



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Rob Sand
Auditor of State

NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

October 9, 2025

Auditor of State Rob Sand today released an audit report on the Iowa State Fair Authority for the year ended October 31, 2024. The Iowa State Fair Blue Ribbon Foundation is included in the Fair Authority's financial statements.

FINANCIAL HIGHLIGHTS:

The Fair Authority's operating revenues totaled \$45,718,708 for the year ended October 31, 2024, less than one percent decrease from the prior year. Operating expenses for the year ended October 31, 2024 totaled \$42,545,463, a 4.4% increase over the prior year.

The Foundation's revenues totaled \$12,289,945 for the year ended October 31, 2024, a 78.9% increase from the prior year due to an increase in appropriations in fiscal year 2024. Expenses for the year ended October 31, 2024 totaled \$3,000,730, a 2.1% decrease from the prior year.

AUDIT FINDING:

Sand reported two findings pertaining to the Iowa State Fair Authority and Blue Ribbon Foundation. They are found on pages 66 and 67 of this report. The findings address the issues such as material amounts of capital assets not properly recorded in the Authority's financial statements and over reimbursing for spousal travel costs.

One of the findings above which relates to the Iowa State Fair Authority is repeated from the prior year. The Iowa State Fair Authority Board has a fiduciary responsibility to provide oversight of the Authority's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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IOWA STATE FAIR AUTHORITY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

OCTOBER 31, 2024

Iowa State Fair Authority



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

August 27, 2025

Officials of Iowa State Fair Authority
Des Moines, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Iowa State Fair Authority for the year ended October 31, 2024. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Iowa State Fair Authority throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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Iowa State Fair Authority

Officials

<u>Name</u>	<u>Title</u>
	State
Honorable Kim Reynolds	Governor
Honorable Michael L. Fitzgerald	Treasurer of State
Kraig Paulsen	Director, Department of Management
Tim McDermott	Director, Legislative Services Agency

Board Members

Alan Brown	Director, North Central District
Tennie Carlson	Director, North Central District
John Harms	Director, Northeast District
Deb Zumbach	Treasurer/Director, Northeast District
Darwin Gaudian	President/Director, Northwest District
VerDon Schmidt	Director, Northwest District
Honorable Michael Naig	Secretary of Agriculture
Dr. Wendy Wintersteen	President, Iowa State University
Randy Brown	Director, South Central District
Jo Reynolds	Director, South Central District
Curtis Claeys	Vice-President/Director, Southeast District
Gary McConnell	Director, Southeast District
C.W. Thomas	Director, Southwest District
Gary Van Aernam	Director, Southwest District
Jeremy Parsons	Chief Executive Officer/Manager



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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Independent Auditor's Report

To the Board Members of the Iowa State Fair Authority:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Iowa State Fair Authority, a component unit of the State of Iowa, as of and for the year ended October 31, 2024, and the related Notes to Financial Statements, which collectively comprise the Iowa State Fair Authority's basic financial statements listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Iowa State Fair Authority as of October 31, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Iowa State Fair Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 Iowa State Fair Authority'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.

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 GAAS 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.

We did not audit the financial statements of the Blue Ribbon Foundation Endowment, which accounts for 7.2% of the assets, 7.9% of the net position and 3.1% of the revenue of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation Endowment, is based solely on the report of the other auditors.

In performing an audit in accordance with GAAS 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 Iowa State Fair Authority'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 Iowa State Fair Authority'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 Management's Discussion and Analysis, the Schedule of the Fair Authority's Proportionate Share of the Net Pension Liability, the Schedule of Fair Authority Contributions and the Schedule of Changes in the Fair Authority's Total OPEB Liability, Related Ratios and Notes on pages 8 through 14 and 46 through 54 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 GAAS, 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 Iowa State Fair authority's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended October 31, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the supplementary information in Schedules 1 through 4 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The supplementary information presented in Schedule 5 has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 27, 2025 on our consideration of the Iowa State Fair Authority'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 County'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 the Iowa State Fair Authority's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

August 27, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Iowa State Fair Authority provides this Management's Discussion and Analysis of the Iowa State Fair's annual financial statements. This narrative overview and analysis of the financial activities of the Iowa State Fair is for the fiscal year ended October 31, 2024. We encourage readers to consider this information in conjunction with the Fair's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- Revenues increased 7.8% over fiscal year 2023 to fiscal year 2024. The Fair Authority received \$6,000,000 in state appropriations but earned less on American Rescue Plan Act revenues.
- Expenses increased 4.0% in comparison to last year. In fiscal year 2024, the majority of the increase came from other operating expenses in payroll, credit card fees and grounds and maintenance expenses.
- The Fair Authority increased net position 7.8% in comparison to last year. In fiscal year 2024, the reconstruction of a campground bathhouse was a significant investment. The barns restoration project continued with the majority of the sheep barn completed in fiscal year 2024.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Iowa State Fair Authority's basic financial statements. The Fair's basic financial statements consist of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages 16 through 19) provide information about the activities of the Fair Authority as a whole and present a longer-term view of the Fair Authority's finances. Governmental activities financial statements show the activity of the Iowa State Fair Blue Ribbon Foundation. These statements tell how the Foundation raised and used funds for the purpose of renovation projects at the Iowa State Fairgrounds. The business type activities financial statements show the activity of the Iowa State Fair itself. These basic financial statements also include the Notes to Financial Statements which explain some of the information in the statements and provide more detail. Required Supplementary Information presents the Fair Authority's proportionate share of the net pension liability and related contributions, as well as the Schedule of Changes in the Fair Authority's Total OPEB Liability, Related Ratios and Notes and begins on page 46. Supplementary information is also in schedule form and begins on page 57.

REPORTING THE FAIR AUTHORITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

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?" The Statement of Net Position and the Statement of Activities report information about the Fair as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources 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. The government-wide financial statements include two statements.

The Statement of Net Position presents all of the Fair’s assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as “net position”. Over time, increases or decreases in the Fair’s net position may serve as a useful indicator of whether the financial position of the Fair Authority is improving or deteriorating.

