INDIANA STATE FAIR COMMISSION

2019 ANNUAL REPORT

INDIANA STATE
FAIRGROUNDS
& EVENT CENTER

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INDIANA STATE FAIR COMMISSION
2019 ANNUAL REPORT

Published by the
Indiana State Fair Commission
Marketing Department

June 26, 2020

1202 E 38th Street
Indianapolis, IN
(317) 927-7500
IndianaStateFair.com

INDIANA STATE
FAIRGROUNDS
& EVENT CENTER

MISSION

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

VISION

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

CORE VALUES

Pride in:

- **TEAMWORK** – We take pride in operating as a team with integrity and a sense of caring for our staff, our guests and our community.
- **SERVICE** – We are committed to delivering outstanding service and great experiences to each other and our entire community.
- **TRADITION** – We are passionate about honoring our past and shaping our future as we provide a platform for creating time-honored memories and traditions.
- **EXCELLENCE** – We are committed to being a premier leader in our industry through hard work, perseverance and resilience.

Message from the Commission Chairman & Executive Director

We'd like to thank you for your interest in and support of the Indiana State Fairgrounds & Event Center. The Indiana State Fair Commission, Fair Board and staff recognize that the strength of our organization, as reflected in the pages that follow, is directly linked to our ability to continue to meet and exceed guest expectations and create strategies that help us stay relevant for future generations - all while remaining true to our mission of preserving and enhancing our iconic institution.

With this in mind, we are excited to share some key accomplishments in 2019:

- Exceeded our budget goals for operating in calendar year 2019 by enhancing accountability within our departments, developing new forecasting strategies, and making radical improvements in parking and gates.
- Governor Holcomb and the Indiana General Assembly agreed to support a $50 million renovation to one of the largest buildings on the Fairgrounds - the historic open-air Swine Barn - into the state-of-the art, fully enclosed "Fall Creek Pavilion" that will begin hosting national livestock shows, sporting events and consumer conventions on a year-round basis by 2022.
- Secured three new national events: World Appaloosa Show, The Exposition and the Horizon League Basketball Championships tournament.
- Purchased and implemented a new ticketing software/hardware system that provides efficient and invaluable data.
- Increased our State Fair NPS (Net Promoter Score) from 43 in 2018 to 48. NPS scores measure the level of customer satisfaction.
- Reduced our bond debt by $255,000 annually.
- Developed Protect the Heartland – a staff inspired sustainability program for the campus.
- Held three Community Harvest events involving team members who provided hands-on assistance with neighborhood-based projects.
- Produced the 163rd annual Indiana State Fair which proved to be one of the most memorable in our history. The Heroes in the Heartland theme attracted 879,000 guests to celebrate and honor farmers, first responders, educators, members of the Armed Forces and many others who help keep us safe and make us proud.

As we draft this Annual Report for 2019, we are in the midst of the COVID-19 pandemic and juggling events and activities that Hoosiers love. As can be expected our wins for this year will look different in light of current circumstances. That said, we are hopeful and ready to get back to the business of showcasing Indiana agriculture, youth, and education. This historic institution is resilient and has successfully navigated many challenges over its 164-year history. We continue to remain *#Fairstrong* and committed to going to the *#Nextlevel*.

Sincerely,

Bradley B. Chambers
Chairman
Indiana State Fair Commission

Cynthia C. Hoye, CFE
Executive Director
Indiana State Fair Commission

FRIES

INDIANA STATE FAIR COMMISSION

Bradley B. Chambers, *Chairman*
Ashton Eller, *President ISF Board*
Nick DeKryger
Leigh Evans
Bruce Everhart
Dr. Jason Henderson
Matt Martin
Miriam Robeson
Olgen Williams
Sam Frain
Representing the Governor's Office
Bruce Kettler, *Director, ISDA*
Senator James W. Merritt, Jr.
& Representative Robert Cherry
State Fair Legislative Advisory Committee
Cynthia C. Hoye, CFE

INDIANA STATE FAIR COMMISSION EXECUTIVE TEAM

Cynthia C. Hoye, *Executive Director*
Mike Berkery, *Chief Operating Officer*
John Pfeffenberger, *CFO / Vice President, Finance*
Ray Allison, *Vice President, Development*
Anna Whelchel, *Vice President, Marketing*

INDIANA STATE FAIR BOARD

ELECTED	APPOINTED	DISTRICT
Scott Fritz	Alan D. Washburn	District 1
Bill Leeuw	Melissa Huff	District 2
Gwen Mize	Jeannette Merritt	District 3
Lynn Kuhn	Cheri Daniels	District 4
Sandy Neukam		District 5
Terry Clifford	Terry Strueh	District 6
Ashton Eller, *President*	Olgen Williams	District 7

EX-OFFICIO MEMBERS

Governor's Office Representative – Sam Frain
Director or Indiana State Department of Agriculture – Bruce Kettler
Dean & Director of Purdue Extension – Dr. Jason Henderson

2019: YEAR IN REVIEW

Top Annual Highlights

EXCEEDING BUDGET

Through a combination of more standardized forecasting, increased individual stewardship by department managers, a surplus of Riverboat Funds, and savings on utilities – the annual budget was exceeded by over $1 million. Additionally, sales support and controls were introduced to third party concession vendors for year-round business and the State Fair. The procedural improvements that were instituted in 2019 will continue to sharpen and improve the financial picture for years to come.

LONG TERM SAVINGS

ISFEC completed a bond refunding on the Indiana Farmers Coliseum that will save the Commission budget an average of $255,000 per year through 2038.

SECURING A LONG-RANGE ASSET

In 2019 Governor Holcomb and the Indiana General Assembly agreed to support a $50 million renovation to one of the largest buildings on the Fairgrounds, the historic, open air Swine Barn, into a state-of-the art, fully enclosed "Fall Creek Pavilion" that by 2022 will begin hosting national livestock shows, sporting events and consumer conventions on a year-round basis (see related story in this publication). ***NOTE: Due to the impact of COVID-19, this project has been put on "pause." We look forward to providing further updates in the coming months.***

FILLING THE EVENT PIPELINE

The Sales and Marketing Departments collaborated to develop a strategy to attract elite events and enhance the marketing efforts of all events. New shows secured include the World Appaloosa Horse Show (2021-2023); The Exposition (2020-2022); Christmas Nights of Lights (2019-2024), Horizon League Men's and Women's Basketball Championships (2020-2023). Also, we extended and expanded our partnership with one of our largest and longest running events, the Mecum Auto Auction, through 2023.

