,125)	\$770,896
Depreciation Expense	68,110	136,219	204,329
Operating Net Profit	\$957,911	(\$391,344)	\$566,567
<b>OTHER INCOME</b>			
Interest Income	\$0	\$19,775	\$19,775
City Lodging Tax	0	63,195	63,195
County Grant	0	21,440	21,440
Total Other Income	\$0	\$104,410	\$104,410
<b>OTHER EXPENSE</b>			
Interest Expense	0	42,047	42,047
County Grant Expense	0	14,663	14,663
Total Other Expense	\$0	\$56,710	\$56,710
Total Non-Operating Profit	0	47,699	47,699
Total Net Profit	\$957,911	(\$343,645)	\$614,267

**Colorado State Fair**  
**Balance Sheet**  
**For the Three Months Ending September 30, 2000**

**September 30, 2000**

**ASSETS**

Cash	\$1,167,940.04
Accounts Receivable	317,671.26
Interest Receivable	3,705.19
Inventory	53,044.14
Prepaid Expenses	3,587.07
<b>Total Current Assets</b>	<u>\$1,545,947.70</u>

**Restricted Assets**

Bond Reserve Fund	241,824.00
Bond Sinking Fund	178,599.99
<b>Total Restricted Assets</b>	<u>420,423.99</u>

**Property and Equipment**

Furniture and Equipment	2,095,849.69
Less: Accumulated Depreciation	(1,472,350.14)
Land Improvements	2,168,278.19
Less: Accumulated Depreciation	(997,232.50)
Buildings	11,117,827.20
Less: Accumulated Depreciation	(5,625,255.32)
Land	594,458.00
<b>Net Property and Equipment</b>	<u>\$7,881,575.12</u>

**Other Assets**

Deferred Financing Costs	\$67,333.03
<b>Total Other Assets</b>	<u>\$67,333.03</u>

<b>TOTAL ASSETS</b>	<u><u>\$9,915,279.84</u></u>
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**LIABILITIES AND FUND EQUITY**

**Current Liabilities**

Current portion of long-term debt	\$134,581.04
Warrants & vouchers payable	733,185.93
Accounts payable	121,024.48
Employee retirement	
Accrued interest payable	71,507.38
Accrued employee benefits	59,739.88
Payable to promoter	
Deferred Revenue	20,532.33
<b>Total Current Liabilities</b>	<u>\$1,140,571.04</u>

**Long Term Debt**

Long term Debt	\$2,190,569.59
<b>Total Long Term Debt</b>	<u>2,190,569.59</u>

**Equity**

Fund Balance	\$6,584,139.21
<b>Total Liabilities and Fund Equity</b>	<u><u>\$9,915,279.84</u></u>

**COLORADO STATE FAIR AUTHORITY**  
**BALANCE SHEET**  
June 30, 2000

	Enterprise Fund	Capital Construction Fund	Total (Memo Only)
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 726,841	\$ 552	\$ 727,393
Accounts Receivable, Net	114,439		114,439
Due From Local Governments	-		-
Interest Receivable	7,411		7,411
Inventory	54,135		54,135
Prepaid Expenses	259,470		259,470
Total Current Assets	<u>1,162,296</u>	<u>552</u>	<u>\$ 1,162,848</u>
<b>RESTRICTED ASSETS</b>			
Bond Sinking Fund	115,847	-	115,847
Bond Reserve Fund	238,579	-	238,579
Total Restricted Assets	<u>354,426</u>	<u>-</u>	<u>354,426</u>
<b>PROPERTY &amp; EQUIPMENT, NET</b>	<u>8,085,904</u>	<u>-</u>	<u>8,085,904</u>
<b>LONG TERM ASSETS</b>			
Unamortized Financing Costs	67,333	-	67,333
<b>TOTAL ASSETS</b>	<u><u>\$ 9,669,959</u></u>	<u><u>\$ 552</u></u>	<u><u>\$ 9,670,511</u></u>
<b><u>LIABILITIES AND RETAINED EARNINGS</u></b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 70,292	\$ 552	\$ 70,844
Accrued interest Payable	43,183	-	43,183
Accrued Compensated Absences	59,740	-	59,740
Current Portion of Long Term Debt	165,160	-	165,160
Deferred Revenue	1,181,471	-	1,181,471
Total Current Liabilities	<u>1,519,846</u>	<u>552</u>	<u>1,520,398</u>
<b>LONG TERM LIABILITIES</b>			
Notes and Leases Payable	2,190,570	-	2,190,570
<b>OTHER NONCURRENT LIABILITIES</b>	-	-	-
<b>TOTAL LIABILITIES</b>	<u>3,710,416</u>	<u>552</u>	<u>3,710,968</u>
<b>FUND EQUITY</b>			
Contributed Capital	5,813,427	-	5,813,427
Retained Earnings	146,116	-	146,116
<b>TOTAL FUND EQUITY</b>	<u>5,959,543</u>	<u>-</u>	<u>5,959,543</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 9,669,959</u></u>	<u><u>\$ 552</u></u>	<u><u>\$ 9,670,511</u></u>

