NORTH IDAHO FAIR & RODEO

FINANCIAL STATEMENTS

Year Ended September 30, 2024

NORTH IDAHO FAIR & RODEO

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S DISSCUSION AND ANALYSIS	7
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	14
Statement of Revenue, Expenditures, and Changes in Net Position	15
Statements of Cash Flows	16
Notes to Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Pension Funding	30
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report - *Government Auditing Standards*	32
Schedule of Findings and Responses	34
Schedule of Operating Revenue	35
Schedule of Other Operating Expenses	36

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Idaho Fair & Rodeo
Coeur d'Alene, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the North Idaho Fair & Rodeo, a component-unit of Kootenai County, of Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the North Idaho Fair & Rodeo's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the North Idaho Fair & Rodeo, as of September 30, 2024, and the respective changes in financial position and cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Idaho Fair & Rodeo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fair Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 North Idaho Fair & Rodeo's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Idaho Fair & Rodeo's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise North Idaho Fair & Rodeo's basic financial statements. The accompanying schedule of operating revenues and schedule of other operating expenses is presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025, on our consideration of the North Idaho Fair & Rodeo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Idaho Fair & Rodeo's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Idaho Fair & Rodeo's internal control over financial reporting and compliance.

Presnell Gage PLLC

March 17, 2025
Lewiston, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of North Idaho Fair & Rodeo (the "Fair"), we offer readers of the Fair's financial statement this narrative overview and analysis of the financial activities of the Fair for the fiscal year ended September 30, 2024.

FINANCIAL RECAP

- The Fair is a component unit of Kootenai County. For consistency, the Fair adopted the County's fiscal year end of September 30. The 2024 financial data is for fiscal year end September 30, 2024.

- Fair revenues generated by the Fair accounted for $2,579,691 up 4% from 2023. This increase was largely due to an increased attendance, 2023 attendance was down due to local wild fires and rain. The large increase seen in the carnival, admissions and livestock entries is due to a strong community engagement with the annual fair. General operating revenues increased by 8% mostly due to grounds rentals.

- In our total operating expenditures witnessed an increase of 11% due to the prior year being reported for nine months. Although we saw a 26% increase in our general expenses, we did see the cost of producing the fair increase by 1%. Despite our continuous efforts to maintain low costs, the onset of inflation has led to an unavoidable rise in the cost of conducting business. Additionally, in response to the increasing cost of living in our area, we are focused on maintaining competitive wages and benefits to ensure we retain our valued, high-quality employees.

- The Fair's current statement of net position shows that the Fair Board's total net position increased by 3%. This is due to an increase in assets, considerable savings, and capital assets.

OVERVIEW OF FINANCIAL STATEMENTS

The Fair's financial statement illustrates the Fair's financial activities.

- The statement of net assets, combined with a statement of revenues, expenses and changes in net position, provides an aggregate view of the Fair's finances and documents the changes experienced in the fiscal year end September 30, 2024. This statement contains useful long-term information, as well as information for the just completed fiscal year.

- The remaining statements and schedules go into greater detail and better explain the activities and operations of the Fair. They include a statement of cash flows, schedule of operating revenues and schedule of other operating expenses for the year ended September 30, 2024.

- Following the statements are notes to the financial statements that provide further explanation of the figures, offering statement users a complete picture of the Fair's financial activities and position.

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

- The Fair's statements report information using accounting methods similar to those used by private sector companies. The statements report the Fair's net position and how they have changed. Net position, the difference between assets and liabilities, are one way to measure the Fair's overall financial position.

- Increases or decreases in the Fair's net position are an indicator of whether the financial position is improving or deteriorating, respectively.

- However, to assess the overall financial condition of the Fair, additional non-financial factors, such as changes in the condition of the buildings, weather, and ability to market the facility for interim use have effects on the financial picture of the Fair.

The Fair Board is actively working towards reducing the risk stemming from our reliance on the 10-day Fair in 2024, which currently generates 66% of our revenue. Our strategy includes enhancing rental opportunities by implementing building upgrades and capital initiatives outlined in the Master Plan. Funds received from the foundation are allocated for facility upgrades, education efforts, equipment acquisitions, and maintenance projects. These improvements are designed to enhance the venue and unlock greater potential for usage. Looking ahead, we expect to continue a position where reliance on county funds will not be necessary.