UPGRADING EVENT OPERATIONS

The staff transitioned to new, electronic parking software for year-round events, and a ticketing software system for the Fair – making the guest experience more streamlined and convenient. The information gathered by this new software provides invaluable data to make more informed decisions related to staffing and budget areas.

GROUNDS & FACILITIES ENHANCEMENTS

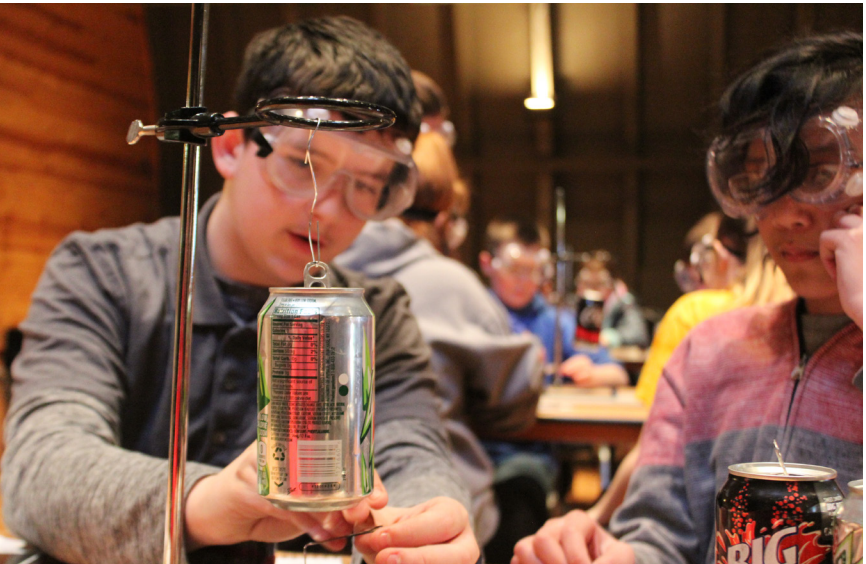
Responsible stewardship of this treasured Fairgrounds is at the core of our mission. In 2019, the mission was greatly enhanced by the completion of the final Historic Speed Barn renovation, installing over 20,000 square feet of sod to Celebration Park, Coliseum Plaza, and adjacent to West Pavilion, completing tuckpointing on the South Pavilion and replacing roofs on the Administration Building, the Coliseum Entry Canopy and Champions Pavilion Entry, and adding ADA parking to multiple areas on campus.

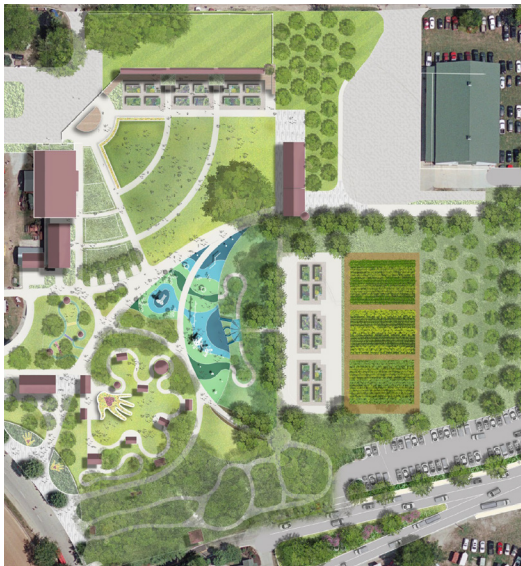
INDIANA STATE FAIR
Indiana Farmers Coliseum
COLISEUM

SWINE

HORIZON LEAGUE
BASKETBALL
CHAMPIONSHIPS
MARCH 9-10
2020
INDIANA FARMERS
COLISEUM

PROTECT THE HEARTLAND





Top Annual Highlights (Continued)

SUSTAINABILITY PLAN LAUNCH

In 2019, the first steps toward utilizing the Indiana State Fairgrounds & Event Center as a model for long-term sustainability were taken. The team established the "Protect the Heartland" program, and introduced single stream recycling at the Fair, deploying over 150 receptacles which led to a 41% increase in recycling over 2018. The single stream recycling program was also instituted in all workspaces on campus. Additionally, ISFEC was awarded a grant in late 2019 to implement a year-round recycling program in our show buildings.

SPONSORSHIP CONTINUES TO RISE

2019 marked the third consecutive year of the sponsorship arrow pointing up – a trend that started when ISFEC brought all sponsorship activities "in-house" and created a sales department in late 2016. For the past three years net revenue growth approaches $800,000 with expenses decreased by 50% and revenue increased by 30% during this period. Total sales revenue in 2019 was $2.3 million, and several partnerships were converted to multi-year deals.

A HEROIC FAIR

The "Heroes in the Heartland" theme resonated with every guest in some way. We paid tribute to a variety of heroes and provided an opportunity for the hero in everyone to be honored. All 17 days of the Fair were programmed around showcasing, among others, the important work of our military, educators, first responders, and the heroes of agriculture who keep America and the world fed. Theme activations resonated with our guests as illustrated by increasing ratings in all the key survey metrics: our Net Promoter Score (NPS) grew from 43 to 48; overall satisfaction increased to 91%, and 89% of our guests said they were "likely to return". Website page views increased by 1 million and social media followers grew to over 260,000. Media coverage increased in both the quantity and quality of storytelling. The Free Stage attracted a record crowd for the return of Boyz II Men and newly created revenue streams – like the "Circus Fast Pass" which generated $35,000 alone, opened the window for increased growth through supplemental income during future Fairs.

ISF EDUCATION HEROES

The ISFC Education Department hosted a record number of students attending field trips at the Fairgrounds over 118 days, with over 15,000 students, and over 3,000 teachers/chaperones from 34 Indiana counties. This represented a 57% increase over 2018 and a 68% increase in activity since the program was launched in 2006 (see related story later in this publication).

CONTINUING THE EXCITING JOURNEY TOWARD 2023

The Executive Team, Chairman and Commission members continue to build on the "Destination 2023" master-plan, which includes the addition of revenue producing venues such as the Fall Creek Pavilion, optimization of existing buildings and property, upgrades to the fence-line, entry points, parking and other comfort zones that will enhance the guest experience. These changes and major projects in the development pipeline, such the "State Fair Farm" and "State Fair Water Park", will all contribute to more visits to the Indiana State Fairgrounds & Event Center by citizens of our state and visitors from around the country, along with the addition of new show promoters who will see our campus as the perfect venue for a wide-range of events.

Field Trip Data 2013

Field trips taught

4806

Students on the Indiana State Fairgrounds campus.

STUDENTS BY GRADE:

- Pre-Kindergarten— 269
- Elementary— 3303
- Middle School— 839
- High School— 395

89%

Schools indicated Interest in re-scheduling field trip in 2014.

