



## LETTERS

The Kentucky State Fair Board was established in 1946 for the sole purpose of constructing a new fairgrounds and producing the Kentucky State Fair. Since then, the Fair Board's role has transformed the agribusiness and tourism economy in our Commonwealth. In addition to producing the finest state fair in the nation, the Fair Board contributes hundreds of millions of dollars in economic impact activity and supports thousands of jobs through conventions, tradeshow, meetings and public events held at the Kentucky Exposition Center and the Kentucky International Convention Center.

These two facilities are important economic engines for the Commonwealth. As evidenced in this report, the Fair Board continues in its mission to support Kentucky's agrarian heritage while advancing our Commonwealth by attracting new business and producing first-class events for our local, national and international visitors.

**Steve Beshear**, Governor, Commonwealth of Kentucky

The Kentucky State Fair Board plays a key role in the driving force of economy, innovation and tourism of the Commonwealth of Kentucky, bringing hundreds of millions in economic impact. The Fair Board continues to ensure its future as modern and world-class facilities, combining traditions, a passion for the future and fulfilling our mission through our core values: integrity, service, courage and accountability. In this annual report, you will get a glimpse of the many successes and achievements in 2014.

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

## BOARD MEMBERS

Steve Beshear, Governor, Commonwealth of Kentucky  
 Dr. Mark E. Lynn, Chairman, Louisville  
 Mike Libs, Vice Chairman, Philpot  
 James Comer, Commissioner of Agriculture, Tompkinsville  
 Dr. Nancy Cox, Dean & Director, College of Agriculture, University of Kentucky, Lexington  
 Ann Bakhaus, Lexington  
 Jennifer Barber, Louisville  
 Ryan Bridgeman, Louisville  
 Ronald L. Carmicle, Louisville  
 James Cauley, Louisville  
 Marshall Coyle, Owingsville  
 Gib Gosser, Somerset  
 Michael J. Grisanti, Louisville  
 Lois Mateus, Harrodsburg  
 Fred Sarver, Paris  
 Thomas J. Schifano, Louisville  
 William B. Tolle, Maysville

Austin Hazelwood, Frankfort  
 Jordan Stone, Lexington

REVENUES	KEC	KICC
Event Income	36,294,460	3,618,615
Other Income	4,134,950	129,900
Parking Garage Income	N/A	2,218,000
<b>TOTAL</b>	<b>40,429,410</b>	<b>5,966,515</b>

EXPENSES	KEC	KICC
Direct Event Costs	17,701,030	600,690
Administrative Costs	3,436,560	1,040,650
Maintenance Costs	13,555,410	3,218,060
<b>TOTAL</b>	<b>34,693,000</b>	<b>4,859,400</b>

<b>Net Income From Operations (before depreciation)**</b>	<b>5,736,410</b>	<b>1,107,115</b>
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KENTUCKY STATE FAIR BOARD INCOME (TOTALS)	
Direct Event Income	42,131,075
Rental Income from Long-term Leases	1,730,400
Other Operating Income***	14,854,750
<b>TOTAL</b>	<b>58,716,225</b>

KENTUCKY STATE FAIR BOARD EXPENSES (TOTALS)	
Kentucky Exposition Center	34,693,000
Kentucky International Convention Center	4,859,400
General Administrative & Sales Expenses	6,185,720
Bond Interest Expense	2,043,965
<b>TOTAL****</b>	<b>47,782,085</b>

<b>Net Income From Operations (before depreciation)**</b>	<b>10,934,140</b>
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KENTUCKY STATE FAIR BOARD NET INCOME RESULTS	
Net Income (before depreciation)**	10,934,140
Depreciation	(10,156,270)
<b>Net Income*****</b>	<b>(777,870)</b>

\* Source of data is the Kentucky State Fair Board Audit Report through fiscal year ending June 30, 2014.  
 \*\* The operating net income results from revenues and expenditures before accounting deductions for depreciation.  
 \*\*\* Other operating income includes \$10.6 million transferred from Commonwealth's general fund.  
 \*\*\*\* Total income does not include \$34.2 million in contributed property from Kentucky Kingdom improvements.  
 \*\*\*\*\* The principal amount of debt service and lease payment of \$2.05 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.

