

THE DELAWARE STATE FAIR, INC.

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

DECEMBER 31, 2018 AND 2017

THE DELAWARE STATE FAIR, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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Schedules of Revenue and Support

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Independent Auditor's Report

Board of Directors
The Delaware State Fair, Inc.
Harrington, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of The Delaware State Fair, Inc. (the Organization), which comprise the statements of financial position - income tax basis, as of December 31, 2018 and 2017, and the related statements of activities and change in net assets - income tax basis, operating expenses - income tax basis and cash flows - income tax basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting the Organization uses for income tax purposes; 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 Organization'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 Organization'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 assets, liabilities and net assets of The Delaware State Fair, Inc. as of December 31, 2018 and 2017 and its activities and changes in net assets for the years then ended in accordance with the basis of accounting the Organization uses for income tax purposes described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting the Organization uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Dover, Delaware
April 8, 2019

THE DELAWARE STATE FAIR, INC.

STATEMENTS OF FINANCIAL POSITION - INCOME TAX BASIS

DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 3,368,334	\$ 2,146,468
Accounts receivable	445,977	569,803
Interest receivable	34,019	22,376
Prepaid expenses	82,996	85,790
Inventory	<u>5,262</u>	<u> </u>
<u>Total Current Assets</u>	<u>3,936,588</u>	<u>2,824,437</u>
<u>Property and Equipment</u>		
Buildings, improvements and equipment	35,353,868	35,301,698
Land	364,182	364,182
Construction in progress	<u>63,556</u>	<u> </u>
	35,781,606	35,665,880
Less: Accumulated depreciation	<u>22,876,795</u>	<u>22,136,037</u>
<u>Net Property and Equipment</u>	<u>12,904,811</u>	<u>13,529,843</u>
<u>Other Assets</u>		
Investments, at fair value	12,678,526	14,428,744
Investment, at cost	<u>155,628</u>	<u>155,628</u>
<u>Total Other Assets</u>	<u>12,834,154</u>	<u>14,584,372</u>
<u>Total Assets</u>	<u>\$ 29,675,553</u>	<u>\$ 30,938,652</u>

See notes to financial statements.

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
<u>Liabilities</u>		
Accounts payable	\$ 451,568	\$ 331,505
Retirement contributions payable	35,103	36,974
Deposits	500	500
Deferred income	<u>517,715</u>	<u>854,895</u>
<u>Total Liabilities</u>	<u>1,004,886</u>	<u>1,223,874</u>
<u>Net Assets</u>		
Without Donor Restrictions:		
Board designated	373,561	
Contributed capital	382,230	366,730
Cumulative excess of revenue and support over expenses	<u>27,914,876</u>	<u>29,348,048</u>
<u>Total Net Assets</u>	<u>28,670,667</u>	<u>29,714,778</u>
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 29,675,553</u>	 <u>\$ 30,938,652</u>

THE DELAWARE STATE FAIR, INC.

STATEMENTS OF ACTIVITIES AND
CHANGE IN NET ASSETS - INCOME TAX BASIS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>Revenue and Support</u>		
Fair	\$ 4,898,917	\$ 4,998,172
Centre	650,739	657,254
Lease Income - Harrington Raceway, Inc.	500,000	500,000
Rentals income	406,308	366,159
Other programs	<u>680,457</u>	<u>194,588</u>
<u>Total Revenue and Support</u>	7,136,421	6,716,173
<u>Operating Expenses</u>	<u>6,449,067</u>	<u>5,944,147</u>
<u>Income Before Depreciation</u>	687,354	772,026
<u>Depreciation Expense</u>	<u>935,221</u>	<u>1,013,118</u>
<u>Loss From Operations</u>	(247,867)	(241,092)
<u>Other Income (Expense)</u>	<u>(811,744)</u>	<u>1,802,590</u>
<u>Excess (Deficiency) of Revenue and Support Over Expenses</u>	(1,059,611)	1,561,498
<u>Issuance of Shares</u>	<u>15,500</u>	<u>14,000</u>
<u>Change in Net Assets</u>	(1,044,111)	1,575,498
<u>Net Assets</u>		
Beginning of year	<u>29,714,778</u>	<u>28,139,280</u>
End of year	<u>\$ 28,670,667</u>	<u>\$ 29,714,778</u>