The Statement of Activities presents information showing how the Fair’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years.

Both of the above financial statements have separate sections for two different types of activities. These two types of activities are:

Governmental Activities – These statements present information on the Iowa State Fair Blue Ribbon Foundation activities. The Foundation, founded in 1993, was established by the Fair Board to conduct a major capital campaign for the renovation and preservation of the historic Iowa State Fairgrounds. These renovation efforts are supported by money raised through contributions, in-kind services, sale of promotional items and state appropriations. Governmental expenses include administration and promotion. In fiscal year 2012, the Blue Ribbon Foundation established Our Fair’s Future, an endowment fund designed to assure perpetual maintenance and improvement of the Iowa State Fairgrounds. This professionally managed fund will be held in trust for future Fairgoers, providing a permanent and protected source of revenue that will remain intact, with earnings distributed annually for maintenance and improvement projects.

Business Type Activities – These statements present information on the Iowa State Fair’s operating and non-operating activities. The Iowa State Fair is internationally acclaimed and annually attracts more than a million fun-lovers from around the world. It is one of the leading tourist attractions in the state. The Fair is Iowa’s great celebration to the best in agriculture, industry, entertainment and achievement. Special features include one of the world’s largest livestock shows, the country’s largest state fair food department (approx. 900 classes), the state’s largest arts show, hundreds of competitive events and wacky contests, 600 plus exhibitors and concessionaires selling quality and tasty treats and 160 rolling acres of campgrounds. A proud tradition since 1854, the Fair inspired the novel, “State Fair”, three motion pictures, plus Rodgers and Hammerstein’s Broadway musical. The activities in this business type category normally are intended to recover all or a significant portion of their costs through fees and charges from the annual Fair and other interim events. The departmental activities of the Fair include administration, admissions, concessions, exhibits and attractions, competitive events and ag education, campground, grandstand entertainment, utilities and maintenance, marketing and promotion, parking and transportation, public safety, special entertainment and interim events.

Fund Financial Statements

The fund financial statements focus on individual parts of the Fair, reporting the Fair’s operations in more detail than the government-wide statements. The funds of the Fair can be divided into two categories. It is important to note these fund categories use different accounting approaches and should be interpreted differently. The two categories of funds are:

Governmental Fund Financial Statements – The Blue Ribbon Foundation activities are reported through a governmental fund called a Special Revenue Fund. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, except the governmental fund financial statements focus on the near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Fair Authority’s finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the Fair Authority.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Fair Authority's near-term financing decisions. The Special Revenue Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the bottom of each governmental fund financial statement.

Proprietary Fund Financial Statements – The Iowa State Fair's activities are reported through this fund. This fund is used to show activities that operate more like those of commercial enterprises. Because this fund charges fees for service provided to outside customers, including local government, it is known as an Enterprise Fund. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business type activities and the proprietary fund financial statements.

Notes to Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the basic financial statements. The notes to financial statements can be found beginning on page 26.

Required Supplementary Information

Required Supplementary Information presents the Fair Authority's proportionate share of the net pension liability and related contributions as well as the schedule of changes in the Fair Authority's total OPEB liability, related ratios and notes.

Supplementary Information

The supplementary schedules begin on page 57 and provide detailed information about expenditures or expenses by object and other financial data, including revenue comparisons for the past five years.

GOVERNMENTAL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Fair Authority's combined net position (governmental and business type activities) totaled approximately \$190.7 million at October 31, 2024 compared to approximately \$176.9 million at October 31, 2023.

Fair Authority Net Position	Governmental Activities		Business Type Activities		Total	Total
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 27,943,400	22,117,358	52,317,332	47,050,667	80,260,732	69,168,025
Capital assets	1,301	5,142	118,926,147	116,422,824	118,927,448	116,427,966
Total assets	<u>\$ 27,944,701</u>	<u>22,122,500</u>	<u>171,243,479</u>	<u>163,473,491</u>	<u>199,188,180</u>	<u>185,595,991</u>
Deferred outflows of resources	\$ 42,708	71,074	1,059,627	1,405,981	1,102,335	1,477,055
Current liabilities	\$ 30,575	25,593	1,980,876	1,835,604	2,011,451	1,861,197
Long-term liabilities	200,258	213,579	3,639,679	4,068,828	3,839,937	4,282,407
Total liabilities	<u>\$ 230,833</u>	<u>239,172</u>	<u>5,620,555</u>	<u>5,904,432</u>	<u>5,851,388</u>	<u>6,143,604</u>
Deferred inflows of resources	\$ 34,230	47,784	3,764,059	3,980,109	3,798,289	4,027,893
Net position:						
Net investment in capital assets	\$ 1,301	5,142	118,822,143	116,289,070	118,823,444	116,294,212
Restricted for:						
Endowment	2,054,902	1,598,895	-	-	2,054,902	1,598,895
Capital improvements	6,094,132	7,526,268	-	-	6,094,132	7,526,268
Other purposes	19,572,011	12,776,313	-	-	19,572,011	12,776,313
Unrestricted	-	-	44,096,349	38,705,861	44,096,349	38,705,861
Total net position	<u>\$ 27,722,346</u>	<u>21,906,618</u>	<u>162,918,492</u>	<u>154,994,931</u>	<u>190,640,838</u>	<u>176,901,549</u>

The largest portion of the Fair Authority's net position (62.3%) reflects its investment in capital assets such as land, buildings, equipment, vehicles and infrastructure (road, utilities and other immovable assets), less any related depreciation. The Fair Authority uses these capital assets to provide services. Consequently, these assets are not available for future spending.

Unrestricted net position (23.1%) represents assets used to meet the Fair Authority's ongoing obligations to vendors and creditors.

The remaining balance (14.6%) represents resources subject to external restrictions on how they may be used. The restricted net position will eventually be paid to the business side of the Fair for more investment in its capital assets. The majority of the restricted balance is due to the generous donation from the Richard O. Jacobson Trust.