2120

Students engaged in the Glass Barn since August.

9 items you should know about THE BARNS GLOBAL LEARNING INITIATIVE FROM THE INDIANA STATE FAIRGROUNDS

27% increase in the number of students reached in 2012.

863

Students participated in Indiana State Fair field trips.

17.5%

of these students were Middle School age.

4 new programs were developed that reached **970** NEW students.

2013 stats indicate with proper planning and resources THE BARNS will achieve PATH 2017 objectives.

2019 Field Trip Data

INDIANA STATE FAIRGROUNDS & EVENT CENTER

118
programming dates

15,854
students programmed

3,611
teachers & chaperones on-site

Students from
34
counties across Indiana reached by all programming platforms

Participation By Trip

On-Site
Farm to Pizza — 8,204
Plants, Animals and Me — 2,015
Exploring BioTech — 1,218

Fair
Self-Guided Trip — 1,805
Machines of the Midway — 439
Diversity In Ag Day — 173

Virtual Learning
It's All About the Genes — 2,021

57%
increase in overall student participation from 2018

17
schools brought 1,264 students through Indiana Soybean Alliance funding

137
different schools visited during spring and fall field trips

Increase Over 2018

Registered
Spring — 9%
Fair — 61%
Fall — 69%

Attended
Spring — 6%
Fair — 37%
Fall — 66%

70% increase in field trip participation from 2013 to 2019

DOC'S
OLD FASHIONED
ROOT BEER
PEPSI

ICE COLD
DRINKS

2019 Indiana State Fair Key Performance Indicator (KPIs) Results

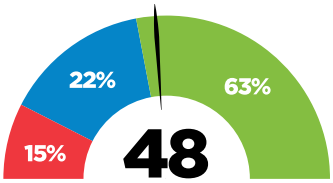
878,857
People attended the Fair.

Avg. Length of Stay:
5.1 hours

Avg. Age:
47 years

Overall Satisfaction Rating

Net Promoter Score (NPS)



Targets: 10% | 30% | 60%

The average household income of visitors was $80,000 in 2019.

162 Vendors

150 Concessionaires

82 Sponsors

SOCIAL MEDIA REACH
80 million

182k Facebook Fans

15.2k Instagram Followers

51.2k Twitter Followers

WEBSITE NUMBERS
Pageviews: 5.4 million
Visits: 1.1 million
Avg. Time on Site: 2:24
Avg Clicks: 2.88

663,003
Emails Sent

INDIANA STATE FAIR

FALL CREEK PAVILION

Core Element Driving Destination 2023 Economic Engine

As the banner boldly wrapped around the 100-year old historic Swine Barn states, the renovation of this climate controlled, multi-use facility will take the Indiana State Fairgrounds & Event Center to the NEXT LEVEL.

2019 was a busy and productive year for this transformative project that will serve as a cornerstone of the organization's broader business plan, Destination 2023. Both the project and the plan are designed to maximize revenue from campus buildings and property to add long-term assets that will set the standard in Indiana and the agricultural community for the next century.

More than two years of diligent planning on the project included presenting the concept to constituents - from livestock producers to neighborhood community groups, from volunteers to large scale event promoters, and from local sports clubs to national governing bodies. Focus group feedback was processed by staff with design and construction experts and in 2019 all efforts culminated in the final plan for a $50 million transformation of the narrow-use Swine Barn, into a state-of the art facility that will preserve the historic portions of the building and its architectural and agricultural origins.

The Fall Creek Pavilion will attract new and larger national livestock competitions, sporting events and consumer shows to the Indiana State Fairgrounds & Event Center, while simultaneously upgrading the antiquated campus storm water drainage system, greatly enhancing livestock load-in traffic flow and providing a more modern and safer work space for security and maintenance personnel.

In its entirety, the Fall Creek Pavilion project will encompass a 5-year development timeline before ribbon cutting ceremonies are held. However, 2019 will be remembered as the pivotal year for producing these outcomes:

- Finalizing the facility financing plan in partnership with the State of Indiana
- Agreeing on a timeline with current building users, the overall project manager and construction partners
- Incorporating related renovations of the Public Safety and Maintenance headquarters and repair of the underlying storm water systems on the Fairgrounds.

- Securing new space on campus for displaced tenants, the Indy Fuel, and a temporary solution for displaced staff – including our teams in public safety, parking, facility maintenance and supplies
- Finalizing bids to attract new events when the facility has a grand re-opening, scheduled for 2022

2019 also produced the final set of building features that can be presented to sponsors, event promoters and fans, and create the excitement that surrounds the opportunities that await with a facility renovation of this nature. The Fall Creek Pavilion will feature:

- 196,000 total square feet of event space, including 116,000 square feet of "show floor"
- 14,000 square feet of lobby area to maximize guest comfort, education and promotional opportunities
- Building specifications flexible enough to host livestock competitions, basketball tournaments, track & field events, consumer trade shows and much more
- A fully enclosed and climate-controlled event space

The economic impact of the Indiana State Fairgrounds & Event Center is $197.4 million, according to a 2017 study. The Fairgrounds also provides over 1,000 jobs to the Indianapolis area.

The Fall Creek Pavilion will attract dozens of new events to the Fairgrounds, thousands of guests from Indiana and throughout the county and, in turn, continue to power the Indiana State Fairgrounds & Event Center economic engine, by creating jobs and generating new revenue - all while helping Hoosiers create unique and memorable event experiences.

NOTE: Due to the impact of COVID-19, this project has been put on "pause." We look forward to providing further updates in the coming months.

Indianapolis, Indiana

FINANCIAL STATEMENTS
December 31, 2019

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Indiana State Fair Commission (Commission), a component unit of the State of Indiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Indiana State Fair Commission as of December 31, 2019, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I to the financial statements, the financial impact of COVID-19 will impact subsequent periods of the Commission. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, the schedule of the Commission's proportionate share of the net pension liability on page 27 and the schedule of the Commission's contributions on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
June 1, 2020

As management of the Indiana State Fair Commission (Commission), we offer readers of the Commission's basic financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2019.

FINANCIAL HIGHLIGHTS

- The Commission's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $33.7 million (net position). There is a total of $0.5 million in unrestricted cash, internally designated by the Commission for specific purposes: this amount is set aside as an operating reserve for the Indiana State Fair; and the funds are intended to be available for the Commission to use toward paying lease payments associated with the Coliseum Project debt service if the Fair fails to hit budgeted net earnings.