FINANCIAL ANALYSIS

Net Position. One of the most important questions asked about the Fair's finances is, "Is the Fair as a whole better off or worse off as a result of the year's activities?" Our analysis of the Fair begins on the next two pages with our "Statement of Net Position" and the "Statement of Revenue, Expenses, and Changes in Net Position". These two statements report information about the Fair as a whole and about its activities in a way that helps answer this question.

These statements show assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

FINANCIAL ANALYSIS (CONTINUED)

The following condensed financial information provides an overview of the Fair's financial position for the year ended September 30, 2024, and the nine months ended September 30, 2023:

STATEMENT OF NET POSTION

	Fiscal year Ended September 30, 2024	Nine Months Ended September 30, 2023	% Change
ASSETS			
Current Assets			
Cash	$ 2,735,223	$ 2,724,222	0%
Accounts receivable	24,513	39,899	-39%
Capital assets net of accumulated depreciation	3,321,581	3,215,557	3%
Total current assets	6,081,317	5,979,678	2%
DEFERRED OUTFLOWS OF RESOURCES			
Proportionate share of deferred outflows	143,059	184,516	-22%
Total deferred outflows of resources	143,059	184,516	-22%
LIABILITIES			
Current Liabilities			
Accounts payable	50,100	196,453	-74%
Accrued payroll	51,540	30,590	68%
Prepaid vendor deposits	9,867		
Accrued compensated absences	46,171	47,539	-3%
Net pension liability	460,901	437,845	5%
Total Liabilities	618,579	712,427	-13%
DEFERRED INFLOWS OF RESOURCES			
Deferred lease	335,616	358,761	-6%
Proportionate share of deferred inflows	8,366		
Total deferred inflows of resources	343,982	358,761	-4%
Net position			
Investment in capital assets	3,321,581	3,215,557	3%
Unrestricted	1,940,234	1,877,449	3%
Total net position	$ 5,261,815	$ 5,093,006	3%

Our liquid assets, primarily composed of the Fair's cash reserves, have remained steady. Alongside this, a 3% rise in capital assets has contributed to a 2% growth in total net assets. This growth in capital assets reflects the Fair Board's steadfast commitment to improving our facilities and highlights the strength of our community partnerships, which have allowed us to achieve significant results with limited resources. Over the past few years, our cash reserves have steadily grown, supporting our long-term goal of undertaking a major capital project to enhance the services we provide to the community through this facility.

FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position (Revenues). This statement shows the changes in net position for the fiscal year ended September 30, 2024, and the nine month year ended September 30, 2023. By illustrating both years, we can see a comparison of revenue and expenses to illustrate the Fair's operations and how they are affecting the net assets of the Fair board.

SCHEDULES OF OPERATING REVENUES

	Fiscal Year Ended September 30, 2024	Nine Months Ended September 30, 2023	% Change
FAIR REVENUE			
Admissions	$ 600,600	$ 495,855	21%
Carnival	305,825	254,101	20%
Food concessions	282,697	273,577	3%
Vendor space	174,606	158,264	10%
Sponsorships	353,403	359,649	-2%
Parking lot	211,036	144,205	46%
Entry fees-livestock	34,753	18,869	84%
Grandstand seating	616,771	784,583	-21%
Total Fair Revenue	2,579,691	2,489,103	4%
GENERAL REVENUE			
Special in-house events	78,329	70,566	11%
Grounds rental	523,886	403,305	30%
Lease Revenue	4,419		
Message center fees	80,500	55,081	46%
Miscellaneous income	221,464	185,287	20%
Utility user fees	7,780	9,161	-15%
Beverage Sales	427,208	423,383	1%
Total general revenue	1,343,586	1,146,783	17%
Total Operating Revenues	$ 3,923,277	$ 3,635,886	8%

Revenue from Fair operations and overall activities increased by 4%, while other revenue streams increased by 17%, resulting in an overall increase of 8%. This growth across most sectors can be largely credited to our strong community reputation for delivering a high-quality event, featuring outstanding entertainment, and our focused efforts on promoting event presales, which help mitigate revenue losses due to unfavorable weather conditions.