See accompanying notes to the financial statements



**COLORADO STATE FAIR AUTHORITY  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

	Enterprise Fund	Capital Construction Fund	Total (Memo Only)
<b>OPERATING REVENUES</b>			
Commercial Space/Concession	\$ 1,952,588	-	\$ 1,952,588
Gate Admission	1,421,401	-	1,421,401
Exhibitor Fees	612,080	-	612,080
Box Office Sales	1,546,946	-	1,546,946
Building Rental	464,732	-	464,732
Private Sponsorship	716,332	-	716,332
Miscellaneous Revenue	166,703	-	166,703
Total Operating Revenue	<u>6,880,782</u>	<u>-</u>	<u>6,880,782</u>
<b>OPERATING EXPENSES</b>			
Personal Service and Benefits	1,733,776	-	1,733,776
Entertainment and Attractions	1,771,584	-	1,771,584
Advertising and Promotions	903,537	-	903,537
Prizes and Awards	596,429	-	596,429
Repair and Maintenance	449,055	818,634	1,267,689
Utilities	435,112	-	435,112
Supplies and Materials	269,653	-	269,653
Contractual Services	445,655	-	445,655
Other Operating	244,235	-	244,235
Building, Vehicle, and Equipment Rental	238,928	-	238,928
Travel	23,734	-	23,734
Operating Expenses Excluding Depreciation	<u>7,111,698</u>	<u>818,634</u>	<u>7,930,332</u>
Operating Loss Before Depreciation	(230,916)	(818,634)	(1,049,550)
Depreciation	(820,838)	-	(820,838)
Operating Loss After Depreciation	<u>(1,051,754)</u>	<u>(818,634)</u>	<u>(1,870,388)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Government Grants	499,220	-	499,220
State Appropriations	-	818,634	818,634
Investment Income	35,465	-	35,465
Interest Expense	(197,856)	-	(197,856)
Net Nonoperating Revenues	<u>336,829</u>	<u>818,634</u>	<u>1,155,463</u>
<b>NET LOSS</b>	(714,925)	-	(714,925)
Add depreciation on contributed assets	121,031	-	121,031
<b>DECREASE IN RETAINED EARNINGS</b>	(593,894)	-	(593,894)
<b>FUND EQUITY</b>			
RETAINED EARNINGS - BEGINNING	740,010	-	740,010
RETAINED EARNINGS - ENDING	<u>\$ 146,116</u>	<u>\$ -</u>	<u>\$ 146,116</u>
Beginning Contributed Capital	5,934,458	-	5,934,458
Depreciation on Contributed Assets	(121,031)	-	(121,031)
Ending Contributed Capital	<u>5,813,427</u>	<u>-</u>	<u>5,813,427</u>
Ending Fund Equity	<u>\$ 5,959,543</u>	<u>\$ -</u>	<u>5,959,543</u>

See accompanying notes to the financial statements

## COLORADO STATE FAIR AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Colorado State Fair Authority (the Authority) is organized under the laws of the State of Colorado (the “State”) within the State Department of Agriculture. It operates under the jurisdiction of the Colorado State Fair Authority Board of Commissioners (the “Board”) whose members are appointed by the Governor of the State. The accounting policies of the Authority conform to generally accounting principles, as applicable to governmental units. The following is a summary of the more significant policies.

Basis of Presentation – Fund Accounting – The accounts of the Authority are organized into a single proprietary fund for operation of the Colorado State Fair and Industrial Exposition (the “State Fair”). Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. That is, where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance control, accountability, or other purposes.