Fair Authority Changes in Net Position	Governmental Activities		Business Type Activities		Total	Total
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for service	\$ 990,540	963,278	43,854,391	44,118,491	44,844,931	45,081,769
Operating grants and contributions	1,914,137	3,392,511	1,864,317	1,614,199	3,778,454	5,006,710
Capital grants and contributions	2,683,250	3,362,142	-	-	2,683,250	3,362,142
General revenues:						
State appropriation	6,000,000	-	-	-	6,000,000	-
American Rescue Plan Act	-	-	124,482	1,375,518	124,482	1,375,518
Investment earnings (loss)	702,018	(847,640)	1,172,779	1,024,757	1,874,797	177,117
Total revenues	12,289,945	6,870,291	47,015,969	48,132,965	59,305,914	55,003,256
Expenses:						
Blue Ribbon Foundation fund raising	3,021,162	3,065,209	-	-	3,021,162	3,065,209
State Fair and other events	-	-	42,545,463	40,734,774	42,545,463	40,734,774
Total expenses	3,021,162	3,065,209	42,545,463	40,734,774	45,566,625	43,799,983
Change in net position before transfers	9,268,783	3,805,082	4,470,506	7,398,191	13,739,289	11,203,273
Transfers	(3,453,055)	(3,428,624)	3,453,055	3,428,624	-	-
Change in net position	5,815,728	376,458	7,923,561	10,826,815	13,739,289	11,203,273
Net position beginning of year	21,906,618	21,530,160	154,994,931	144,168,116	176,901,549	165,698,276
Net position end of year	\$ 27,722,346	21,906,618	162,918,492	154,994,931	190,640,838	176,901,549

Iowa State Fair business type activities revenue decreased from 2023 by approximately \$1,117,000. The majority of the increases in revenue came from admissions and concessions. Admissions revenue increased approximately \$431,783 over 2023. Our food and beverage percentage increased revenues by \$130,245 over 2023. These increases were offset by an approximately \$1,251,000 decrease in American Rescue Plan Act revenue. Governmental activities revenues increased significantly from the prior year due to state appropriations.

Approximately 92.7% of all business type activities operating revenues were generated from the Fair Authority's annual 11-day event, while the other 7.3% is from off-season rental of Fair Authority facilities and other miscellaneous sources. The largest revenue source of 38.7% comes from Concessions, commercial exhibitors and attractions, while 28.4% comes from admissions and parking, and grandstand entertainment contributes 15.6%. Revenues of approximately \$3.1 million, or 6.7%, were from off-season rental of our facilities.

The Fair Authority's expenses for the business type activities increased over the previous year. Our concessions expenses increased due to direct relation to the increase in revenue. An increase in thrill park revenue then increased thrill part operator expense. Other increases were in payroll and the collection of vendor percentage by credit cards resulted in more credit card fees from the previous year. The Fair Authority's expenses for the governmental activities decreased 1.4% from the previous year.

The largest business type activities expense is payroll, which accounts for 28.5% of all expenses. The Fair employs approximately 1,500 people at different times during the year, with the majority working during the 11-day event. Looking at overall departmental expenses, including payroll, utilities and maintenance for the largest departmental expenses at 23.5%, while grandstand entertainment for 18.1% and administration at 16.4%.

FINANCIAL ANALYSIS OF THE FAIR AUTHORITY'S INDIVIDUAL FUNDS

Governmental Funds

The Iowa State Fair Blue Ribbon Foundation's activity is shown in the governmental activities side of the Fair Authority's total activities. The focus of the Fair Authority's governmental funds is to provide information on the inflows, outflows and balances of spendable resources. The Foundation raises money through contributions from individuals, corporations, in-kind services and state appropriations. Tracking such information is useful in assessing the Fair Authority's capital improvement project resources.

As of the end of the current fiscal year, the Fair's governmental funds reported an ending fund balance of approximately \$26 million, an increase of approximately \$8.9 million over the prior year. 100% of the fund balance is restricted or non-spendable, which means the full balance is restricted for specific purposes, with the majority restricted to pay for the renovation of specific projects or is subject to other donor imposed restrictions. Continued support from donors continues to add to the overall increase in fund balance.

Proprietary Fund

The Fair's proprietary fund provides information on the Fair Authority's operating and non-operating activities. For the year ended October 31, 2024, the Fair's proprietary fund reported an ending net position of approximately \$162.9 million, an increase of approximately \$7.9 million over the prior year. The majority of the increase in net position is directly attributable to the investment in capital assets.

CAPITAL ASSETS

The Fair Authority's investment in capital assets for its governmental and business-type activities at October 31, 2024 was approximately \$203 million, net of accumulated depreciation of approximately \$84 million, leaving a net book value of approximately \$119 million. This investment in capital assets includes land, buildings, infrastructures, equipment, vehicles and construction in progress. Infrastructure assets are items that are normally immovable, such as streets and sidewalks, drainage systems, lighting systems and similar items.

Capital projects in 2024 included campground bathhouse and continuing the Barn Renovation projects which started in 2023. Funds to pay for the completion of these projects came from the Fair's fund balance and state appropriations. More detailed information about the Fair Authority's capital assets is presented in Note 3 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Fair Authority's officials and management considered many factors when setting the fiscal year 2025 budget. Operating revenues are expected to have an increase due to consumer spending on concessions and thrill park rides and games. Operating expenses are also expected to increase due to an increase in payroll costs, increases in grandstand concert expenses and increase in inflation. The Fair Authority's net assets for fiscal year 2025 are expected to have a modest increase.

The Fair is an 11-day economic boom for the city and state. It annually attracts more than one million people who enjoy the Fair and its neighboring attractions, events and restaurants during their visit, resulting in more than \$150 million total economic impact to Central Iowa.

CONTACTING THE FAIR AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, citizens of the state of Iowa and creditors with a general overview of the Fair Authority's finances and to show the Fair Authority's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the Iowa State Fair Authority, PO Box 57130, Des Moines, Iowa 50317.