While demand for ground rentals has been notably strong, our growth in this area is constrained by the need for additional indoor spaces. Our facilities are nearly fully booked year-round, and the surge in rental requests has been so significant that we have had to turn potential clients away. This underscores an urgent need for additional facilities to better serve the needs of our growing community.

FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position (Expenses): Our total operating expenses increased by 11%, primarily due to inflation and rising living costs, which have significantly impacted our overall expenditures. Understanding the importance of maintaining a dedicated team, especially in an event-driven industry with non-traditional hours, we have prioritized retaining skilled staff and supporting them with a comprehensive benefits package.

A significant portion of the increased expenses for the Fair can also be attributed to higher costs for professional services, contract services, and event setup, largely driven by inflation. Despite these challenges, we remain steadfast in our commitment to delivering a world-class fair that appeals to visitors of all ages, taking pride in creating experiences that resonate with every attendee.

SCHEDULE OF OPERATING EXPENSES

	Fiscal year Ended September 30, 2024	Nine Months Ended September 30, 2023	% Change
Operating Expenses			
Advertising	$ 102,050	$ 79,706	28%
Depreciation expense	185,334	132,684	40%
Employee benefits	169,997	63,525	168%
Professional fees	159,533	153,174	4%
Payroll taxes	68,452	51,007	34%
Utilities	163,560	123,165	33%
Wages and salaries	803,857	656,841	22%
Change in net pension liability	72,879	108,116	-33%
Total General Expenses	1,725,662	1,368,218	26%
Fair Expenses			
Acts and shows - free	887,691	841,257	6%
Special in-house events expenses	79,292	44,238	79%
Beer expense	184,943	186,691	-1%
Board and committee expenses	22,605	14,511	56%
Superintendents	14,150	13,551	4%
Judges	14,003	9,435	48%
Maintenance and Materials	277,627	302,721	-8%
Education and Travel	29,238	14,379	103%
Office Expenses	67,411	40,495	66%
Postage	1,950	2,058	-5%
Printing	8,250	10,012	-18%
Premiums	30,889	31,543	-2%
Contract services	323,484	334,028	-3%
Dues and subscriptions	6,093	2,537	140%
Vendor insurance	6,630	1,364	386%
Miscellaneous expenses	42,670	40,282	6%
Sponsor expense	38,841	33,338	17%
Set-up expenses	89,953	95,269	-6%
Sales tax	49,378	131,126	-62%
Total Fair operating expenses	2,175,098	2,148,835	1%
Total operating expenses	$ 3,900,760	$ 3,517,053	11%

FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position (Expenses) (Continued)

In 2024, the Fair reported an increase from operations of $22,517. After accounting for the non-cash expense of depreciation, which is subtracted from the general expenses, our operational profit amounts to $207,851. This positive outcome underscores the growing success of the fair and its facilities. It suggests that we have approached a point where reliance on county transmittals for operational success and continuous facility enhancements may no longer be necessary, as we increasingly generate sufficient revenue independently through the Fair Board's initiatives.

	Fiscal Year Ended September 30, 2024	Nine Months Ended September 30, 2023
Total operating revenue	$ 3,923,277	$ 3,635,886
Total operating epenses	(3,900,760)	(3,517,053)
Operating income (loss)	22,517	118,833
Depreciation expenses (non cash expenses)	185,334	132,684
Increase (decrease) from operations	$ 207,851	$ 251,517

CAPITAL ASSET AND DEBT ADMINISTRATION

The Fairground's buildings and grounds acquired prior to 1985 are accounted for in the County's books. In 1985, the Fair undertook a major building improvement project, as well as construction of additional exhibit space and has continued with other additions, such as the Jacklin Building, electronic reader board, Food Court, sidewalks, and RV Park. These assets are accounted for within the Fair's books. They are presently recorded at $3,321,581, which is an increase of 3% in value. Prior to 2018, Fairground's assets were in a state of decline, both financially and in terms of their physical condition. The turnaround in recent years can be attributed to the diligent efforts of the Fair Board and staff in securing grant funding, as well as the community's generosity. These efforts have significantly enhanced the appearance and functionality of the fairgrounds, positioning them to better serve our community and clients. Now, with the support of the Fair Board and the local community, we are poised to witness the growth and flourishing of this central facility in Coeur d'Alene.

The Fair presently has no long-term liabilities other than the proportionate share of the net pension liability.