### COMPLETED

- East Hall lighting project - \$185,000
- Replace fluorescent fixtures with induction fixtures
- Wind storm damage repairs - \$155,799
- Repairs include gates, light poles, transformers, Freedom Hall exterior
- East Hall conference room and hallway lighting - \$28,000
- Upgraded lighting
- West Hall corridor lighting - \$9,500
- Concrete work - \$35,000
- Upgrade concrete on South Wing A front porch and West Wing corner lot

### IN PROGRESS

- ESCO Project 2 - \$10.5 million
- To save energy and reduce maintenance costs
- Hail damage repairs - \$16 million (covered by insurance)
- Repairs include horse barns, outdoor restrooms, roofs, building and tollbooths
- West Wing roof warranty repairs - In development
- Repairs to address the long-term protection of the building



### 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



The Kentucky State Fair Board fulfills many functions in our city, state and region. The Kentucky Exposition Center and Kentucky International Convention Center are more than just two of the largest facilities of its kind in the nation. They are instruments of experiences. They are why people stay, eat, play and learn in Kentucky. They act as the setting for growth and innovation for various industries, they are essential to the competitiveness of our city and state and they create an environment to help people at every stage of life, one event at a time. And, despite the many industry challenges, the Kentucky State Fair Board is meeting the demand to create the best customer experience possible.

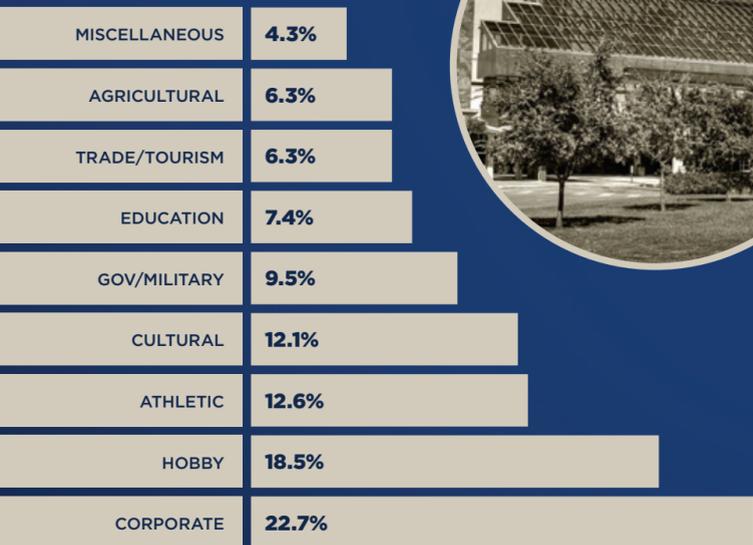
## INTRODUCTION

### KENTUCKY EXPOSITION CENTER

#### VEX ROBOTICS TO BRING WORLD CHAMPIONSHIP TO LOUISVILLE

As the world moves forward with technological advancements, the Kentucky State Fair Board works to attract innovative educational programs to their facilities. VEX Robotics will bring 800 teams and 15,000 of the brightest students from around the world to the Kentucky Exposition Center in April 2015 for the VEX Robotics World Championship. VEX Robotics is the largest middle and high school robotics program in the world with more than 10,000 teams representing all 50 states and more than 30 countries. The event will generate approximately \$5 million of economic impact for Louisville.

#### KEC MARKET MIX



#### TOP BASKETBALL TALENT BACK IN LOUISVILLE

In July, lured by the number of basketball courts that could fit under one roof, the AAU Boys Basketball Division I National Championship and Super Showcase moved its top tournament from Orlando to Louisville bringing some of the most elite high school basketball players to town. The event attracted more than 340 teams, 200 officials and 900 college coaches including University of Florida, University of Louisville and University of Kentucky.

#### ANNUAL SUMMERTIME CELEBRATION SHOWCASES BEST OF KENTUCKY

The 110th Kentucky State Fair showed visitors the best of what we're made of with local food, music and exhibits unique to the Bluegrass. More than 58,000 entries were entered by Kentuckians to showcase their talents in the competitive entries, a growth from last year. The Fair created hundreds of temporary jobs and brought in more than \$15.3 million in economic impact.

#### WORLD TRAVELS TO SEE AND EXHIBIT AT FARM SHOW

As one of the most attended in its 49-year history, the 2014 National Farm Machinery Show gathered attendees from across the United States, England, Canada, Italy and China. Nearly 850 exhibitors filled the sold-out exhibit space to display the industry's most cutting-edge equipment and technology. The four-day show, held at the Kentucky Exposition Center, generated \$20 million economic impact across the community and the state.