Basis of Accounting – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary fund types are reported on an accrual basis. Using this basis, revenues are recognized when earned and expenses, including depreciation, are recognized when incurred. Using this method, revenue received and expenses incurred prior to June 30 relating to the annual State Fair held in the subsequent fiscal year are recorded as deferred revenue and prepaid expenses, respectively, at year end. The Authority follows all applicable GASB pronouncements, regardless of issue date, as well as the following pronouncements issued on or before November 10, 1989: FASB Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with, or contradict, GASB pronouncements.

Budgetary Process – The financial operations of the Authority are controlled by an annual appropriation made by the Colorado General Assembly and signed into law by the Governor as part of the annual Long Appropriations Act or other special bill. For Fiscal Year 2000, the Authority was not considered an enterprise for TABOR purposes. The Authority’s operating budget is 100 percent funded from cash sources.

Inventory – Inventory is stated at the lower or cost (first-in, first-out method) or market.

Property and Equipment – Property and equipment is stated at cost. Depreciation is calculated using the straight-line method based upon estimated useful lives of three to fifteen years for furniture and equipment and 20-40 years for buildings and other improvements.

Accrued Compensated Absence Liability – Effective July 1, 1988, all employees in classified permanent positions within the State Personnel System accrue sick leave at the rate of 6.66 hours per month. Total sick leave per employee is limited to their respective accrued balance on July 1, 1988 plus 360 additional hours. Annual leave is earned on an annual basis, with the amount varying between 10 and 21 days per year depending on the level of, and number of years of continuous service provided by, the employee. Annual leave rights are vested after one year of continuous service and the accumulation of annual leave is limited to 42 days at the end of the fiscal year.

Investments – Colorado Revised Statutes 24-075-601.1 authorizes the type of investments that the Authority may hold. In general, the statute requires securities that are of the highest quality as determined by national rating agencies, those guaranteed by another state or the federal government, or a registered money market fund whose policies meet criteria set forth in the statute.

Statements of Cash Flows – For the purpose of the statements of cash flows, the Authority considered unrestricted, highly liquid temporary investments maturing within three months of their acquisition to be cash equivalents.

#### 1. CASH DEPOSITS

Cash includes petty cash, change funds, imprest fund and cash on deposit with the State Treasurer. The State Treasurer acts as a bank for the Authority. Moneys deposited with the Treasury are invested until the cash is needed. The Authority is authorized to deposit funds in bank accounts outside the custody of the Treasury. Colorado statutes require protection of public moneys in banks beyond that provided by the federal insurance corporations. The Public Deposit Protection Act in CRS 11-10.5-107(5) requires all eligible depositories holding public deposits to pledge designated eligible collateral having market values at least 102 percent of the deposits exceeding those amounts insured by federal insurance. The Authority categorizes its cash into three categories as to their risk:

- Category 1 is federally insured deposits, or deposits fully collateralized with securities held by the state or its agent in the state's name.
- Category 2 is deposits uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the state's name.
- Category 3 is uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the state's name.

At June 30, 2000, the Authority had cash balances in all funds with a carrying value of \$726,841. Of this amount, \$54,250 consists of petty cash and change funds and \$645,886 is on deposit with the Treasury. The Authority had cash balances in bank accounts outside the custody of the Treasury with a carrying value of \$26,705 and a bank balance of \$41,705. The bank balance, \$41,705.03 is covered by federal insurance up to \$100,000. The full amount of the bank balance is covered by federal insurance. The Authority has \$115,847 in a money market account deposited in a financial institution and is classified in Category 3.

## 2. RESTRICTED BOND FUNDS

In connection with the refunding revenue bonds issued in 1992, the Authority was required to establish a bond sinking fund. The bond sinking fund is comprised of monthly deposits sufficient to provide for the next maturing installments of bond principal and interest and for bond payments made in June and December of each year. The bond statement states the sinking fund shall be on a calendar year. The balance in the sinking fund at June 30, 2000 was \$115,847.12.

The Authority was also required to establish a reserve fund to be used in the event of deficiencies in the bond sinking fund. The balance in the reserve fund must be equal to (i) 10% of the outstanding principal amount of the refunding reserve bonds, (ii) the maximum annual debt service requirement, as defined in the bond resolution, or (iii) 125% of the average amount of all required annual principal and interest payments. The Authority has complied with these bond covenants for the year ending June 30, 2000. The Authority is also required to generate sufficient revenues to cover general operating expenses plus 125 percent of the annual requirements of principal and interest on the outstanding bonds. The Authority was in compliance with this requirement for the year ending June 30, 2000.