ECONOMIC FACTORS AND CONDITIONS CONSIDERATION

The Fair's administration carefully evaluated several factors while developing the fiscal year budget.

The primary focus remains on maintaining the ability to deliver a first-class Fair experience for the community. Additionally, efforts are directed toward identifying events and facility improvements that align with the fairgrounds' current capabilities, which are somewhat limited.

ECONOMIC FACTORS AND CONDITIONS CONSIDERATION (CONTINUED)

A significant opportunity lies in securing additional grant funding to expand the newly constructed RV Park on the fairgrounds. This expansion will enhance the facility as a community asset, create economic benefits for Kootenai County residents, and generate additional revenue for the fairgrounds. With well-established reserves, we are now able to turn to our Master Plan and Market Analysis to develop strategies that better serve our growing community.

The North Idaho Fair & Rodeo Foundation continues to evolve and play a vital role in supporting the fairgrounds. Their successful fundraisers have not only generated substantial financial support but also increased community awareness of the fairgrounds. These efforts have helped fund key projects, including new lighting in the rodeo arena, upgrades to the south midway food court, the reconstruction of the Silver Buckle Club, a phased approach to new VIP seating in the Chill Zone, and grant matching to secure funding for the RV Park expansion.

THE FAIR'S FUTURE

Several known factors will influence the Fair's financial outlook in the coming years:

***Dedicated Team and Board Commitment**:* The Fair thrives thanks to the dedication of its hardworking staff and Board, who consistently deliver high-quality experience for attendees and exhibitors, all while managing a tight budget. Their efforts ensure the Fair remains a cherished tradition in the community.

***Strategic Planning and Capital Campaigns**:* The Fair Board is deeply committed to strategic planning and facility enhancements. With a Master Plan underway, the focus is on making the best use of available land and pursuing practical improvements within financial limitations. Collaborating with the County, the Board seeks to secure a sustainable future for the Fair at its current location. Plans are also in motion to launch a capital campaign aimed at funding new buildings to meet the growing needs of the community.

***Infrastructure Maintenance and Venue Evolution**:* Continuous upgrades and maintenance of the Fairgrounds' infrastructure are essential to its role as a vital community gathering space. Hosting a wide array of events—from non-profit fundraisers and trade shows to private celebrations—the Fairgrounds has become a cherished venue for countless occasions. The Board is committed to preserving this legacy while enhancing the facilities to ensure they serve future generations effectively.

CONTACTING THE FAIR'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the Fair's finances and to demonstrate the Fair's accountability for the resources it received. If you have questions about this report or need additional information, contact the North Idaho State Fair at 4056 N Government Way, Coeur d'Alene, ID 83815; Telephone: 208-765-4969.

NORTH IDAHO FAIR & RODEO

STATEMENT OF NET POSITION
September 30, 2024

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 2,735,223
Accounts receivable	24,513
Total current assets	2,759,736
PROPERTY, PLANT AND EQUPIMENT, net of accumulated depreciation	
Building improvements	981,653
Grounds improvements	1,670,728
Machinery and equipment	184,589
Automobiles	11,583
Electronic reader board	23,327
Food court	80,604
Coors/Jacklin Building	369,097
Total noncurrent assets	3,321,581
Total assets	6,081,317
DEFERRED OUTFLOWS OF RESOURCES	
Proportionate share of deferred outflows of resources	143,059
Total deferred outflows of resources	143,059
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	50,100
Prepaid vendor deposits	9,867
Accrued payroll	51,540
Total current liabilities	111,507
NONCURRENT LIABILITIES	
Accrued compensated absences	46,171
Net pension liability	460,901
Total noncurrent liabilities	507,072
Total liabilities	618,579
DEFERRED INFLOWS OF RESOURCES	
Deferred lease	335,616
Proportionate share of deferred inflows of resources	8,366
Total deferred inflows of resources	343,982
NET POSITION	
Investment in capital assets	3,321,581
Unrestricted	1,940,234
Total net position	$ 5,261,815

See accompanying notes

NORTH IDAHO FAIR & RODEO

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION
Year Ended September 30, 2024