Basic Financial Statements

Exhibit A

Iowa State Fair Authority

Statement of Net Position

October 31, 2024

	Governmental Activities	Business Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and investments	\$ 19,617,512	47,589,869	67,207,381
Unexpended appropriation	6,375,049	-	6,375,049
Receivables:			
Accounts	-	729,169	729,169
Accrued interest	61,391	268,691	330,082
Pledges	1,009,400	-	1,009,400
Prepaid expenses	-	305,746	305,746
Internal balances	(461,426)	461,426	-
Lease receivable	-	86,174	86,174
Inventories	335,574	-	335,574
Total current assets	26,937,500	49,441,075	76,378,575
Noncurrent assets:			
Pledges receivable	1,005,900	-	1,005,900
Lease receivable	-	2,876,257	2,876,257
Capital assets not being depreciated/amortized:			
Land	-	23,089,492	23,089,492
Construction in progress	-	7,070,511	7,070,511
Goodwill	-	494,722	494,722
Capital assets, net of accumulated depreciation/amortization:			
Buildings	-	69,332,216	69,332,216
Equipment	-	3,539,283	3,539,283
Vehicles	1,301	205,663	206,964
Infrastructure	-	15,194,260	15,194,260
Total noncurrent assets	1,007,201	121,802,404	122,809,605
Total assets	27,944,701	171,243,479	199,188,180
Deferred Outflows of Resources			
Pension related deferred outflows	34,713	735,486	770,199
OPEB related deferred outflows	7,995	324,141	332,136
Total deferred outflows of resources	42,708	1,059,627	1,102,335

Iowa State Fair Authority

Statement of Net Position

October 31, 2024

	Governmental Activities	Business Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	-	607,500	607,500
Salaries payable	10,679	282,335	293,014
Unearned revenue	-	697,010	697,010
Compensated absences	19,896	306,171	326,067
Lease agreements	-	34,439	34,439
Total OPEB liability	-	53,421	53,421
Total current liabilities	30,575	1,980,876	2,011,451
Noncurrent liabilities:			
Compensated absences	96,764	929,253	1,026,017
Lease agreements	-	69,565	69,565
Net pension liability	71,331	1,978,537	2,049,868
Total OPEB liability	32,163	662,324	694,487
Total noncurrent liabilities	200,258	3,639,679	3,839,937
Total liabilities	230,833	5,620,555	5,851,388
Deferred Inflows of Resources			
Lease related	-	2,832,919	2,832,919
Pension related deferred inflows	18,477	486,278	504,755
OPEB related deferred inflows	15,753	444,862	460,615
Total deferred inflows of resources	34,230	3,764,059	3,798,289
Net Position			
Net investment in capital assets	1,301	118,822,143	118,823,444
Restricted for:			
Endowment	2,054,902	-	2,054,902
Capital improvements	6,094,132	-	6,094,132
Other purposes	19,572,011	-	19,572,011
Unrestricted	-	44,096,349	44,096,349
Total net position	\$ 27,722,346	162,918,492	190,640,838

See notes to financial statements.

Iowa State Fair Authority
Statement of Activities
Year ended October 31, 2024

Functions	Program Revenues			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Blue Ribbon Foundation	\$ 3,021,162	990,540	1,914,137	2,683,250
Business type activities:				
State Fair and other events	42,545,463	43,854,391	1,864,317	-
Total	\$ 45,566,625	44,844,931	3,778,454	2,683,250
General revenues and transfers:				
State appropriation				
American Rescue Plan Act				
Investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position beginning of year				
Net position end of year				
See notes to financial statements.				

Net (Expense) Revenue and Change in Net Position		
Governmental Activities	Business Type Activities	Total
2,566,765	-	2,566,765
-	3,173,245	3,173,245
2,566,765	3,173,245	5,740,010
6,000,000	-	6,000,000
-	124,482	124,482
702,018	1,172,779	1,874,797
(3,453,055)	3,453,055	-
3,248,963	4,750,316	7,999,279
5,815,728	7,923,561	13,739,289
21,906,618	154,994,931	176,901,549
\$ 27,722,346	162,918,492	190,640,838

Iowa State Fair Authority

Balance Sheet
Special Revenue Funds

October 31, 2024

	Special Revenue		
	Nonmajor		Total
	Blue Ribbon Foundation	Blue Ribbon Foundation Endowment	
Assets			
Cash and investments	\$ 17,562,610	2,054,902	19,617,512
Unexpended appropriation	6,375,049	-	6,375,049
Receivables:			
Accrued interest	61,391	-	61,391
Pledges	2,015,300	-	2,015,300
Inventories	335,574	-	335,574
Total assets	\$ 26,349,924	2,054,902	28,404,826
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Internal balances	\$ 461,426	-	461,426
Salaries payable	10,679	-	10,679
Total liabilities	472,105	-	472,105
Deferred inflows of resources:			
Unavailable revenues	1,982,050	-	1,982,050
Fund balances:			
Nonspendable:			
Inventories	335,574	-	335,574
Restricted for:			
Endowment	-	2,054,902	2,054,902
Capital improvements	10,426,920	-	10,426,920
Administration	13,133,275	-	13,133,275
Total fund balance	23,895,769	2,054,902	25,950,671
Total liabilities, deferred inflows of resources and fund balances	\$ 26,349,924	2,054,902	28,404,826
Reconciliation of the Special Revenue Funds Balance Sheet to the Statement of Net Position Fund balances - Special Revenue Funds	\$ 23,895,769	2,054,902	25,950,671
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These capital assets consist of:			
Equipment	\$ 107,088		
Less accumulated depreciation	(105,787)	1,301	1,301
Certain Foundation revenues will be collected after year-end but will not be available soon enough to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.	1,982,050	-	1,982,050
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
Deferred outflows of resources	42,708		
Deferred inflows of resources	(34,230)	8,478	8,478
Certain liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds. These liabilities consist of compensated absences, net pension liability and total OPEB liability.	(220,154)	-	(220,154)
Net position of governmental activities	\$ 25,667,444	2,054,902	27,722,346

See notes to financial statements.