- The Commission's current assets increased by $3.7 million, and total liabilities decreased $1.3 million during the current fiscal year. Cash and cash equivalents increased $3.8 million. This is attributable to a $1.2 million growth in Operating Revenues in 2020, primarily driven by an increase in Parking fees due to a pricing change, as well as positive growth on Admission and Concessions revenue tied to the annual Indiana State Fair. Operating expenses also were reduced by $1.8 million over the prior year, driven by management's efforts to improve overall net operating margin. The Commission also had a net balance left on is appropriation for the new Fall Creek Pavilion project of $1.8 million.

- The Commission's net position increased by $2.2 million during the current fiscal year. The state appropriations for the Fall Creek Pavilion were the primary factor for this increase.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Indiana State Fair Foundation was created in July 2011. The Board of Directors of the Foundation is made up of Commission members of the Indiana State Fair Commission. Therefore, the Foundation is considered a blended component unit of the Commission for the purpose of financial reporting.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Commission, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $31.9 million at the close of the most recent fiscal year.

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

	2019	2018
Current and other assets	$ 9,921	$ 6,190
Capital assets	75,637	78,450
Total assets	85,558	84,640
Deferred outflows of resources	469	509
Current liabilities	5,215	4,697
Noncurrent liabilities	46,634	48,458
Total liabilities	51,849	53,155
Deferred inflows of resources	480	503
Net position:		
Net investment in capital assets	31,959	31,421
Restricted	3,486	1,370
Unrestricted	(1,747)	(1,300)
Total net position	$ 33,698	$ 31,491

Operating revenue increased $1.2 million in 2019, primarily driven by $900k growth in Parking revenues. Operating expenses decreased approximately $1.1 million from 2018, driven by cost reductions in several areas, including: Utilities, Maintenance, Fair Production & Administrative expense.

FINANCIAL ANALYSIS (Continued)

While the Commission's net position had been decreasing over the prior two years, 2019 net position increased by $2.2 million. The recent decreases in net position are a notable correlation to the financial impact of the Coliseum Renovation Project through depreciation and debt service, however; the Commission's management has taken substantial efforts to grow operating revenues and decrease operating expenses, to continue to improve the overall net position on an annual basis.

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

	2019	2018
Operating Revenues:		
Admissions revenue	$ 4,807	$ 4,628
Parking revenue	3,037	2,119
Facility revenue	6,356	6,307
Concessions revenue	4,088	3,953
Sponsorship revenue	2,293	2,224
Other revenue	1,157	1,265
Total operating revenue	21,738	20,496
Operating Expenses:		
Payroll and benefit expenses	9,351	9,330
Utilities	2,933	3,029
Maintenance	1,708	2,080
Marketing	952	1,016
Event services	1,881	2,078
Operations	1,248	1,130
Technology	410	419
Education	59	34
Security	903	949
Coliseum	607	841
Fair production	2,972	3,456
Administrative and other	1,618	1,732
Depreciation	5,647	5,340
Total operating expenses	30,289	31,434
Operating loss	(8,551)	(10,938)
Nonoperating Revenues (Expenses):		
State funding:		
General fund and preventative maintenance appropriation	3,511	4,505
Fall Creek Pavilion project – state appropriation	2,500	-
Riverboat distribution	5,302	5,060
Pari-mutual, off-track betting distribution	144	120
Commercial vehicle excise tax	22	18
Standardbred racing fund	1,000	1,000
Grants and contributions	436	752
Investment earnings	38	33
Capital lease interest expense	(2,194)	(2,326)
Net nonoperating revenues (expenses)	10,759	9,162
Change in net position	$ 2,208	$ (1,776)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Commission's total capital assets as of December 31, 2019, amounts to $75.6 million (net of accumulated depreciation). This includes land, land improvements, buildings, equipment, and furnishings and fixtures. Net investment in capital assets at December 31, 2018 was $31.9 million.

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

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

Also, on November 9, 2012, the IFA completed a second bond issue (Series 2012M); the principal of that bond issue was $57.6 million. The proceeds from that bond were used for the Coliseum Renovation Project. The Commission has entered into a Master Use and Occupancy Agreement with the IFA; per the agreement, the Commission will make lease payments to the IFA for the use of the Coliseum. As of December 31, 2019, there was $1.8 million in short-term principal and $43.5 million in long-term debt principal outstanding on the agreement.

Both debt transactions are recorded as a capital lease payable in the financial statements and notes.

ECONOMIC OUTLOOK

Other than the uncertainty of general economic indicators on the Commission and its customers, there are no significant facts, decisions or conditions that are expected that management believes will have a significant impact on the financial position or results of operations.

REQUESTS FOR INFORMATION

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

INDIANA STATE FAIR COMMISSION
STATEMENT OF NET POSITION
December 31, 2019

Assets	
Current assets:	
Cash and cash equivalents	$ 4,843,161
Commission designated cash – Indiana State Fair Reserve	500,000
Cash and cash equivalents - Foundation	69,216
Total unrestricted and designated cash and cash equivalents	5,412,377
Restricted cash and cash equivalents	3,486,171
Total cash and cash equivalents	8,898,548
Accounts receivable, net	770,066
Pledges receivable	1,196
Investments	251,496
Total current assets	9,921,306
Non-current assets:	
Capital assets, non-depreciated	1,497,141
Capital assets, depreciated, net of accumulated depreciation	74,139,865
Total non-current assets	75,637,006
Total current and noncurrent assets	85,558,312
Deferred Outflows of Resources	
Pension	469,425
Total assets and deferred outflows of resources	$ 86,027,737
Liabilities	
Current liabilities:	
Accounts payable	$ 2,006,513
Indiana sales tax payable	7,904
Salaries and payroll withholding payable	227,001
Unearned revenue	953,301
Capital leases payable	1,790,000
Compensated absences payable	230,523
Total current liabilities	5,215,242
Noncurrent liabilities:	
Capital leases payable	43,452,938
Compensated absences payable	101,815
Net pension liability	3,079,328
Total noncurrent liabilities	46,634,081
Total current and noncurrent liabilities	51,849,323
Deferred inflows of resources	
Pension	480,348
Net position	
Net investment in capital assets	31,959,479
Restricted – expendable:	
Indiana State Fair Foundation	477,386
Coliseum R&R fund	203,283
Standardbred racing fund	1,001,054
Fall Creek Pavilion	1,804,448
Unrestricted	(1,747,584)
Total net position	33,698,066
Total liabilities, deferred inflows of resources and net position	$ 86,027,737