OPERATING REVENUES	$ 3,923,277
OPERATING EXPENSES	
Advertising	102,050
Depreciation expense	185,334
Employee benefits	169,997
Professional fees	159,533
Payroll taxes	68,452
Utilities	163,560
Wages and salaries	803,857
Change in net pension liability	72,879
Other operating expenses	2,175,098
Total operating expenses	3,900,760
OPERATING INCOME	22,517
NON OPERATING REVENUES (EXPENSES)	
Capital contributions	66,994
Interest Income	79,298
Total non operating revenues (expenses)	146,292
CHANGE IN NET POSITION	168,809
NET POSITION, BEGINNING	5,093,006
NET POSITION, ENDING	$ 5,261,815

See accompanying notes

NORTH IDAHO FAIR & RODEO

STATEMENTS OF CASH FLOWS
Year Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Operating revenues	$	3,948,530
Payments to employees and benefits		(954,272)
Payments for advertising		(102,050)
Payments for utilities		(163,560)
Payments for professional fees		(159,533)
Other operating expenses		(2,413,048)
Net cash provided operating activities		156,067
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets		(291,358)
Proceeds from capital contributions		66,994
Net cash used by capital and related financing activities		(224,364)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash equivalents		79,298
Net cash provided by investing activities		79,298
Net change in cash		11,001
CASH AND CASH EQUIVALENTS, BEGINNING		2,724,222
CASH and CASH EQUIVALENTS, ENDING	$	2,735,223

See accompanying notes

NORTH IDAHO FAIR & RODEO

STATEMENTS OF CASH FLOWS
Year Ended September 30, 2024

RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$	22,517
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		185,334
Net change in deferred pension expense		26,589
Deferred leases		23,145
Changes in assets, liabilities, and deferred outflow/inflow:		
Accounts receivable		15,386
Accounts payable		(146,353)
Accrued payroll and compensated absences		19,582
Advanced Vendor Deposits		9,867
Net cash provided by operating activities	$	156,067

See accompanying notes

1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Nature of Activities: North Idaho Fair & Rodeo (the "Fair") is a separate operating division of Kootenai County, Idaho, which is responsible for planning and conducting the annual North Idaho Fair. The Fair is operated in a manner similar to a private enterprise.

North Idaho Fair & Rodeo is considered a component unit of Kootenai County, Idaho, on the basis of financial accountability. The Kootenai County Board of County Commissioners (BOCC) appoints all members of the North Idaho Fair & Rodeo Board. Furthermore, the BOCC has the authority to modify or approve the annual budget of the Fair.

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements of the Fair consist only of the funds of the Fair. The Fair has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Fair. Control or dependence is determined on the basis of budget adoptions, taxing authority, funding and appointment of the respective governing board. The most significant of the Fair's accounting policies are described in the following notes.

Financial Statement Presentation: The financial statement presentation required by GASB No. 34 provides a comprehensive, entity-wide perspective of North Idaho Fair & Rodeo's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows, and replaces the fund-group perspective previously required.

Basis of Accounting: For financial statement purposes, the Fair is considered a special-purpose government engaged only in business-type activities. Accordingly, the Fair's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Net Position: The North Idaho Fair & Rodeo's net position is classified as follows:

Net Investment in Capital Assets: This represents the Fair's total investment in capital assets, net of outstanding debt obligations related to those capital assets, to the extent debt has been incurred but not yet expended for capital assets. Such amounts are not included in this section.

Restricted Net Position: Restricted expendable resources in which the Fair is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted Net Position: Unrestricted net position represents resources derived from ambulance fees and tax revenues. These resources are used for transactions relating to the general operation of the Fair and may be used at the discretion of the governing board to meet current expenses for any purpose.

1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Net Position: (Continued)

Net Position Flow Assumption: Sometimes, the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Estimates: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Classification of Revenues: The Fair has classified its revenues as either operating or non-operating according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as admissions.

Non-operating Revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 34, such as property taxes and investment income.

Income Tax Status: As a local government organization, the Fair is exempt from federal and state income taxes.

Property Tax Revenue Recognition: The Fair did not collect property tax during the year ended September 30, 2024.

Statement of Cash Flows: For the purposes of the Statement of Cash Flows, the Fair considers all unrestricted highly liquid investments with a maturity of six months or less at the time of acquisition and its certificates of deposit to be cash equivalents.