THE DELAWARE STATE FAIR, INC.STATEMENTS OF OPERATING EXPENSES - INCOME TAX BASISYEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Advertising and marketing	\$ 151,784	\$ 171,195
Bank fees	79,155	78,761
Donations	250	250
Employee benefits	224,853	221,227
Exhibitor expense	236,615	229,711
Grandstand entertainment and support	1,284,582	1,300,964
Grounds entertainment	180,856	197,429
Insurance	234,849	242,598
Janitorial and trash removal	96,406	94,319
Miscellaneous expense	80,194	55,454
Other expenses - Fair week	527,984	505,847
Other programs	376,035	56,454
Parking, police and highway service	121,930	138,828
Payroll taxes	120,034	116,108
Postage and office supplies	92,265	42,679
Professional fees	97,749	105,857
Program expense - Centre	63,063	68,462
Public safety, fire and first aid	174,314	166,021
Repairs and maintenance	342,784	239,854
Salaries	1,529,448	1,464,994
Snack bar - Centre	42,970	52,006
Taxes, licenses and memberships	11,272	8,827
Travel and entertainment	38,991	34,372
Utilities and fuel	<u>340,684</u>	<u>351,930</u>
<u>Total Operating Expenses</u>	<u>\$ 6,449,067</u>	<u>\$ 5,944,147</u>

RECONCILIATIONS OF EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER
EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2018</u>	<u>2017</u>
<u>Excess (Deficiency) of Revenue and Support Over Expenses</u>	\$ (1,059,611)	\$ 1,561,498
<u>Adjustments To Reconcile Excess (Deficiency) of Revenue and Support Over Expenses To Net Cash Provided By Operating Activities</u>		
Depreciation	935,221	1,013,118
Gain on sale of property and equipment	(452)	(1,481)
Net realized and unrealized (gains) losses on investments	1,297,022	(1,442,975)
(Increase) decrease in:		
Accounts receivable	123,826	(197,559)
Interest receivable	(11,643)	(3,237)
Prepaid expenses	2,794	716
Inventory	(5,262)	
Increase (decrease) in:		
Accounts payable	56,507	2,954
Retirement contributions payable	(1,871)	(2,572)
Deposits		(750)
Deferred income	<u>(337,180)</u>	<u>482,579</u>
<u>Net Cash Provided By Operating Activities</u>	<u>\$ 999,351</u>	<u>\$ 1,412,291</u>

THE DELAWARE STATE FAIR, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1 - Summary of Significant Accounting Policies

Organization and Business Activity

The Delaware State Fair, Inc. (the Fair), a not-for-profit Delaware corporation, was initially formed in 1919, for the purpose of promoting and encouraging agriculture, horticulture and domestic arts for the information and betterment of the inhabitants of rural communities within the State of Delaware.

The Fair offers shares (\$2.50 par value) for sale to the general public. The organization has authorized 12,000 shares of which 8,169 and 8,138 are issued and outstanding at December 31, 2018 and 2017, respectively. Shareholders have certain rights and obligations, including the annual election of the Fair's Board of Directors. Current Fair policy provides that on an annual basis, each shareholder shall receive one gate pass good for the ten days of fair together with an invitation to the annual shareholders' dinner.

No part of the Fair's assets, earnings or revenues inures to the benefit of any shareholder.

Basis of Accounting

The Fair's policy is to prepare its financial statements on the accounting basis used for federal income tax purposes. The income tax basis of accounting differs from accounting principles generally accepted in the United States of America. The primary differences in the financial statements of the Fair using the income tax basis as opposed to using accounting principles generally accepted in the United States of America are the accounting of its unconsolidated subsidiary at historical cost and the accelerated method used for the depreciation of property and equipment.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

THE DELAWARE STATE FAIR, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Cash and Cash Equivalents

For purposes of the statements of cash flows - income tax basis, the Fair considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Fair maintains its cash in bank accounts at high quality financial institutions. The balances, at times exceed federally insured limits.

Accounts Receivable

The Organization's receivables include amounts due from concession contracts, grant funds awarded to the Fair and certain programs at the Centre. The receivables are stated at their estimated realizable value.