The Authority had the following investment, recorded at market value, in the restricted bond funds at June 30, 2000.

	Amortized Cost	June 30,2000 <u>Market Value</u>	Unrealized <u>Loss</u>
Federal Farm Credit Medium Term Note (Int. payable 7/20 and 1/20 CPN 6.050% due 04-21-03, \$241,823 Amortized Cost)	\$ 241,824	\$ 238,579	\$ 3,245

The Authority's investment is insured by an agency of the federal government.

## 3. PROPERTY AND EQUIPMENT

At June 30, 2000, property and equipment consisted of the following:

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
Buildings	\$11,117,827	\$		\$ 11,117,827
Furn. & Equip	2,043,914	51,740	\$ 196	2,095,849
Land	594,458			594,458
Land Improve.	2,168,278			2,168,278

## 4. CHANGES IN LONG-TERM DEBT

Beginning Balance, July 1, 1999	\$ 2,501,201
Additional Leases	13,761
Payments on Outstanding Bonds and Leases	( 159,233)
Ending Balance, June 30, 2000	<u>\$ 2,355,729</u>
Current Portion of Long-Term Debt	\$ 165,160
Non-Current Portion of Long-Term Debt	<u>2,190,569</u>
Total Long-Term Debt	<u>\$ 2,355,729</u>

At June 30, long-term debt consisted of the following:

Refunding Revenue Bonds, Series 1992, net of unamortized discount of	\$ 1,964,300
Bleacher Equipment Lease	343,086
Note payable, Kentucky Fried Chicken, non-interest Bearing, annual payments of \$1,659 through 2011	18,249
Capital Leases	30,094
Less: Current Portion of Long-Term Debt	( 165,160)
Total Non-Current Long Term Debt	<u>\$ 2,190,549</u>

The 1992 Bonds mature annually in varying amounts from December 1, 1992 through December 1, 2012. Interest payable semi-annually at varying interest rates from 3.6% to 7.4%. The bonds are secured by a first lien on the net revenue of the Authority. The 1992 Bonds maturing on and after December 1, 2003 are subject to redemption, in whole or in part, at the option of the Authority on December 1, 2002 or at any date thereafter at the following redemption prices:

Redemption Dates	Redemption Prices
December 1, 2002 through November 30, 2003	101.0%
December 1, 2003 through November 30, 2004	100.5%
December 1, 2004 and thereafter	100.0%

Maturities of long-term debt at June 30 are as follows:

<u>Fiscal Year</u>	<u>Capital Leases</u>	<u>Notes and Bonds</u>	<u>Total</u>
2001	\$ 65,160	\$ 100,000	\$ 165,160
2002	69,534	105,000	174,534
2003	72,146	110,000	182,146
2004	72,008	120,000	192,008
2005	75,020	130,000	205,020
Thereafter	<u>37,561</u>	<u>1,415,000</u>	<u>1,452,561</u>
Total Principle Payments	<u>\$ 391,429</u>	<u>\$1,980,000</u>	<u>\$ 2,371,429</u>

## 5. BUDGETARY DATA

For Fiscal Year 1999-2000, the Authority's original and final operating budget as approved by the General Assembly was \$8,023,981 which the authority allocated to cover operating expenses, excluding depreciation.

The Authority also adopts an internal budget for management purposes. For fiscal year ending June 30, 2000, the internal budget showed total budgeted operating revenues of \$6,437,000, total actual operating revenues were \$6,880,782, total allocated budgeted operating expenses were \$6,422,900, and total actual operating expenses were \$7,111,698, excluding depreciation expense which is a non-budgeted operating expense.

## 6. PENSION PLAN

All full and part-time employees of the Authority participate in a defined benefit pension plan administered by the Public Employees Retirement Association of Colorado (PERA). PERA is a

cost-sharing multiple-employer pension plan. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require legislation by the General Assembly. The state plan and other division plans are included in PERA's financial statements which may be obtained by writing PERA at 1300 Logan Street, Denver, Colorado 80203.

PERA benefits vest after five years of service with covered employers. Plan members are eligible for full retirement benefits at age 55 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service. Monthly benefits are calculated as a percentage of highest average salary (HAS). HAS is one-twelfth of the average of the highest salaries on which contributions were paid, associated with the three periods of 12 consecutive months of service.