Fixed Assets and Depreciation: Fairground buildings and real estate acquired prior to 1985 are accounted for by Kootenai County and are not assets of the North Idaho Fair & Rodeo. In 1985, the Fair undertook a major building improvement project, as well as construction of additional exhibit space and the purchase of operating and office equipment. These assets are recorded at cost under the organization's long-term asset classification.

Depreciation is being recorded over estimated useful lives ranging from 3 to 40 years using the straight-line method.

Receivables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Fair only has one item that qualifies for reporting in this category: the deferred outflows relating to the accounting for the net pension obligation on the government-wide statement of net position, in accordance with GASB 68, *Accounting and Financial Reporting for Pensions.*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Fair has two types of item, which arises under full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, proportionate share of collective deferred inflows of resources, is reported only on the government-wide statement of net position. The government-wide statement of net position reports proportionate share of collective deferred inflows of resources includes: accounting for the net pension obligation, in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 87, *Leases.*

Vacation and Sick Leave Policy: The Fair's employees are entitled to vacation and sick leave days based on their length of employment. This time is accumulated and recorded as a liability at year end.

***Budgetary Data*:** The Fair annually adopts a budget for its proprietary fund. The budget is on the same basis of accounting as the financial statements. All budget appropriations lapse at fiscal year-end.

Encumbrances: Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the funds. This is in accordance with Idaho state statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding years' appropriation.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Leases as a Lessor: As a lessor, the Fair has entered into a land lease agreement. The Fair recognized a deferred inflow of resources at the commencement of the lease term. The deferred inflow of resources is measured at the value of the payment received for future periods.

2. CASH AND CASH EQUIVALENTS

General. State statutes authorize the Fair's investments and deposits. The Fair is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial credit risk. Custodial credit risk is the risk that in the event of a failure of a financial institution, the Fair's deposits and investments may not be returned to it. The Fair does not have a deposit policy for custodial credit risk. As of September 30, 2024, the Fair's deposits and investments were exposed to custodial credit risk as follows:

Deposits without exposure to custodial credit risk:

Amount insured by FDIC	$ 500,000

Deposits with exposure to custodial credit risk:

Amounts uninsured by FDIC	$ 2,358,505

Cash and cash equivalents consist of the following:

	Maturity Date	Interest Rate	Amount
Cash:			
Checking and savings deposits with financial institutions		0% - 2.50%	$ 675,792
Petty Cash			900
Cash equivalents:			
P1FCU - money market		1.45%	535,946
ICCU - certificate of deposit	2/15/2025	4.72%	801,384
ICCU - money market		2.08%	258,453
P1FCU - certificate of deposit	4/3/2025	4.75%	462,748
Total cash and cash equivalents			$ 2,735,223

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment at September 30, 2024 consisted of the following:

	Beginning Balance	Additions	Deletions	Transfers	Adjustments	Ending Balance
Capital assets, being depreciated						
Building improvements	$2,131,282	$ 58,288				$2,189,570
Grounds Improvements	1,901,468	175,454				2,076,922
Machinery and equipment	525,011	47,124				572,135
Automobiles	36,711					36,711
Electronic reader board	96,605					96,605
Food court	293,552					293,552
Coors/Jacklin Building	874,482	10,492				884,974
Total capital assets being depreciated	5,859,111	$ 291,358	$ 0	$ 0	$ 0	6,150,469
Less accumulated depreciation:						
Building improvements	1,173,774	34,143				1,207,917
Grounds Improvements	323,366	82,828				406,194
Machinery and equipment	362,395	25,151				387,546
Automobiles	21,128	4,000				25,128
Electronic reader board	63,281	9,997				73,278
Food court	205,609	7,339				212,948
Coors/Jacklin Building	494,001	21,876				515,877
Total accumulated depreciation	2,643,554	$ 185,334	$ 0	$ 0	$ 0	2,828,888
Total capital assets, net	$3,215,557					$3,321,581

4. CHANGES IN LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2024 is as follows:

	Balance 9/30/2023	Additions	Reduction	Balance 9/30/2024
Compensated absences	$ 47,539		1,368	$ 46,171
Total compensated absences	$ 47,539	$ 0	$ 1,368	$ 46,171

5. ACCRUED COMPENSATED ABSENCES

Accrued compensated absences related to sick leave and vacation benefits that would be payable upon termination of employment rendered under applicable guidelines per the North Idaho Fair & Rodeo policy manual amounted to $46,171 as of September 30, 2024. This liability includes amounts related to benefits earned in prior periods but are recognized in the current period as a noncurrent liability because there is not a material departure from presentation based on generally accepted accounting principles.

