

## INTRODUCTION

The Kentucky State Fair Board brings many different organizations, businesses and people to the Commonwealth. With two of the top convention and exposition facilities in the United States, the Kentucky Exposition Center and the Kentucky International Convention Center, the Fair Board competes with top tier cities to generate millions of dollars of economic impact for the Commonwealth. With an emphasis on customer experience, combined with the location and affordability of Louisville, both facilities have helped events, and the industries that depend on them, innovate and grow.

## CHARTING OUR COURSE

With the expansion of the Kentucky International Convention Center on the horizon, the Kentucky State Fair Board is focused on the future of both facilities as well as growing convention business in Louisville. The Kentucky Exposition Center is already one of the largest facilities in the country and with the expansion of the convention center, Louisville will become home to even more conventions and trade shows in the near future. The Kentucky State Fair Board works to ensure that events have the opportunity to grow here, with ample space and a service-driven experience that continues to bring major shows back year after year.

## LETTER FROM THE BOARD

With the expansion of the Kentucky International Convention Center and the continued growth of top trade shows at the Kentucky Exposition Center, the Kentucky State Fair Board staff and facilities keep Louisville at the pinnacle of the convention and meetings business. The Fair Board continues to look ahead, improving our facilities, helping shows grow, furthering Kentucky's agricultural heritage, and pursuing exciting new business opportunities. This annual report shows the many successes of 2015 and provides a look at our vision for the future.

Dr. Mark Lynn, Chairman  
Clifford "Rip" Rippetoe, President & CEO

## OVERVIEW

FISCAL YEAR 2014-2015\*

REVENUES	KEC	KICC
Event Income	35,711,890	3,541,240
Other Income	2,358,110	(3,040)
Parking Garage Income	N/A	2,240,050
<b>TOTAL</b>	<b>38,070,000</b>	<b>5,778,250</b>

EXPENSES	KEC	KICC
Direct Event Costs	19,042,620	687,300
Administrative Costs	4,223,830	915,555
Maintenance Costs	12,000,940	3,205,880
<b>TOTAL</b>	<b>35,267,390</b>	<b>4,808,735</b>

<b>Net Income From Operations</b> (before depreciation)**	<b>2,802,610</b>	<b>969,515</b>
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### KENTUCKY STATE FAIR BOARD INCOME (TOTALS)

Direct Event Income	41,493,180
Rental Income from Long-term Leases	2,168,500
Other Operating Income***	9,021,860
<b>TOTAL</b>	<b>52,683,540</b>

### KENTUCKY STATE FAIR BOARD EXPENSES (TOTALS)

Kentucky Exposition Center	35,267,390
Kentucky International Convention Center	4,808,735
General Administrative & Sales Expenses	7,954,470
Interest Expense	1,491,790
<b>TOTAL****</b>	<b>49,522,385</b>

<b>Net Income From Operations</b> (before depreciation)**	<b>3,161,155</b>
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### KENTUCKY STATE FAIR BOARD NET INCOME RESULTS

<b>Net Income</b> (before depreciation)**	<b>3,161,155</b>
<b>Depreciation</b>	<b>(11,720,505)</b>

<b>Net Income*****</b>	<b>(8,559,350)</b>
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\* Source of data is the Kentucky State Fair Board Audit Report through fiscal year ending June 30, 2015.

\*\* The operating net income results from revenues and expenditures before accounting deductions for depreciation.

\*\*\* Other operating income includes \$6.7 million transferred from Commonwealth's general fund.

\*\*\*\* Total income does not include \$9.5 million in contributed property from Kentucky Kingdom improvements.

\*\*\*\*\* The principal amount of debt service and lease payment of \$3.63 million is not included in net income results.

## CAPITAL PROJECTS

Capital projects are long-term investments including a major maintenance or rehabilitation project for existing facilities.

### CAPITALIZED EXPENDITURES

- Upgrade HVAC Systems - \$17,790
- Parking Garage Maintenance - \$1,883,000
- Administrative Office Remediation Work - \$283,500
- Sewer Line/Sinkhole Repair Freedom Hall - \$10,575
- West Side Ceiling Cleaning - \$52,520
- Asphalt Repairs - \$100,850
- Freedom Hall Sewer Line Replacement - \$275,700

### STRUCTURAL REPAIRS

- KEC Roof Hail Damage - \$8,150
- HVAC Repairs Facility Wide - \$304,400
- Freedom Hall Hail Damage - \$1,665,000
- North Wing Hail Damage - \$45,600

KENTUCKY  
STATE FAIR  
BOARD

# 2015 ANNUAL REPORT



**KENTUCKY EXPOSITION CENTER**  
937 Phillips Lane • Louisville, KY 40209  
1-800-618-5151 • www.kyexpo.org



**KENTUCKY INTERNATIONAL  
CONVENTION CENTER**  
221 Fourth Street • Louisville, KY 40202  
1-800-701-5831 • www.kyconvention.org

## RENOWNED CAR AUCTION ANNOUNCES DATES



The large climate controlled exposition halls, ample parking, numerous hotels and central location off the major interstates made Louisville a city of choice for Mecum Auctions. Mecum Auctions, the world's largest collector car auction company, is bringing their renowned auction to Louisville in 2016. More than 1,000 collector cars and antique motorcycles will fill the Exposition Center in September. Mecum Auctions are broadcast by NBC Sports Network and is ranked No. 1 in the world with number of collector cars offered at auction, No. 1 in the world with number of collector cars sold at auction, No. 1 in the U.S. with number of auction venues and No. 1 in the U.S. in total dollar volume of sales.