Inventory

Inventory consists of certain Fair week products held for resale. The inventory is valued at the lower of cost or market with cost determined using the average cost method.

Advertising

Advertising costs are expensed as incurred and total \$96,081 and \$94,870 for the years ended December 31, 2018 and 2017, respectively.

Property and Equipment

Purchased property and equipment is stated at cost, and donated assets are recorded at fair market value as of the date of donation. Depreciation is calculated using straight-line and accelerated methods over the estimated useful lives of the assets. Maintenance and repair costs are expensed as incurred. Gains and losses on sales or retirements are reflected in income.

Income Taxes

The Fair qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and its activities are generally not subject to income tax.

THE DELAWARE STATE FAIR, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Investments

The Fair has investments in marketable securities consisting of common stocks, exchange traded funds, mutual funds and real estate. Marketable securities are stated at fair value, and unrealized holding gains and losses are included in income.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Liquidity and Availability of Financial Assets

As part of the Fair's liquidity management plan, cash in excess of daily requirements are invested in short-term money market funds. The Budget and Finance Committee and Board of Directors direct transfers to various accounts including the operating reserve investment account (ORIA), strategic fund and capital budget reserve investment account (CBRIA). The ORIA was established in 2018 and is funded by excess cash from the Fair's operating accounts. Operating cash in excess of \$500,000 is required to be transferred to the ORIA. Once the ORIA is fully funded at \$2,000,000, excess cash will then be transferred to the strategic fund. At December 31, 2018, the ORIA totals \$1,492,848. As of December 31, 2018, the balance in the strategic fund is \$14,141,932 which consists of investments, cash held within these accounts and any accrued investment interest. On July 1st of each year the market value of the Fair's strategic fund shall be multiplied by 2.5% to determine what amounts will be moved to the CBRIA on January 1st of the following year. The amount calculated will be known as the annual capital budget set aside. As of July 1, 2018, the capital budget set aside amount was \$373,561 and will be moved to the CBRIA in January 2019. The CBRIA totals \$-0- as of December 31, 2018. Additionally, as discussed in more detail in Note 5, the Fair maintains a \$2,850,000 line of credit, of which the entire amount remained available at December 31, 2018.

The financial assets as of December 31, 2018 total \$16,526,856 which includes cash and cash equivalents, accounts and interest receivable and investments at fair value. Management considers the balance in the strategic fund to be unavailable for general expenditures as of December 31, 2018, as Budget and Finance Committee approval is needed to utilize strategic fund assets. Therefore, of the total financial assets of the Fair at December 31, 2018, \$2,384,924 is considered to be available to meet cash needs within one year. There are no donor restricted contributions.

THE DELAWARE STATE FAIR, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Recent Accounting Pronouncements

As previously discussed, the Fair prepares its financial statements on the accounting basis used for federal income tax purposes. The Fair evaluates new accounting standards issued by the Financial Accounting Standards Board (FASB) and adopts applicable accounting and disclosure requirements of such standards consistent with the income tax basis of accounting. During 2018 the Fair adopted applicable provisions of Accounting Standard Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of the Financial Statements of Not-for-Profit Entities. The main provisions of the guidance are to improve the presentation of net asset classifications and the entity's liquidity, financial performance and cash flow disclosures. As permitted, for the year ended December 31, 2017, the Fair did not present the new liquidity and availability of resources disclosure.

Management's Review

Management has evaluated all subsequent events through April 8, 2019, the date the financial statements were available to be issued.

Note 2 - Investments

The following is a summary of the Fair's investments:

<u>2018</u>	<u>Cost</u>	<u>Gross Unrealized Losses</u>	<u>Gross Unrealized Gains</u>	<u>Fair Value</u>
Common stocks	\$ 1,628,920	\$ (66,913)	\$ 31,271	\$ 1,593,278
Exchange traded funds	4,470,824	(69,419)	707,985	5,109,390
Mutual funds	6,102,458	(265,865)	103,211	5,939,804
Real estate	<u>31,608</u>	<u> </u>	<u>4,446</u>	<u>36,054</u>
<u>Total</u>	<u>\$12,233,810</u>	<u>\$(402,197)</u>	<u>\$ 846,913</u>	<u>\$12,678,526</u>