INDIANA STATE FAIR COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2019

Operating revenues:	
Admissions revenue	$ 4,806,640
Parking revenue	3,037,170
Facility revenue	6,355,943
Concessions revenue	4,088,011
Sponsorship revenue	2,293,418
Other revenue	1,156,950
Total operating revenue	21,738,132
Operating expenses:	
Payroll and benefit expenses	9,350,777
Utilities	2,933,438
Maintenance	1,707,723
Marketing	952,262
Event services	1,881,087
Operations	1,248,252
Technology	411,367
Education	59,303
Security	902,664
Coliseum	606,547
Fair production	2,971,875
Administrative and other	1,617,661
Depreciation and amortization	5,646,738
Total operating expenses	30,289,694
Operating loss	(8,551,562)
Nonoperating revenues (expenses):	
State funding:	
General fund and preventative maintenance appropriation	3,510,810
Fall Creek Pavilion project – state appropriation	2,500,000
Riverboat distribution	5,302,015
Pari-mutual, off-track betting distribution	144,129
Commercial vehicle excise tax	22,331
Standardbred racing fund	1,000,000
Grants and contributions	436,041
Investment earnings	37,528
Capital lease interest expense	(2,193,738)
Net nonoperating revenues	10,759,116
Change in net position	2,207,554
Total Net Position, January 1	31,490,512
Total Net Position, December 31	$ 33,698,066

INDIANA STATE FAIR COMMISSION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

Cash flows from operating activities:	
Receipts from customers and users	$ 22,423,471
Payments to suppliers	(15,268,081)
Payments to employees for salary and benefits	(9,350,770)
Net cash used by operating activities	(2,195,380)
Cash flows from noncapital financing activities:	
Tax distributions from State	
General fund appropriations	3,510,810
Other distributions from the State	7,968,475
Standardbred racing fund	500,000
Grants and contributions	136,813
Net cash provided by noncapital financing activities	12,116,098
Cash flows from capital and related financing activities:	
Acquisition/construction of capital assets	(2,834,072)
Principal paid on capital debt	(1,786,172)
Interest paid on capital debt	(2,193,738)
Grants and contributions	931,919
Net cash used by capital and related financing activities	(5,882,063)
Cash flows from investing activities:	
Interest received	37,528
Purchase of investments	(251,496)
Net cash provided by investing activities	(213,968)
Net increase in cash and cash equivalents	3,824,687
Cash and cash equivalents, beginning of period	5,073,861
Cash and cash equivalents, end of period	$ 8,898,548
Reconciliation of cash, cash equivalents per Statement of Net Position:	
Cash and cash equivalents, current	$ 5,412,377
Restricted cash and cash equivalents, current	3,486,171
Total	$ 8,898,548
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	(8,551,562)
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation and amortization expense	5,646,738
Changes in assets and liabilities:	
Accounts receivable	106,270
Deferred outflows - pension	39,681
Prepaid expenses	435
Notes Receivable	106,027
Accounts payable	(115,400)
Salaries and payroll withholding payables	13,159
Unearned revenue	565,558
Compensated absences payable	42,784
Taxes payable	3,377
Net pension liability including deferred inflows	(52,447)
Net cash used by operating activities	$ (2,195,380)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Unit

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

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

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

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

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

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

C. Assets, Liabilities and Net Position

1. Deposits and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Short-term investments are investments with remaining maturities of up to 90 days. State statute (IC 5-13-10.5) authorizes the Commission to invest in interest-bearing accounts, passbook savings accounts, certificates of deposit, money-market deposit accounts, mutual funds, pooled fund investments, securities backed by the full faith and credit and obligations of the U.S. Treasury, a federal agency, a federal instrumentality, a federal government sponsored enterprise, and repurchase agreements. The statutes require that repurchase agreements be fully collateralized by U.S. Government or U.S. Government Agency obligations. At December 31, 2019, the Commission had a certificate of deposit with a balance of $1 million and a money market account with a balance of $2 million; the Foundation had funds in a money market savings account of $519 thousand and a certificate of deposit valued at $250 thousand.

2. Pledges Receivable

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

3. Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the collection policy. Management estimated an allowance for doubtful accounts was not necessary at December 31, 2019.

4. Prepaid Expense

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

5. Capital Assets

Capital assets are reported at actual historical cost or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at acquisition cost at the time received.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Net Position (Continued)

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

6. Accounts Payable

Operating payables and contracts payable have been combined on the Statement of Net Position. Contracts payable make up $756,650 of the combined accounts payable.

7. Compensated Absences

a. Sick Leave – Commission employees earn sick leave at the rate of 9 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is not paid to employees.

b. Vacation Leave – Commission employees earn vacation leave at rates from 12 days to 25 days per year based upon the number of years of service. Vacation leave may be accumulated indefinitely. Accumulated vacation leave is paid to employees in good standing, through cash payments for up to a maximum of 30 days' vacation upon separation of service.

c. Personal Leave – Commission employees earn personal leave at the rate of 3 days per year. Unused personal leave may be accumulated to a maximum of 3 days. Any personal leave accumulated in excess of 3 days automatically becomes part of the sick leave balance. Accumulated personal leave is not paid to employees.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Net Position (Continued)

8. Net Position

Net position of the Commission is classified in three components:

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

D. Grants and Contributions

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

Total net grants and contributions received in 2019 was $455,160.

E. Subsequent Events

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Commission may be materially affected by this global pandemic. The extent to which the coronavirus may impact business activity and results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

In January 2020, the Commission refinanced the Series 2012M bonds as further discussed in Note II-D.

II. DETAILED NOTES ON ACCOUNTS

A. Deposits and Investments

Federal depository insurance covers $250,000 of demand deposits, and the rest of the Commission's funds are coverage under Indiana's Public Deposit Insurance Fund. At December 31, 2019, the Indiana State Fair Commission had deposit balances in the amount of $8,898,548. All funds were held at banks in accounts either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000 or collateralized with securities of the U.S. Government or in municipal obligations with the appropriate credit rating at December 31, 2019.

B. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, non-depreciated				
Land	$ 1,384,243	$ 40,716	$	$ 1,424,959
Construction in progress	599,578	72,182	(599,578)	72,182
Total capital assets not being depreciated	1,983,821	112,898	(599,578)	1,497,141
Capital assets, depreciated				
Land improvements	15,815,899	389,824	-	16,205,723
Buildings and improvements	143,213,905	2,338,513	-	145,552,418
Machinery and equipment	4,380,159	207,577	-	4,587,736
Office furniture	1,478,337	384,840	-	1,863,177
Totals	164,888,300	3,320,754	-	168,209,054
Less accumulated depreciation for				
Land improvements	(12,357,810)	(554,329)	-	(12,912,139)
Buildings and improvements	(70,545,827)	(4,827,860)	-	(75,373,687)
Machinery and equipment	(4,207,000)	(98,811)	-	(4,305,811)
Office furniture	(1,311,814)	(165,738)	-	(1,477,552)
Totals	(88,422,451)	(5,646,738)	-	(94,069,189)
Total capital assets, being depreciated, net	76,465,849	(2,325,984)	-	74,139,865
Total capital assets, net	$ 78,449,670	$ (2,213,086)	$ (599,578)	$ 75,637,006

II. DETAILED NOTES ON ACCOUNTS (Continued)

C. Operating Leases

Operating Leases of a Lessee: The Commission, as lessee, entered into an operating lease having initial or remaining noncancelable terms exceeding one year with Konica Minolta in May 2019, for the lease of three BIZHUB model copiers. The lease agreement also includes terms related to maintenance costs. The lease expires in May 2024. The total lease expense for the year ending December 31, 2019 was $60,628.