Members disabled, who have five or more years of service credit, six months of which as been earned since the most recent period of membership, may receive benefits if determined to be permanently disabled. If a member dies before retirement, their spouse or their eligible children under the age of 18 (23 if a full time student) are entitled to monthly benefit payments. If there is no eligible spouse, financially dependent parents will receive a survivor's benefit.

The Authority's employees contribute 8 percent of their annual gross covered wages to an individual account in the plan. The Authority contributes 10.3 percent of the employees' gross covered wages. The annual gross covered wages subject to PERA is the gross earnings less any reductions in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code. The contribution requirements of the plan members and their employers are established, and may be amended, by the General Assembly.

For the fiscal years ending June 30, 2000, 1999, and 1998 were \$153,030, \$137,875, and \$130,433, respectively. These contributions were equal to the required contributions for the years.

## 7. POST RETIREMENT HEALTH CARE BENEFITS

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund. Under this program, PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from the monthly retirement benefit. During 1999, the subsidy was \$115 for those with 20 years of credit and reduced by \$5.75 for each year under 20.

The Health Care Fund is maintained by a contribution of 1.1 percent of covered salary. The Authority paid \$16,343, \$10,406, and \$9,752 in fiscal year 2000, 1999, and calendar year 1998 respectively. Monthly premium costs for participants depend on the health care plan selected, the number of persons being covered, Medicare eligibility, and the number of years of service credit the retiree has. PERA contracts with a major medical indemnity carrier to administer claims for self-insured plans, and with health maintenance organizations providing services with Colorado. During 1998 there were approximately 38,625 participants including, including spouses and dependents, from all contributors to the plan.

## 8. RISK MANAGEMENT

The State currently self-insures its agencies, including the Authority, officials, and employees for the risk of losses to which they are exposed (general liability, motor vehicle liability, worker's compensation, and medical claims). Additional information regarding the state's risk management programs is included in the state's comprehensive annual financial report.

## 9. CONTINGENCIES

The Authority is a defendant in a lawsuit by a former employee accusing the Authority of wrongful termination. In the event the Authority loses, the State's risk management program is expected to cover the claim. Therefore, the Authority does not believe that the outcome of the lawsuit will have a material impact on its financial operations.

## 10. GOVERNMENTAL ACCOUNTING STANDARDS

During the fiscal year ended June 30, 1998, the Authority implemented Governmental Accounting Standards Board Statement No. 31 (GASB 31). The GASB 31 adjustment for the current year of \$3,245 reflects the change in fair value during the fiscal year ending June 30, 2000.

## 11. SUBSEQUENT EVENTS

Senate Bill 90 passed in the 1999 legislative session made the following changes to the public employees' pension plan.

Effective July 1, 1999, in addition to their contributions and interest, terminating Public Employees' Retirement Association (PERA) members will receive matching payments equal to 50 percent of their contributions plus interest if under age 65 or not eligible for retirement and 100 percent of their contributions plus interest if age 65, eligible for retirement, or upon the death of a member.

At the later of January 1, 2001, or upon full amortization of PERA's unfunded liability, employers can match employees' contributions to defined contribution plans and reduce their contributions rates to the defined benefit plan as provided in the act.

Effective July 1, 1999, the contribution rate for state troopers is reduced from 11.5 percent to 10 percent.

Effective July 1, 1999, PERA, is to establish a Health Care Trust Fund. The employer contribution to the fund will increase from 0.8 percent to 1.1 percent with a similar decrease to the employer contribution to the defined benefit pension trust fund.

Effective July 1, 2000, the subsidy for pre-Medicare retirees with 20 or more years of service will double from \$115 to \$230.

**C. STATEMENT OF OUTSTANDING REVENUE BONDS**  
**(Compliance with Bond Convants)**

In connection with the refunding revenue bonds issued in 1992, the Authority was required to establish a bond sinking fund. The bond sinking fund is comprised of monthly deposits sufficient to provide for the next maturing installments of bond principal and interest and for bond payments made in June and December of each year. The bond statement states the sinking fund shall be on a calendar year.

**Bond Indebtedness -**

**Balance at June 30, 2000:**

Current portion	\$ 100,000.00
Long-term debt	<u>1,864,300.00</u>
Total	<u>\$ 1,864,300.00</u>

**Bond Sinking Fund Balance:**

At June 30, 2000	\$ 115,847.12
At September 30, 2000	\$ 178,599.99

Payment due December 1, 2000 \$ 171,422.50

The authority was also required to establish a reserve fund to be used in the event of deficiencies in the bond sinking fund. The balance in the reserve fund must equal the lesser of:

- (i) 10% of the outstanding principal amount of the refunding bonds, or
- (ii) 125% of the average amount of all required annual principal and interest payment.