THE DELAWARE STATE FAIR, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

<u>2017</u>	<u>Cost</u>	<u>Gross Unrealized Losses</u>	<u>Gross Unrealized Gains</u>	<u>Fair Value</u>
Common stocks	\$ 1,005,295	\$ (18,267)	\$ 103,756	\$ 1,090,784
Exchange traded funds	4,727,497	(4,223)	1,220,181	5,943,455
Mutual funds	7,066,377	(64,231)	337,298	7,339,444
Real estate	<u>48,880</u>	<u>(843)</u>	<u>7,024</u>	<u>55,061</u>
<u>Total</u>	<u>\$12,848,049</u>	<u>\$ (87,564)</u>	<u>\$1,668,259</u>	<u>\$14,428,744</u>

Return on investments is comprised of the following:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 484,826	\$ 429,879
Realized gains (losses)	(161,043)	258,671
Unrealized gains (losses)	<u>(1,135,979)</u>	<u>1,184,304</u>
<u>Total</u>	<u>\$ (812,196)</u>	<u>\$1,872,854</u>

The gross realized gains from the sales of securities for the years ended December 31, 2018 and 2017 are \$116,937 and \$283,833, respectively. The gross realized losses from sales of securities for the years ended December 31, 2018 and 2017 are \$277,980 and \$25,162, respectively.

Fair value of investments is determined based upon a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;

THE DELAWARE STATE FAIR, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

Common Stocks: Valued at the closing market price reported on the active market in which the individual securities are traded.

Exchange Traded Funds: Valued at quoted prices as reported on the active market in which the exchange traded funds are traded.

Mutual Funds: Valued at quoted prices as reported on the active market in which the mutual funds are traded.

Real Estate: Valued at quoted prices as reported on the active market in which the real estate investment trusts are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Fair believes its valuation methods are appropriate and consistent with other market participants, the

THE DELAWARE STATE FAIR, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Fair's investments at fair value.

	<u>2018</u>	<u>2017</u>
<u>Level 1</u>		
<u>Common Stocks</u>		
Energy	\$ 144,963	\$ 188,527
Consumer staples	189,176	247,484
Health care	191,667	148,938
Consumer discretionary	151,869	
Industrial	137,902	11,677
Financials	230,360	75,250
Telecommunication services	159,910	232,293
Utilities	113,520	186,615
Materials	49,453	
Information technology	178,780	
Real estate	38,402	
Unclassified	<u>7,276</u>	<u> </u>
<u>Total Common Stocks</u>	<u>1,593,278</u>	<u>1,090,784</u>
<u>Exchange Traded Funds</u>		
U.S. equity funds	2,666,597	2,880,345
International equity funds	1,206,093	1,620,551
Taxable bond funds	429,349	690,620
Sector equity funds	<u>807,351</u>	<u>751,939</u>
<u>Total Exchange Traded Funds</u>	<u>5,109,390</u>	<u>5,943,455</u>
<u>Mutual Funds</u>		
U.S. equity funds	593,323	1,610,494
International equity funds	433,077	357,462
Tax-Exempt bond funds		420,962
Taxable bond funds	4,127,447	3,861,022

THE DELAWARE STATE FAIR, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Alternative funds	575,721	778,254
Sector equity funds	<u>210,236</u>	<u>311,250</u>
<u>Total Mutual Funds</u>	<u>5,939,804</u>	<u>7,339,444</u>
<u>Real Estate</u>	<u>36,054</u>	<u>55,061</u>
<u>Total Level 1</u>	<u>\$12,678,526</u>	<u>\$14,428,744</u>

Note 3 - Income Taxes

Certain activities conducted by the Fair may be subject to federal unrelated business income tax.

The Fair recognizes the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Management has evaluated the Fair's tax positions and concluded that the Fair has taken no uncertain tax positions that require adjustment to the financial statements.

Note 4 - Investment, At Cost

The Fair owns approximately 77% of the outstanding shares of HRI. This investment is recorded at its historical cost.