Iowa State Fair Authority
Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds

Year ended October 31, 2024

	Special Revenue		
	Nonmajor		Total
	Blue Ribbon Foundation	Blue Ribbon Foundation Endowment	
Revenues:			
Contributions	\$ 7,084,277	170,083	7,254,360
Sales of promotional items	716,750	-	716,750
Other sales	273,790	-	273,790
In-kind support	334,977	-	334,977
Appropriations	6,000,000	-	6,000,000
Interest on investments	404,267	297,751	702,018
Total revenues	<u>\$ 14,814,061</u>	<u>467,834</u>	<u>15,281,895</u>
Expenditures:			
Administration	1,106,617	11,827	1,118,444
Promotion	1,897,063	-	1,897,063
Total expenditures	<u>3,003,680</u>	<u>11,827</u>	<u>3,015,507</u>
Excess of revenues over expenditures	11,810,381	456,007	12,266,388
Other financing uses:			
Transfers out	(3,453,055)	-	(3,453,055)
Change in fund balances	8,357,326	456,007	8,813,333
Fund balances beginning of year	15,538,443	1,598,895	17,137,338
Fund balances end of year	<u>\$ 23,895,769</u>	<u>2,054,902</u>	<u>25,950,671</u>
Reconciliation of the Special Revenue Funds			
Statement of Revenues, Expenditures and Changes			
in Fund Balances to the Statement of Activities			
Change in fund balances - Special Revenue Funds	<u>\$ 8,357,326</u>	<u>456,007</u>	<u>8,813,333</u>
Amounts reported for governmental activities in the Statement of Activities are different because:			
Contributions are reported in the Statement of Activities when pledged to the Foundation. They are not reported as revenues in the governmental funds until available.	(2,991,950)	-	(2,991,950)
The governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.			
Depreciation expense	(3,841)	-	(3,841)
The current year IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.	14,465	-	14,465
Compensated absences, net pension liability and total OPEB liability reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(16,279)	-	(16,279)
Change in net position of governmental activities	<u>\$ 5,359,721</u>	<u>456,007</u>	<u>5,815,728</u>

See notes to financial statements.

Iowa State Fair Authority

Statement of Net Position
Enterprise Fund

October 31, 2024

Assets	
Current assets:	
Cash and investments	\$ 47,589,869
Receivables:	
Accounts	729,169
Accrued interest	268,691
Prepaid expenses	305,746
Internal balances	461,426
Lease receivable	<u>86,174</u>
Total current assets	<u>49,441,075</u>
Noncurrent assets:	
Lease receivable	2,876,257
Capital assets, not being depreciated/amortized:	
Land	23,089,492
Construction in progress	7,070,511
Goodwill	494,722
Capital assets, net of accumulated depreciation/amortization:	
Buildings	69,332,216
Equipment	3,539,283
Vehicles	205,663
Infrastructure	<u>15,194,260</u>
Total noncurrent assets	<u>121,802,404</u>
Total assets	<u>171,243,479</u>
Deferred outflows of resources:	
Pension related deferred outflows of resources	735,486
OPEB related deferred outflows of resources	<u>324,141</u>
Total deferred outflows of resources	<u>1,059,627</u>
Liabilities	
Current liabilities:	
Accounts payable	607,500
Salaries payable	282,335
Unearned revenue	697,010
Compensated absences	306,171
Lease agreements	34,439
Total OPEB Liability	<u>53,421</u>
Total current liabilities	<u>1,980,876</u>
Noncurrent liabilities:	
Compensated absences	929,253
Lease agreements	69,565
Net pension liability	1,978,537
Total OPEB liability	<u>662,324</u>
Total noncurrent liabilities	<u>3,639,679</u>
Total liabilities	<u>5,620,555</u>
Deferred inflows of resources:	
Lease related	2,832,919
Pension related deferred inflows of resources	486,278
OPEB related deferred inflows of resources	<u>444,862</u>
Total deferred inflows of resources	<u>3,764,059</u>
Net Position	
Net investment in capital assets	118,822,143
Unrestricted	<u>44,096,349</u>
Total net position	<u>\$ 162,918,492</u>

See notes to financial statements.

Iowa State Fair Authority

Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Fund

Year ended October 31, 2024

Operating revenues:	
Admissions	\$ 11,926,056
Concessions, exhibits and attractions	17,704,022
Grandstand entertainment	7,130,088
Parking	1,058,210
Entry fees, sales and other fees	692,268
Campground fees	1,991,993
Sponsorships and administration	1,864,317
Interim events	3,061,081
Maintenance	290,673
Total operating revenues	<u>45,718,708</u>
Operating expenses:	
Administration	6,993,338
Admissions	471,254
Concessions, exhibits and attractions	4,860,375
Competitive events and ag education	1,298,627
Campground	98,070
Grandstand entertainment	7,682,393
Utilities and maintenance	10,002,679
Marketing and promotion	1,168,511
Parking and transportation	520,582
Public safety	2,604,922
Special entertainment	1,047,855
Depreciation	5,178,254
Interim events	618,603
Total operating expenses	<u>42,545,463</u>
Operating income	3,173,245
Non-operating revenues:	
American Rescue Plan Act	124,482
Investment income	1,172,779
Total non-operating revenues	<u>1,297,261</u>
Income before transfers	4,470,506
Transfers in	<u>3,453,055</u>
Change in net position	7,923,561
Net position beginning of year	<u>154,994,931</u>
Net position end of year	<u>\$ 162,918,492</u>

See notes to financial statements.