6. DEFINED BENEFIT PENSION PLAN

Plan Description. The Fair contributes to the Base Plan, which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the Plan is financed through the contributions and investment earnings of the Plan.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits. The Base Plan provides for retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based upon members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with 5 years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classifications. The annual service retirement allowance for each month of credited service is 2.0 percent of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the *Consumer Price Index* movement or 6 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions. Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees and 72 percent for police and firefighters. At September 30, 2024, it was 7.18 percent for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.96 percent general employees.

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

***Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*.** At September 30, 2024, the Fair reported a liability of $460,901 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Fair's proportion of the net pension liability was based on the Fair's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI employers. At June 30, 2024, the Fair's proportion was 0.01232144 percent.

For the year ended September 30, 2024, the Fair recognized a pension expense of $72,879. At September 30, 2024, the Fair reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$ 17,000	
Differences between expected and actual experience	0	
Changes in assumptions or other inputs	18,259	
Net difference between projected and actual earnings on pension plan investments	73,380	$ 8,366
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	34,420	

Contributions made subsequent to the measurement date in the above table, will be recognized as a decrease of the net pension liability in the subsequent fiscal year.

The average of the expected remaining service lives of all employees that are provided with pensions through the system (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2024, is 4.4 and 4.6 for the measurement period June 30, 2023.

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

2025	$ 30,192
2026	93,380
2027	(7,376)
2028	(6,128)

Actuarial Assumptions. Valuations are based upon actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the *Entry Age Normal Cost Method*. Under the *Entry Age Normal Cost Method*, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under Section 59-1322, *Idaho Code*, is 25 years.

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, service retirement members, and beneficiaries. These rates were adopted for the valuation dated July 1,2024.

Contributing Members, Service Retirement Members, and Beneficiaries.

General Employees and All Beneficiaries – Male	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female	Pub-2010 General Tables, increased 21%
Teachers – Male	Pub-2010 Teacher Tables, increased 12%
Teachers – Female	Pub-2010 Teacher Tables, increased 21%
Fire & Police – Male	Pub-2010 Safety Tables, increased 21%
Fire & Police – Female	Pub-2010 Safety Tables, increased 26%
Disabled Members – Male	Pub-2010 Disabled Tables, increased 38%
Disabled Members – Female	Pub-2010 Disabled Tables, increased 36%

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued). An experience study was performed for the period July 1, 2015 through June 30, 2020, which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2024, is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers, and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of the System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

CAPITAL MARKET ASSUMPTIONS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	(0.25%)
TIPS	10%	(0.30%)
Real Estate	8%	3.75%
Private Equity	8%	6.00%

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 6.35 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plan's 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 benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Fair's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Fair's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Fair's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

Sensitivity – a 1% change in the discount rate would affect the Fair's net pension liability as follows:			
	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Fair Net Pension Liability	$ 875,856	$ 460,901	$ 121,989

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

7. RISK MANAGEMENT

The Fair is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Fair is a component unit of Kootenai County, which maintains insurance through Idaho Counties Reciprocal Management Program (ICRMP).

The Fair pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. The rate is calculated based on accident history and administrative costs.

As a component unit of Kootenai County, the Fair provides medical, vision and dental insurance to most employees through an insurance company.

8. LEASE COMMITMENT

Leases as a Lessor. As a lessor, the Fair has entered into agreements involving the lease of land with Kootenai County. The Fair recognizes a deferred inflow of resources at the commencement of the lease term. No lease receivable is reported, due to the County paying the present value of the lease payments expected to be received during the lease term in advance of $364,800. The deferred inflow of resources is measured at the value of the prepaid lease.