#### LIVESTOCK EXPO SHOWCASES AGRICULTURAL EXPERTISE

The North American International Livestock Exposition, the world's largest purebred livestock show, integrates world-renowned sales, cattle auctions, a professional rodeo and numerous programs for youth and collegiate farmers. The 13-day show pumped \$16 million into the local economy, with attendees and exhibitors from four continents and nine countries. This year's expo had a record 29,095 total entries, more than 2,000 more from the previous year.



### THE NUMBERS



2014 Economic Impact Report, Certec, Inc.



### KENTUCKY INTERNATIONAL CONVENTION CENTER

#### GROWING TECHNOLOGICALLY TO BETTER SERVE CLIENTS

Throughout the year, the Kentucky State Fair Board redesigned five websites to better accommodate event attendees, exhibitors and meeting planners - to make our guests have a great first experience before they ever arrive in Louisville.

The Kentucky Exposition Center and Kentucky International Convention Center websites emphasize the convenience of both locations and better identify our two facilities as nationally-known, service-oriented convention and exposition facilities.

In addition, three of the in-house events also got an online facelift including the World's Championship Horse Show, the National Farm Machinery Show and the Championship Tractor Pull.

#### COMIC CONS GROW ON CALENDAR

Droves of fans came to the Kentucky International Convention Center this year for a trio of Comic Con events. The popular Wizard World Comic Con, which has hosted more than 75 events across the United States, made its first stop in Louisville. With thousands of fans in attendance, an impressive list of celebrities and a marriage proposal that went viral on social media, the first time event was a big success that is returning in 2015. Back this year were Fandom Fest Comic Con and the Derby City Comic Con. These fan-driven conventions give fans of sci-fi, fantasy and genre stories a place to gather and celebrate the culture, characters and stories they love.

“The facilities are exactly what we were looking for. It gave us the opportunity to expand and grow so it has become our place of choice for having meetings.”

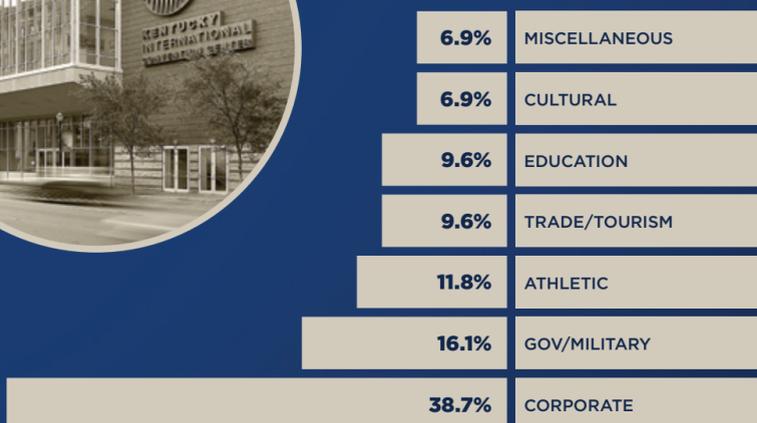
Al Cornish, Vice President/Chief Learning Officer at Norton Healthcare

#### CONVENTION CENTER TO BE RENOVATED

As the competitive convention market grows, the Kentucky International Convention Center is renovating and expanding its facility to compete for new business opportunities. The \$180 million project will increase the contiguous exhibit from 146,000 square feet to more than 200,000 and renovate the existing facility - all within the center's existing footprint. Funding is included in the Executive Budget and was approved by the 2014 Kentucky General Assembly. After completion, the convention center will be able to pursue 25% more business and is expected to generate \$53.2 million of economic impact a year.



#### KICC MARKET MIX



### CHARTING OUR COURSE

The Kentucky State Fair Board is always seeking new business, renovations and innovations that will boost the economy of Louisville and the Commonwealth as a whole. As a business, we strive to improve and innovate, creating a top-of-the-line event experience that can compete with any venue in the country. We have two facilities, a talented team and the desire to take a chance on a brighter future. The Kentucky Exposition Center and Kentucky International Convention Center are no longer just place markers on a map, but a reason why people come to Louisville, stay in our hotels and visit our attractions.