Iowa State Fair Authority

Iowa State Fair Authority

Statement of Cash Flows
Enterprise Fund

Year ended October 31, 2024

Cash flows from operating activities:	
Cash received from events	\$ 45,707,354
Cash paid to suppliers	(27,322,682)
Cash paid to employees	<u>(10,290,676)</u>
Net cash provided by operating activities	\$ 8,093,996
Cash flows from non-capital financing activities:	
Transfers in from other funds	6,650,777
Cash flows from capital financing activities:	
Acquisition of property and equipment	(12,265,084)
Disposal of property and equipment	4,553,757
Cash flows from investing activities:	
Proceeds from sale and maturities of investments	54,457,607
Purchase of investments	(58,240,864)
Investment income	<u>985,515</u>
Net cash provided by investing activities	<u>(2,797,742)</u>
Increase in cash and cash equivalents	4,235,704
Cash and cash equivalents beginning of year	<u>30,377,394</u>
Cash and cash equivalents end of year	34,613,098
Investments	<u>12,976,771</u>
Cash, cash equivalents and investments end of year	<u>47,589,869</u>
Reconciliation of operating income to net cash	
provided by operating activities:	
Operating income	3,173,245
Adjustments to reconcile operating income to net cash	
provided by operating activities:	
Depreciation	5,178,254
Changes in assets, deferred outflows of resources,	
liabilities and deferred inflows of resources:	
Accounts receivable	8,140
Prepaid expenses	(221,708)
Lease receivable	79,888
Deferred outflows of resources	346,354
Accounts payable	(251,469)
Salaries payable	89,273
Unearned revenue	258,140
Compensated absences	109,266
Net pension liability	(449,021)
Total OPEB liability	(10,316)
Deferred inflows of resources	<u>(216,050)</u>
Total adjustments	<u>4,920,751</u>
Net cash provided by operating activities	<u>\$ 8,093,996</u>

See notes to financial statements.

Iowa State Fair Authority
Notes to Financial Statements
October 31, 2024

(1) Summary of Significant Accounting Policies

The Iowa State Fair Authority, a component unit of the State of Iowa, is governed by the provisions of Chapter 173 of the Code of Iowa. The Fair Authority is mandated by statute to conduct an annual State Fair and Exposition on the Iowa State Fairgrounds and may conduct other interim events.

The Fair Authority's Board consists of fifteen members. The fifteen members consist of the Governor, the Secretary of Agriculture and the President of Iowa State University, or their qualified representatives, two elected directors from each of the five Iowa State Fair Board districts, and a secretary and treasurer elected by the Iowa State Fair Board. A president and vice president are elected from the twelve elected directors.

The Iowa State Fair Authority includes the Iowa State Fair Blue Ribbon Foundation (Chapter 173.22 of the Code of Iowa). The Foundation may solicit or accept gifts and moneys appropriated by the Legislature to be used for administration, capital projects or major maintenance improvements at the Iowa State Fairgrounds.

The Blue Ribbon Foundation Endowment Fund began operation in February 2012 to provide funds for fairgrounds maintenance and improvements.

The financial statements of the Iowa State Fair Authority have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The more significant of the Fair Authority's accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the Iowa State Fair Authority has included all funds, organizations, boards, commissions and authorities. The Fair Authority has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Fair Authority are such that exclusion would cause the Fair Authority's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Fair Authority to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Fair Authority. The Fair Authority has no component units which meet the Governmental Accounting Standards Board criteria.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Iowa State Fair Authority. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the Fair Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net Position is reported in three categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for debt attributable to the acquisition, construction or improvements of those assets.

Restricted net position results when constraints placed on the use of net position are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or segment. State appropriation and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the Fair Authority's governmental funds and proprietary fund.

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

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Fair Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds.

Contributions, intergovernmental revenues and interest associated with the current fiscal year are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Fair Authority.

The Fair Authority reports the following major governmental fund:

The Special Revenue, Blue Ribbon Foundation Fund is used to account for the activities of the Foundation, including contributions and specific revenue sources restricted to expenditures for specified purposes.

The Fair Authority reports the following major proprietary fund:

An Enterprise Fund is used to account for the activities of the Iowa State Fair. It includes the 11-day fair activities as well as other events during the year.

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Fair Authority's Enterprise Fund is charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of sales and service, administrative expenses and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets, Budgetary Accounting and State Appropriations

The Iowa State Fair Authority staff prepares an annual budget for the Fair Authority's general operations. This budget is approved and monitored by the Iowa State Fair Board.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

The following accounting policies are followed in preparing the basic financial statements:

Cash, Cash Equivalents and Investments – The cash balance of the Foundation is pooled and invested by the Treasurer of State.

For purposes of the Statement of Cash Flows, all short-term cash investments for the Fair operations that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months. Cash investments not meeting the definition of cash equivalents at October 31, 2024 include U.S. Government securities and certificates of deposit of \$16,022,185.

Pledges Receivable – Pledges receivable in the Special Revenue Fund are accounted for using the modified accrual basis of accounting and are shown net of an allowance for uncollectibles.

Pledges receivable are recognized when pledged. In the fund financial statements, only the pledges collected during the fiscal year or within 60 days of the end of the fiscal year are recognized as revenue. The remaining balance is reported as deferred inflows of resources.

Inventories – Inventories are valued at cost, which approximates market. The first-in/first-out (FIFO) cost flow method is used. Inventories in the Special Revenue Fund consist of items purchased and held for resale. The cost is recorded as an expenditure at the time individual inventory items are purchased. Expenditures are adjusted at fiscal year-end to correlate with the consumption method.

Capital Assets – Capital assets are tangible and intangible assets, which include land, buildings, equipment and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the Fair Authority), are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair which do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the Fair Authority as assets with an initial individual cost in excess of the following thresholds and an estimated useful life in excess of two years.

Asset Class	Amount
Buildings	\$ 10,000
Equipment	5,000
Vehicles	5,000
Right-to-use leased assets	5,000
Right-to-use subscription assets	250,000
Infrastructure	50,000

Major outlays for capital assets and improvements are capitalized as projects are constructed. During the year ended October 31, 2024, no interest costs were capitalized since no interest costs were incurred during the construction period.