Note 5 - Note Payable

The Fair maintains an unsecured \$2,850,000 revolving line of credit with PNC. The variable interest rate is 5.2698% at December 31, 2018 and is based upon the daily LIBOR rate plus 275 basis points. The line of credit is renewed annually and has been extended until September 30, 2019. Among other things, the line of credit agreement contains covenants against pledging property owned by the Fair. The outstanding balance at December 31, 2018 and 2017 was \$-0-.

THE DELAWARE STATE FAIR, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 6 - Other Income (Expense), Net

Other income (expense) is comprised of the following:

	<u>2018</u>	<u>2017</u>
Interest and dividend income	\$ 484,826	\$ 429,879
Interest expense		(71,745)
Net realized and unrealized gains (losses) on investments	(1,297,022)	1,442,975
Gain on sale of property and equipment	<u>452</u>	<u>1,481</u>
<u>Total Other Income (Expense), Net</u>	<u>\$ (811,744)</u>	<u>\$1,802,590</u>

Note 7 - Retirement Plan

The Fair maintains a defined contribution benefit plan covering substantially all employees. The Fair may make matching contributions. Such contributions totaled \$39,796 and \$41,020 for the years ended December 31, 2018 and 2017, respectively. In addition, the Fair may make annual discretionary profit-sharing contributions at rates to be determined each year by the Board of Directors and allocated among participants in proportion to their compensation. Contribution rates were 4% and contributions totaled \$31,247 and \$30,661 for the years ended December 31, 2018 and 2017, respectively.

Note 8 - Related Party Transactions

The fair leases real estate to HRI to be used in its operations on the DSF fairgrounds. The 15-year lease is effective January 1, 2015 and contains provisions for two successive five-year renewals. Annual rent for the initial five-year period ended December 31, 2019 is \$500,000 and is payable monthly. Beginning in 2020, the annual rent is adjusted for the change in the specified Consumer Price Index with a minimum 1.5% annual increase. The lease provides for allocation between HRI and the Fair of various maintenance responsibilities for the property and also for the renegotiation of the rent after the initial term or once certain HRI bank debt obligations secured by the leasehold are retired, whichever comes first. Rental income from the lease with HRI totals \$500,000 for the years ended December 31, 2018 and 2017.

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Included in the Fair's revenue and support for the years ended December 31, 2018 and 2017 are \$60,412 and \$45,062, respectively, of fair admission and show tickets purchased by HRI.

Included in the Fair's accounts receivable at December 31, 2018 and 2017 are \$63,853 and \$48,714, respectively, of receivables due from HRI.

Included in the Fair's accounts payable at December 31, 2018 and 2017 are \$15,107 and \$14,573, respectively, of payables due to HRI.

The Fair purchases goods and services from various businesses that are owned by or affiliated with certain members of the Board of Directors of the Fair or Harrington Raceway, Inc. These purchases include transportation services, outdoor equipment sales and maintenance services, electrical equipment and supplies, construction services and insurance brokerage and are conducted in the normal course of business.

SUPPLEMENTARY INFORMATION

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Independent Auditor's Report on the Supplementary Information

Board of Directors
The Delaware State Fair, Inc.
Harrington, Delaware

We have audited the financial statements of The Delaware State Fair, Inc. (the Organization) as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon, which contains an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Dover, Delaware
April 8, 2019

THE DELAWARE STATE FAIR, INC.SCHEDULES OF REVENUE AND SUPPORTYEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>Fair</u>		
Camping	\$ 108,030	\$ 99,280
Carnival	442,390	416,132
Concessions	710,685	694,020
Gate admission	1,064,942	1,049,366
Grandstand sales	1,721,154	1,891,682
Miscellaneous income	127,867	138,041
Sponsorships and donations	602,235	612,360
State appropriations and grants	121,614	97,291
<u>Centre</u>		
Ice rental	217,129	219,594
Miscellaneous income	10,851	8,698
Programs	253,874	255,909
Public skate	91,688	88,364
Snack bar	77,197	84,689
Lease income - Harrington Raceway, Inc.	500,000	500,000
Rentals income	406,308	366,159
Other programs	<u>680,457</u>	<u>194,588</u>
<u>Total Revenue and Support</u>	<u>\$ 7,136,421</u>	<u>\$ 6,716,173</u>