In accordance with GASB No. 87, the Fair recognizes a deferred inflow of resources for leases the Fair categorizes as in-scope of GASB No. 87. The Fair reported lease revenue of $6,039 for September 30, 2024. The amounts of inflows of resources recognized for September 30, 2024, was $335,616, that will be recognized as revenue over the lease term ending 2070.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 17, 2025, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH IDAHO FAIR & RODEO

SCHEDULE OF PENSION FUNDING

SCHEDULE OF THE BOARD'S SHARE OF NET PENSION ASSET AND LIABILITY - PERSI BASE PLAN

Data reported is measured as of June 20, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	0.01232144%	0.10971710%	0.01036345%	0.0074132%	0.0093798%	0.0106976%	0.0100585%	0.0092696%	0.0116294%	0.0111367%
Employer's proportionate share of the net pension (asset) liability	460,901	437,845	$ 408,191	$ (5,855)	$ 217,811	$ 122,110	$ 148,365	$ 145,702	$ 235,746	$ 146,652
Employer's covered payroll	584,000	379,000	436,357	367,774	281,012	359,025	344,823	292,774	333,083	326,750
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	79%	116%	94%	-2%	78%	34%	43%	50%	71%	45%
Plan fiduciary net position as a percentage of the total pension liability	84%	83%	83%	100%	88%	94%	92%	91%	87%	91%

SCHEDULE OF THE BOARD'S CONTRIBUTIONS TO PENSION PLANS - PERSI BASE PLAN

Data reported is measured as of September 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 67,508	$ 43,807	$ 43,320	$ 33,219	$ 41,728	$ 39,034	$ 33,142	$ 37,705	$ 36,989	(1)
Contributions in relation to the statutorily required contribution	67,508	43,807	43,320	33,219	41,728	39,034	33,142	37,705	36,989	(1)
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	(1)
Employer's covered payroll	584,000	379,000	436,357	367,774	281,012	359,025	344,823	292,774	333,083	326,750
Contributions as a percentage of covered payroll	11.56%	11.56%	11.94%	11.94%	14.85%	10.87%	9.61%	12.88%	11.11%	0.00%

(1) GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Fair will present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT - *GOVERNMENT AUDITING STANDARDS*

Board of Directors
North Idaho Fair & Rodeo
Coeur d'Alene, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the North Idaho Fair & Rodeo, a component-unit of Kootenai County, of Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Fair Board's basic financial statements, and have issued our report thereon dated March 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Idaho Fair & Rodeo's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Idaho Fair & Rodeo's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Idaho Fair & Rodeo's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item #2024-001, that we consider to be a significant deficiency.

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Idaho Fair & Rodeo's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

North Idaho Fair & Rodeo's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the North Idaho Fair & Rodeo's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The North Idaho Fair & Rodeo's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Presnell Gage PLLC

March 17, 2025
Lewiston, Idaho

Significant Deficiency

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: The Fair Board has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible.

Effect: Many accounting duties are performed by a single individual with limited oversight available within the Fair Board.

Response: The Fair Board's management and Board believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the Fair Board's response.

NORTH IDAHO FAIR & RODEO

SCHEDULE OF OPERATING REVENUES
Year Ended September 30, 2024

FAIR REVENUE		
Admissions	$	600,600
Carnival		305,825
Food concessions		282,697
Vendor space		174,606
Sponsorships		353,403
Parking lot		211,036
Entry fees-livestock		34,753
Grandstand seating		616,771
Total Fair Revenue		2,579,691
GENERAL REVENUE		
Special in-house events		78,329
Grounds rental		523,886
Lease Revenue		4,419
Message center fees		80,500
Miscellaneous income		221,464
Utility user fees		7,780
Beverage Sales		427,208
Total general revenue		1,343,586
TOTAL OPERATING REVENUES	$	3,923,277

NORTH IDAHO FAIR & RODEO

SCHEDULE OF OTHER OPERATING EXPENSES
Year Ended September 30, 2024

OTHER OPERATING EXPENSES		
Acts and shows - free	$	887,691
Special in-house events expenses		79,292
Beer expense		184,943
Board and committee expenses		22,605
Superintendents		14,150
Judges		14,003
Maintenance and Materials		277,627
Education and Travel		29,238
Office Expenses		67,411
Postage		1,950
Printing		8,250
Premiums		30,889
Contract services		323,484
Dues and subscriptions		6,093
Vendor insurance		6,630
Miscellaneous expenses		42,670
Sponsor expense		38,841
Set-up expenses		89,953
Sales tax		49,378
Total other operating expenses	$	2,175,098