Land and construction in progress are not depreciated. The other property, plant, equipment, the right-to-use leased equipment and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years
Buildings	20 - 40
Equipment	5 - 15
Vehicles	3 - 7
Right-to-use leased assets	2 - 20
Right-to-use subscription assets	2 - 20
Infrastructure	10 - 20

Leases – Fair Authority as Lessee – The Iowa State Fair Authority is the lessee of two noncancellable leases of equipment. The Fair Authority has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statement. The Fair Authority recognizes lease liabilities with an individual value of \$5,000 or more.

At the commencement of a lease, the Fair Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Fair Authority determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

The Fair Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Fair Authority generally uses the State Treasury Usury rate at the inception of the lease.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability is composed of fixed payments and a purchase option price which the Fair Authority is reasonably certain to exercise.

The Fair Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with current and noncurrent liabilities on the statement of net position.

Fair Authority as Lessor – The Fair Authority is a lessor for one noncancellable lease of a building and four noncancellable leases for property access rights. The Fair Authority recognizes a lease receivable and a deferred inflow of resources in the government-wide and enterprise fund financial statements.

At the commencement of a lease, the Fair Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Fair Authority determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

The Fair Authority uses the State Treasury Usury rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Fair Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources in the Statement of Net Position consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the Fair Authority after the measurement date but before the end of the Fair Authority's reporting period.

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 Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. 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.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the State of Iowa's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements consist of pledges receivable not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and deferred amounts related to leases.

Compensated Absences – Employees accumulate a limited amount of earned but unused vacation, sick leave and compensatory time for subsequent use, for payment of the employer portion of insurance premiums upon retirement or for payment upon termination, death or retirement. The liabilities recorded for compensated absences are based on current rates of pay and current insurance rates.

Fund Balance – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

(2) Cash, Cash Equivalents and Investments

The Fair Authority’s deposits in banks and with the Treasurer of State throughout the year and at October 31, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The Fair Authority is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Iowa State Fair Board; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments are stated at fair value.

At October 31, 2024, the Fair Authority had the following investments in U.S. Government securities.

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Credit Risk</u>
US Treasury	\$ 5,215,786	February 28, 2025	Aaa
US Treasury	<u>7,760,985</u>	May 31, 2025	Aaa
Total	<u>\$ 12,976,771</u>		

The Fair Authority uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurements for the Fair Authority’s securities was determined using the last reported sales price at current exchange rates. (Level 1 inputs)

The Fair Authority had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Investments are held by the Foundation in accordance with Chapter 540A of the Code of Iowa and its investment policy. The Foundation’s Endowment Fund actively seeks and encourages planned gifts consistent with its purpose, which are the maintenance and improvement of the Iowa State Fairgrounds. At October 31, 2024, the Foundation had investments held by Morgan Stanley which had a fair value of \$2,034,371.

Interest rate risk – The Fair Authority’s investment policy states each investment will typically have a short-term maturity of six to nine months.

Credit risk – The Fair Authority’s credit risk ratings were determined by Moody’s Investors Service.

Concentration of credit risk – The Fair Authority places no limit on the amount which may be invested in any one issuer. More than 5% of the Fair Authority’s investments are in U.S. Treasury (100.0%) investments.

(3) Capital Assets

Capital assets activity for the year ended October 31, 2024 was as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental activities:				
Equipment	\$ 107,088	-	-	107,088
Less accumulated depreciation	101,946	3,841	-	105,787
Governmental activities capital assets, net	\$ 5,142	3,841	-	1,301
Business type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 22,306,269	786,019	(2,796)	23,089,492
Construction in progress	5,295,089	6,086,134	(4,310,712)	7,070,511
Goodwill	494,722	-	-	494,722
Total capital assets not being depreciated/amortized:	28,096,080	6,872,153	(4,313,508)	30,654,725
Capital assets being depreciated/amortized:				
Buildings	128,204,198	4,054,016	-	132,258,214
Equipment	7,581,374	1,303,801	(400,000)	8,485,175
Vehicles	1,176,159	35,114	(41,914)	1,169,359
Right-to-use leased equipment	178,624	-	-	178,624
Infrastructure	30,203,601	-	-	30,203,601
Total capital assets being depreciated/amortized:	167,343,956	5,392,931	(441,914)	172,294,973
Less accumulated depreciation/amortization for:				
Buildings	59,491,780	3,434,218	-	62,925,998
Equipment	4,795,161	371,429	(130,001)	5,036,589
Vehicles	962,374	43,236	(41,914)	963,696
Right-to-use leased equipment	52,781	35,146	-	87,927
Infrastructure	13,715,116	1,294,225	-	15,009,341
Total accumulated depreciation/amortization	79,017,212	5,178,254	(171,915)	84,023,551
Total capital assets being depreciated/amortized, net	88,326,744	214,677	(269,999)	88,271,422
Business type activities capital assets, net	\$ 116,422,824	7,086,830	(4,583,507)	118,926,147

(4) Leases – Lessor

The Fair Authority owns buildings and towers located on the Iowa State Fairgrounds.

The Fair Authority has three noncancelable leases for building and tower rent, which expire between September 21, 2035 and May 19, 2060. The Fair Authority is to receive annual payments with an implicit rate ranging from 3.75% to 4.25%. The Fair Authority receives rent ranging from \$17,000 to \$62,000 annually. During the year ended October 31, 2024, the Fair Authority received \$53,619 in principal and \$78,752 in interest on the leases.

Effective February 1, 2023, the Fair Authority entered into a one-year lease to rent the building. The lease can be extended up to two additional one-year terms at the option of the lessee. The Fair Authority is to receive \$1,800 in building rent monthly for the first year and \$1,850 for each additional year with an implicit rate of 5.50%. During the year ended October 31, 2024, the Fair Authority received \$19,975 in principal and \$2,075 in interest on the lease.

Effective October 20, 2021, the Fair Authority entered into a twenty-five-year lease agreement with AT&T whereby AT&T leases a portion of land on the Fairgrounds for the placement of a communication facility. The Fair Authority received \$1,500 in land rent monthly for the first year. In year two of the lease, and each year thereafter, the monthly rent will increase by 3% over the rent paid during the previous year. During the year ended October 31, 2024, the Fair Authority received \$6,294 in principal and \$13,184 in interest on the lease.