The authority has complied with the bond covenants for the year ending June 30, 2000. The authority is also required to generate sufficient revenues to cover general operating expenses plus 125% of the annual requirements of principal and interest on the outstanding bonds. The authority was in compliance with this requirement for the fiscal year ending June 30, 2000.

The Authority had the following investment, recorded at market value, in the restricted bond funds at June 30, 2000.

	<u>Amortized</u> <u>Cost</u>	<u>Market</u> <u>Value</u>	<u>Unrealized</u> <u>Loss</u>
Federal Farm Credit Medium Term Note (Int. payable 7/20 and 1/20 CPN 6.050% due 04-21-03)	\$ 241,823	\$ 238,579	\$ 3,244
The Authority's investment is insured by an agency of the federal government.			



**COLORADO STATE FAIR AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2000**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net Operating Loss	\$ (1,051,754)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities	
Depreciation	820,838
Amortization of bond discount	1,047
Amortization of finance cost	6,718
Net Changes in Assets and Liabilities Relating to Operating Activities	
Decrease in accounts receivable	1,656
Decrease in supplies inventory	1,757
Increase in prepaid expenses	(39,488)
Decrease in accounts payable	(178,964)
Increase in Compensated Absence Liability	11,792
Decrease in deferred revenue	(7,609)
Decrease in deposits held for others	(31,573)
<b>NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES</b>	<u><b>(465,580)</b></u>

**CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Decrease in restricted assets	40,814
Local government grants	441,201
Debt service principal payments	(160,281)
Interest expense payments	(185,032)
Purchase of Property and Equipment	(37,978)
<b>NET CASH PROVIDED BY (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	<u><b>98,724</b></u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Investment Income	45,727
Unrealized loss on investments	(10,262)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u><b>35,465</b></u>

Net decrease in cash	(331,391)
CASH, JULY 1	1,058,232
CASH, JUNE 30	<u><u><b>\$ 726,841</b></u></u>

Assumption of Capital Lease Obligation	\$13,762
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See accompanying notes to the financial statements

# 2000 COLORADO STATE FAIR

## ATTENDANCE

### ANALYSIS AND COMPARISON

<u>DAY</u>	<u>2000</u>	<u>1999</u>	<u>VARIANCE</u>
DAY 1: SATURDAY, 8/19	58,880	71,346	(12,466)
DAY 2: SUNDAY, 8/20	44,962	49,285	(4,323)
DAY 3: MONDAY, 8/21	28,803	20,040	8,763
DAY 4: TUESDAY, 8/22	28,985	26,444	2,541
DAY 5: WEDNESDAY, 8/23	23,447	24,272	(825)
DAY 6: THURSDAY, 8/24	27,939	55,562	(27,623)
DAY 7: FRIDAY, 8/25	28,455	31,229	(2,774)
DAY 8: SATURDAY, 8/26	79,225	81,621	(2,396)
DAY 9: SUNDAY, 8/27	45,912	52,316	(6,404)
DAY 10: MONDAY, 8/28	24,150	20,090	4,060
DAY 11: TUESDAY, 8/29	23,257	22,068	1,189
DAY 12: WEDNESDAY, 8/30	21,045	21,251	(206)
DAY 13: THURSDAY, 8/31	27,669	19,167	8,502
DAY 14: FRIDAY, 9/1	32,395	27,644	4,751
DAY 15: SATURDAY, 9/2	67,380	73,192	(5,812)
DAY 16: SUNDAY, 9/3	80,659	82,219	(1,560)
DAY 17: MONDAY, 9/4	30,110	31,249	(1,139)
<b>GRAND TOTAL</b>	<b>673,273</b>	<b>708,995</b>	<b>(35,722)</b>

-0.05

**F.) Number of Annual Colorado State Fair Events**

Annual Colorado State Fair Events: (2)

1. Colorado State Fair
2. Christmas Show

**G.) Events other than Colorado State Fair Events**

Major:

1. Rocky Mountain National Street Rod Association

Number of Events that are held on the Fairgrounds where the grounds and/or  
Buildings are rented. (These Events are not State Fair Events) (Estimated: 931)