Future maximum lease payments under operating leases are as follows:

	$ Amount
2020	$ 67,000
2021	67,000
2022	67,000
2023	67,000
2024	27,917
Total	$ 295,917

Operating Leases of a Lessor: The Commission is engaged in leasing various facilities to tenants under operating leases expiring over the next 20 years. Substantially all capital assets of the Indiana State Fair Commission are available for leases.

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

	$ Amount
2020	$ 2,166,307
2021	1,839,181
2022	1,798,000
2023	1,548,491
2024	1,166,579
2025-2029	5,099,683
2030-2034	5,434,652
2035-2039	5,391,190
Total	$ 24,444,083

The future minimum lease payments to be received from 2025-2039 are assuming that the lease agreement between the Commission and the Indiana Hockey Club will be renewed for each five-year renewal term.

II. DETAILED NOTES ON ACCOUNTS (Continued)

D. Long-Term Liabilities

1. Capital Leases

The Indiana State Fair Commission has entered into a capital lease for the renovation of the Coliseum and construction of the new Youth Arena which was completed in 2014. At December 31, 2019, the total capitalized cost of the buildings and improvements was $58,512,385 and accumulated depreciation was $8,776,858. Future lease payments and present values of the net minimum lease payment under the capital lease as of December 31, 2019, are as follows:

2020	$ 3,949,338
2021	3,947,738
2022	3,953,338
2023	3,965,738
2024	3,964,238
2025-2029	19,835,988
2030-2034	19,922,838
2035-2038	9,676,750
Total minimum lease payments	69,215,966
Less amount representing interest	(23,973,028)
Present value of net minimum lease payments	$ 45,242,938

On November 9, 2012, the IFA completed a bond issue (Series 2012M); the principal of that bond issue was $57.6 million. The proceeds from that bond were used for the Coliseum Renovation Project. The Commission has entered into a Master Use and Occupancy Agreement with the IFA; per the agreement, the Commission will make lease payments to the IFA for the use of the Coliseum. As of December 31, 2019, there was $1.8 million in short-term principal and $43.5 million in long-term debt principal outstanding on the agreement.

In January 2020, the Commission worked with the IFA to refinance the Series 2012M bonds. The refinanced future minimum lease payments are included in the table above.

2. Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital lease payable	$ 47,029,110	$ -	$ (1,786,172)	$ 45,242,938	$ 1,790,000
Compensated absences	289,554	211,218	(168,434)	332,338	230,523
Total long-term liabilities	$ 47,318,664	$ 211,218	$ (1,954,606)	$ 45,575,276	$ 2,020,523

II. DETAILED NOTES ON ACCOUNTS (Continued)

E. Designated and Restricted Assets

Cash and investments designated or restricted include the following:

1. **Indiana State Fair Foundation** – There is $477,386 listed as restricted funds for the Indiana State Fair Foundation. These funds include gifts and grants related to the Coliseum Project Capital Campaign (including related financing) and the Youth and Education funds.

2. **Coliseum R&R Fund** – This includes funds restricted for the repair and renovation of the Coliseum.

3. **Standardbred Racing Fund** – The Commission receives annual distributions from the Standardbred Racing Fund to support standardbred racing and facilities at the State Fairgrounds and to make grants to county fairs to support standardbred racing and facilities at the county fair tracks. Unspent funds are recorded as restricted funds.

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

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

	Amount
Indiana State Fair Foundation	$ 477,386
Standardbred Racing Fund	1,001,054
Coliseum R&R Fund	203,283
Indiana State Fair Reserve	500,000
Fall Creek Pavilion	1,804,448
Total designated and restricted assets	$ 3,986,171

F. Operating Revenue – Expense Reimbursement

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

II. DETAILED NOTES ON ACCOUNTS (Continued)

G. Non-Operating Revenue – State Funding

The Indiana State Fair Commission receives state funding from various sources. The funding is used to mitigate operating expenses and support capital projects including the payment of capital leases.

	$ Amount
General Fund and Preventative Maintenance Appropriations	$ 3,510,810
Riverboat Admissions Tax	5,302,015
Fall Creek Pavilion	2,500,000
Pari-mutual, off-track betting distribution	144,129
Commercial Vehicle Excise Tax	22,331
Total State Funding	$ 11,479,285

III. OTHER INFORMATION

A. Risk Management

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

The State Fair Commission generally does not purchase commercial insurance for the risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. However, the Commission does carry property insurance for specific buildings to guard against the destruction of assets, which covers up to $221,118,104, and possible loss of business revenue related to such destruction of assets, which covers up to $10,500,000. Currently, the Commission records, as an expenditure, any loss not covered by property insurance as the liability is incurred or replacement items are purchased.

The State Fair Commission does have a faithful performance bond, as required by statute (IC 15-13-2-15), which covers up to $50,000 for each of the following: Executive Director, Chief Financial Officer, Commission Chair, and each Commission member. There were no significant reductions in insurance coverage during 2019 and there were no settlements that exceeded insurance coverage during any of the past three fiscal years for those risks that the Commission purchased insurance.

B. Retirement Medical Benefits Account

SEA 501 (2007) established a retirement medical benefits account as a health reimbursement arrangement for eligible state government retirees. Full-time benefited employees of the Indiana State Fair Commission are eligible participants to receive this benefit as outlined in SEA 501. Contributions on behalf of the eligible Indiana State Fair Commission participants are made by the State of Indiana. Therefore, no actuarial information is included in this report. Actuarial information concerning the retirement medical benefits account can be found in the 2019 State of Indiana Comprehensive Annual Financial Report.