## TRADE SHOWS CONTINUE TO GROW



Attendance was up at many of the trade shows held at the Kentucky Exposition Center this year. Industry-only trade shows and expositions bring thousands of visitors to Louisville each year, generating millions in economic impact for the Commonwealth. The Mid-America Trucking Show had a record-breaking year, setting an all-time record for attendance with 81,768 attendees. The International Construction and Utility Equipment Exposition also set a new attendance record of 18,000 registered attendees which surpassed the last show by 13 percent. Both shows and many other trade shows continue to grow and thrive, filling up more space and bringing more visitors to the Kentucky Exposition Center each year.

## FARM SHOW CELEBRATES 50 YEARS



This year, the National Farm Machinery Show celebrated its 50th anniversary. Each February for 50 years, visitors and agribusiness professionals have gathered at the Kentucky Exposition Center to navigate through the most complete selection of cutting-edge agricultural products, equipment and services. The 2015 event saw the second highest attendance total of all time as 310,589 attendees visited the nation's largest indoor ag trade show. In conjunction with the National Farm Machinery Show, the 47th Championship Tractor Pull drew in more than 66,000, an increase of seven percent from last year. The show has grown to one of the largest economic impact events of the year, generating \$21.5 million across the community and the Commonwealth of Kentucky.

## SUNNY SKIES BOOST FAIR ATTENDANCE



Favorable weather and new initiatives geared toward making the Fair more accessible and affordable resulted in a 16 percent increase in attendance for the 2015 Kentucky State Fair. Over the course of the 11-day event, 601,672 visitors filled the Kentucky Exposition Center to see the best Kentucky has to offer. New initiatives included advanced discounted parking and admission tickets available for purchase at Kroger, Walmart and online at Ticketmaster; nearly 3,000 took advantage of half-price admission by riding TARC to the fair; the age for children to be admitted for free was raised from 3 to 5; and there were two carload days where \$20 covered entry and parking for an entire vehicle.

## PRESTIGIOUS LIVESTOCK SHOW SETS RECORDS



The North American International Livestock Exposition attracts exhibitors from four continents, nine countries and across the United States for the world's largest purebred livestock show. As the premier livestock show in the United States, the event features world-renowned sales, cattle auctions, a professional rodeo and numerous programs for youth and collegiate farmers. The 2015 Sale of Champions set a new record, raising \$110,000 for the youth exhibitors of market animals. This year's expo had a 29,181 entries with records set in sheep, swine and meat goat breeds and brought \$16 million of economic impact into the local economy.

## CONVENTION CENTER EXPANDING TO MEET DEMAND



The Kentucky International Convention Center is expanding to meet the demands of the competitive convention and meeting marketplace. In order to attract new business and remain competitive, the expansion of the convention center will increase contiguous exhibit space by more than a third, from 146,000 square feet to over 200,000 square feet, and will add a 40,000-plus square foot ballroom all within the center's existing footprint.

The center's new design will improve navigation and pedestrian flow through the building as well as improve the exterior of the building, emphasize entrances and enhance meeting rooms. Designed and constructed as a sustainable project, the design promotes energy and water conservation. The project will pursue the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) Silver Certification.

"It's important to keep Louisville and our facilities at the forefront of the convention industry. The convention center is an economic engine for

Louisville, bringing visitors from around the world who eat, meet, stay and play in the city. With the expanded and renovated convention center we'll be able to bring more conventions and larger shows downtown, filling both hotels and restaurants," said Clifford "Rip" Rippetoe, President and CEO of the Kentucky State Fair Board.

The renovation and expansion project is set to begin in August 2016 with a completion date of summer 2018. Lexington-based EOP Architects and Chicago-based HOK worked together to create the design.

Events are already scheduled for the newly renovated convention center. Sweet Adelines International will bring its 2020 convention and 10,000 attendees to Louisville in part because of the new exhibit space. Also booked is the National Association for College Admission Counseling for 2019. After completion, the convention center will be able to pursue 25 percent more business and is expected to generate an additional \$10 million of economic impact a year.

## KEC BY THE NUMBERS

**183**  
EVENTS

**414.6**  
MILLION \$  
ECONOMIC IMPACT

**1.7**  
MILLION  
VISITORS

### KEC MARKET MIX

6.0% Education	14.7% Athletics
6.5% Agriculture	15.8% Hobby
6.5% Trade/Business	17.6% Legal/Gov/Military
12.9% Miscellaneous	20.0% Corporate

### KICC MARKET MIX

9.7% Athletics	16.0% Legal/Gov/Military
10.0% Education	23.0% Other
10.5% Trade/Business	30.0% Corporate

**250**  
THOUSAND  
VISITORS

**67.7**  
MILLION \$  
ECONOMIC IMPACT

**196**  
EVENTS

## KICC BY THE NUMBERS