III. OTHER INFORMATION (Continued)

C. Condensed Combining Information

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

The following summarizes the combining information for the statement of net position as of December 31, 2019:

	2019			
	State Fair	Foundation	Eliminations	Combined
Assets				
Current assets	$ 9,200,418	$ 816,794	$ (95,906)	$ 9,921,306
Capital assets, net of depreciation	75,637,006	-	-	75,637,006
Total assets	84,837,424	816,794	(95,906)	85,558,312
Deferred outflows of resources	469,425	-	-	469,425
Total assets and deferred outflows of resources	$ 85,306,849	$ 816,794	$ (95,906)	$ 86,027,737
Liabilities				
Current liabilities	$ 5,215,242	$ 95,906	$ (95,906)	$ 5,215,242
Noncurrent liabilities	46,634,081	-	-	46,634,081
Total liabilities	51,849,323	95,906	(95,906)	51,849,323
Deferred inflows of resources	480,348	-	-	480,348
Net investment in capital assets	31,959,479	-	-	31,959,479
Restricted - expendable:				
Indiana State Fair Foundation	-	477,386	-	477,386
Coliseum R&R fund	203,283	-	-	203,283
Standardbred racing fund	1,001,054	-	-	1,001,054
Fall Creek Pavilion	1,804,448	-	-	1,804,448
Unrestricted	(1,991,086)	243,502	-	(1,747,584)
Total net position	32,977,178	720,888	-	33,698,066
Total liabilities, deferred inflows of resources and net position	$ 85,306,849	$ 816,794	$ (95,906)	$ 86,027,737

III. OTHER INFORMATION (Continued)

C. Condensed Combining Information (Continued)

The following summarizes the combining information for the statement of revenues, expenses, and changes in net position for the year ended December 31, 2019:

	2019			
	State Fair	Foundation	Eliminations	Combined
Operating revenues				
Operating revenues	$ 21,738,132	$ -	$ -	$ 21,738,132
Operating expenses				
Depreciation and amortization	5,646,738	-	-	5,646,738
Other operating expenses	24,197,570	445,386	-	24,642,956
Total operating expenses	29,844,308	445,386	-	30,289,694
Operating loss	(8,106,176)	(445,386)	-	(8,551,562)
Nonoperating revenues (expenses) and transfers				
State funding:				
General fund and PM appropriations	3,510,810	-	-	3,510,810
Fall Creek Pavilion project – state appropriation	2,500,000	-	-	2,500,000
Riverboat distribution	5,302,015	-	-	5,302,015
Par-mutual, off-track betting distribution	144,129	-	-	144,129
Commercial vehicle excise tax	22,331	-	-	22,331
Standardbred racing fund	1,000,000	-	-	1,000,000
Grants and contributions	4,122	431,919	-	436,041
Investment earnings	34,153	3,375	-	37,528
Capital lease interest expense	(2,193,738)	-	-	(2,193,738)
Net nonoperating revenues	10,323,822	435,294	-	10,759,116
Change in net position	2,217,646	(10,092)	-	2,207,554
Beginning net position	30,759,533	730,979	-	31,490,512
Ending net position	$ 32,977,179	$ 720,887	$ -	$ 33,698,066

The following summarizes the combining information for the statement of cash flows for the year ended December 31, 2019:

	2019			
	State Fair	Foundation	Eliminations	Combined
Cash flows from operating activities	$ (1,771,538)	$ (423,842)	$ -	$ (2,195,380)
Cash flows from noncapital financing activities	11,977,877	138,221	-	12,116,098
Cash flows from capital and related financing activities	(6,313,982)	431,919	-	(5,882,063)
Cash flows from investing activities	34,153	(248,121)	-	(213,968)
Net increase in cash and cash equivalents	3,926,510	(101,823)	-	3,824,687
Cash and cash equivalents, beginning of period	4,425,436	648,425	-	5,073,861
Cash and cash equivalents, end of period	$ 8,351,946	$ 546,602	$ -	$ 8,898,548

III. OTHER INFORMATION (Continued)

D. Pension Plan - Public Employees' Retirement Fund (PERF)

Public Employees' Retirement Fund (PERF):

The Commission contributes to the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS).

Public Employees' Retirement System - Defined Benefit Plan

Plan Description: PERF Defined Benefit (DB) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to fulltime employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2 and other Indiana pension law. PERF DB is a component of the Public Employees Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), the defined contribution component. New employees hired by the State or a participating political subdivision have a one-time election to join either the PERF Hybrid or the PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC) which is covered in the Defined Contribution Plans section. A new hire that is an existing member of PERF Hybrid and was not given the option for PERF MC DC is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have at least one year of service in both PERF DB and the Teachers Retirement Fund (TRF Pre-'96 DB or TRF '96 DB) have the option of choosing from which of these funds they would like to retire.

Retirement benefits provided: A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position. A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is reduced to 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1 percent (minimum of $180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than $2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. Historically, eligible members receive a one-time check (13th check) with the dollar amount tied to years of service.

III. OTHER INFORMATION (Continued)

D. Pension Plan - Public Employees' Retirement Fund (PERF) (Continued)

Disability and survivor benefits provided: An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of $180 per month). If death occurs while in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If death occurs while receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Contributions: Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2019, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members. For PERF MC DC plan members, the political subdivisions were required to contribute a supplemental cost of 7.4 percent of covered payroll as of July 1, 2019, which decreased from 7.8 percent as of July 1, 2018. No member contributions are required. The employer contribution requirement, which was made by the Commission, was $573,706 for 2019 which represents the required 11.2% of covered payroll for 2019.

The following represents the Commission's annual required contributions for the last two years:

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2019	$ 573,706	100%
2018	533,419	100%

Financial Report: INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Actuarial Assumptions: The total pension liability is determined by INPRS actuaries in accordance with GASB No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

- Asset valuation date – June 30, 2019
- Liability valuation date – June 30, 2018 – Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 4 years ended June 30, 2014
- Investment rate of return – 6.75%, includes inflation and net of investment expenses
- COLA – In lieu of a 1% COLA occurring beginning on January 1, 2020, the COLA was replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter will be 0.4% beginning on January 1, 2022, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.5% - 4.25%
- Inflation – 2.25%

III. OTHER INFORMATION (Continued)

D. Pension Plan - Public Employees' Retirement Fund (PERF) (Continued)

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2019 actuarial valuation.

The long-term return expectation for the INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation.

Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation %	Geometric Basis Long-Term Expected Real Rate of Return
Public equity	22.0%	4.9%
Private equity	14.0	7.0
Fixed income – ex inflation - linked	20.0	2.5
Fixed income – inflation - linked	7.0	1.3
Commodities	8.0	2.0
Real estate	7.0	6.7
Absolute return	10.0	2.9
Risk parity	12.0	5.3
Total	100.0%	

Discount rate: Total pension liability for the defined benefit pension plan was calculated using the discount rate of 6.75 percent for 2019. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the PERF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

III. OTHER INFORMATION (Continued)

D. Pension Plan - Public Employees' Retirement fund (PERF) (Continued)

Sensitivity: The following presents the Commission's share of the net pension liability calculated using the discount rate of 6.75 percent for 2019 and 2018, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Proportionate share of the collective net pension liability	$4,945,441	$3,079,328	$1,522,847

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2019, the Commission reported a liability of $3,079,328 for its proportionate share of the net pension liability. The Commission's proportionate share of the net pension liability was based on the Commission's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2019 measurement date was 0.0009317 percent. This represents a slight increase from the prior measurement date. The proportionate share used at the June 30, 2018 measurement date was 0.0009152 percent.

For the year ended December 31, 2019, the Commission recognized pension expense of $563,990, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of $76,628. At December 31, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 81,540	$ -
Net difference between projected and actual earnings on pension plan investments	-	145,552
Changes in assumptions	686	334,746
Changes in proportion and differences between employer contributions and proportionate share of contributions	88,918	50
Total that will be recognized in pension expense (income) based on table below	171,144	480,348
Pension contributions subsequent to measurement date	298,281	-
Total	$ 469,425	$ 480,348

III. OTHER INFORMATION (Continued)

D. Pension Plan – Public Employee's Retirement fund (PERF) (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2019 and 2018 measurement dates are recognized as a reduction of net pension liability in the year ending December 31, 2020 and 2019, respectively. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period. A change in an employer's proportionate share: represents the change as of the current year measurement date versus the prior year measurement date and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2020	$ (78,918)
2021	(187,227)
2022	(31,759)
2023	(11,300)

Public Employees' Retirement Fund - Defined Contribution Plan

PERF DC is a multiple-employer defined contribution plan and is generally administered in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2. The plan provides supplemental retirement benefits to PERF DB members and serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members.

New employees hired by the State, or a participating political subdivision, have a one-time election to join either the Public Employees' Defined Benefit Account (Hybrid Plan) or My Choice. A new hire that is an existing member of the Public Employees' Defined Benefit Account (Hybrid Plan), and was not given the option for My Choice, is given the option to elect My Choice or remain in the Public Employees' Defined Benefit Account (Hybrid Plan).

PERF DC consists of two tiers:

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account (see Defined Benefit Plans section) is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of compensation, and the employer may choose to make these contributions on behalf of the member. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is for members who are full-time employees of the State of Indiana or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at three percent of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account.

III. OTHER INFORMATION (Continued)

D. Pension Plan – Public Employee's Retirement fund (PERF) (Continued)

Members are 100 percent vested in all member contributions and are vested in employer contributions (see Contributions section), which includes all employer contributions and earnings as follows:

One (1) year of participation	20%
Two (2) years of participation	40%
Three (3) years of participation	60%
Four (4) years of participation	80%
Five (5) years of participation	100%

My Choice

The My Choice retirement and termination benefit is that after a 30-day separation from employment, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earrings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

The survivor benefit is that the beneficiary is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

Investments in the members' accounts are self-directed as participants direct the investment of their account balances among several investment options of varying degrees of risk and return potential. There are eight investment options available to My Choice members: Stable Value Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Small/Mid Cap Equity Fund, Large Cap Equity Index Fund, International Equity Fund and Target Date Funds. Members may make changes to their investment directions daily, and investments of the plan are reported at fair value.

PERF Hybrid DC and My Choice members contribute three percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for PERF Hybrid. For PERF Hybrid, the employer may elect to make the contributions on behalf of the member. The Commission pays the member's contributions on behalf of the member employed by the Commission that participate in My Choice. Political subdivisions may choose to pay part or all of the member's contributions on behalf of the member for My Choice. In addition, members of PERF Hybrid and My Choice may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts, political subdivisions that participate in My Choice may elect to match voluntary contributions at a rate of 50 percent.

The Commission made payments on behalf of employees of 3% of covered payroll for the last two years as follows:

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2019	$ 153,701	100%
2018	142,908	100%

REQUIRED SUPPLEMENTARY INFORMATION

INDIANA STATE FAIR COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY – PERF
December 31, 2019

	2019	2018	2017	2016	2015
Commission's proportion of the net pension liability	0.0009317	0.0009152	0.0008958	0.0008684	0.0007841
Commission's proportionate share of the net pension liability	$ 3,079,328	$ 3,108,976	$ 3,996,651	$ 3,941,185	$ 3,193,562
Commission's covered payroll	$ 4,854,462	$ 4,669,841	$ 4,444,103	$ 4,161,765	$ 3,755,635
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	63.43%	66.58%	89.93%	94.70%	85.03%
Plan fiduciary net position as a percentage of the total pension liability	80.06%	78.90%	76.60%	75.30%	77.30%

Notes: The amounts presented for each calendar year were determined as of the June 30 fiscal year-end that occurred within the calendar year.

- Asset valuation date – June 30, 2019
- Liability valuation date – June 30, 2018 – Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 4 years ended June 30, 2014
- Investment rate of return – 6.75%
- COLA – In lieu of a 1% COLA occurring beginning on January 1, 2020, the COLA was replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter will be 0.4% beginning on January 1, 2022, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.50% - 4.25%
- Inflation – 2.25%
- Mortality – RP-2014 (with MP-2014 improvement removed) Total Data Set mortality table, with Social Security Administration generational improvement scale from 2006.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Commission is presenting information for those years for which information is available.

Measurement date: Actuarial valuation reports from the prior fiscal year.

INDIANA STATE FAIR COMMISSION
SCHEDULE OF THE COMMISSION'S CONTRIBUTIONS – PERF
December 31, 2019

	2019	2018	2017	2016	2015
Statutorily required contribution	$ 573,706	$ 533,419	$ 489,635	$ 487,710	$ 452,597
Contributions in relation to the statutorily required contribution	(573,706)	(533,419)	(489,635)	(487,710)	(452,597)
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
The Commission's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%
Commission's covered payroll	$ 5,122,400	$ 4,762,700	$ 4,372,000	$ 4,355,000	$ 4,041,000
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Commission is presenting information for those years for which information is available.

Valuation date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Actuarial cost method: Entry age normal (Level Percent of Payroll)

Amortization method: Level dollar

Remaining amortization period: 20 years, closed

Asset valuation method: 5 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.

Inflation: 2.25%

Salary increases: 2.50% - 4.25%

Investment rate of return: 6.75%

Mortality: RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006

Other information: The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/16 was 9.80%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/17 was 10.11%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/18 was 9.89%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/19 was 10.03%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year. Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

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