Year Ending October 31,	Property Access Rights		Building		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2025	\$ 64,915	90,119	\$ 21,259	941	\$ 86,174	91,060	177,234
2026	73,154	88,081	5,499	51	78,653	88,132	166,785
2027	76,088	85,767	-	-	76,088	85,767	161,855
2028	79,148	83,346	-	-	79,148	83,346	162,494
2029	82,336	80,815	-	-	82,336	80,815	163,151
2030-2034	505,114	359,159	-	-	505,114	359,159	864,273
2035-2039	541,852	273,983	-	-	541,852	273,983	815,835
2040-2044	703,800	175,418	-	-	703,800	175,418	879,218
2045-2049	333,519	77,914	-	-	333,519	77,914	411,433
2050-2054	217,843	49,013	-	-	217,843	49,013	266,856
2055-2059	246,979	19,876	-	-	246,979	19,876	266,855
2060-2064	10,925	26	-	-	10,925	26	10,951
Total	\$ 2,935,673	1,383,517	\$ 26,758	992	\$ 2,962,431	1,384,509	4,346,940

(5) Long Term Liabilities

A summary of changes in long-term liabilities for the year ended October 31, 2024 is as follows:

	Governmental Activities				Business Type Activities				
	Compensated Absences	Total OPEB Liability	Net Pension Liability	Total	Lease Agreements	Compensated Absences	Total OPEB Liability	Net Pension Liability	Total
Balance beginning	\$ 103,427	32,736	96,989	233,152	133,754	1,126,158	726,061	2,427,558	4,413,531
Additions	13,233	-	-	13,233	-	109,266	-	-	109,266
Deletions	-	573	25,658	26,231	29,750	-	10,316	449,021	489,087
Ending balance	\$ 116,660	32,163	71,331	220,154	104,004	1,235,424	715,745	1,978,537	4,033,710
Due within one year	\$ 19,896	-	-	19,896	34,439	306,171	53,421	-	394,031

Sick Leave Insurance Program (SLIP) – The Sick Leave Insurance Program is a voluntary termination benefit program. The program is an opportunity for employees who are retirement-eligible to use the value of their unused sick leave to pay the employer’s share of the monthly premium of the State’s group health insurance plan after retirement. A SLIP liability is reported for both current, active Fair Authority employees and retirees. The SLIP liability for current, active employees is included in compensated absences and the liability for retirees is included in accounts payable and accruals.

Upon retirement, employees first receive a cash payment of up to \$2,000 for accumulated, unused sick leave converted at the employee’s current regular hourly rate of pay, payable with the final payroll warrant that includes the employee’s retirement date. The value of the remaining balance of the accrued sick leave will be converted based upon the original balance (before the cash payment). The remainder of the sick leave value is calculated as follows, based on the number of sick leave hours the employee had before the cash payment:

If the sick leave balance is:	The conversion rate is:
Zero to 750 hours	60% of the value
Over 750 hours to 1,500 hours	80% of the value
Over 1,500 hours	100% of the value

The final calculated dollar value will be credited to the employee’s SLIP account. Each month, the Fair Authority will pay 100% of the employer’s share of the selected state group health insurance premium from the retiree’s SLIP account. The retiree is responsible for any additional premiums associated with the employee/retiree share.

The Fair Authority will continue to pay the employer’s share of the health insurance premium each month until the converted value of the employee’s sick leave balance is exhausted, the employee is eligible for Medicare, the employee waives the benefit, or the employee dies, whichever comes first. Retired employees may stay with the same health insurance program as when employed or switch down at any time without underwriting. The converted value of the sick leave can only be applied to the employer’s share of health insurance premium payments. It has no cash value and is not transferable to another use or to an heir. If a retired employee who has utilized this benefit returns to permanent state employment, all remaining balances in the sick leave insurance program will be forfeited.

All SLIP program benefits are financed on a pay-as-you-go basis. For the year ended October 31, 2024, four retired employees received benefits of \$42,766 under the SLIP program.

Leases – Lessee

On March 20, 2021, the Fair Authority entered into a lease agreement for a copier. An initial lease liability was recorded in the amount of \$60,776. The agreement requires monthly payments of \$979 over 63 months, with an implicit rate of 3.0% and final payment due May 20, 2026. During the year ended October 31, 2024, principal and interest paid were \$11,606 and \$142, respectively.

On November 17, 2022, the Fair Authority entered into a lease agreement for two copiers and two printers. An initial lease liability was recorded in the amount of \$117,848. The agreement requires monthly payments starting at \$1,695 and increasing 15% each year. The lease lasts 60 months, with an implicit rate of 5.50% and final payment due October 17, 2027. During the year ended October 31, 2024, principal and interest paid were \$18,144 and \$5,247, respectively.

Future principal and lease payments as of October 31, 2024 are as follows:

Year Ending	Copiers		
	Principal	Interest	Total
October 31,			
2025	\$ 34,439	4,209	38,648
2026	35,028	2,759	37,787
2027	34,537	1,038	35,575
Total	\$ 104,004	8,006	112,010

(6) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the Fair Authority, except for those covered by another retirement system. Employees of the Fair Authority are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Protection Occupation members may retire at normal retirement age, which is generally age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a Protection Occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of special service, plus an additional 1.5% of average salary for more than 22 years of special service but not more than 30 years of service.
- The member's highest three-year average salary.

If a Regular member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member’s beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member’s accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Fair Authority contributed 9.44% of covered payroll for a total rate of 15.73%. Protection Occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The Fair Authority’s contributions to IPERS for the year ended October 31, 2024 were \$628,988.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At October 31, 2024, the Fair Authority reported a liability of \$2,049,868 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total plan pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Fair Authority’s proportion of the net pension liability was based on the Fair Authority’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the Fair Authority’s proportion was 0.056292%, which was an increase of 0.000361% from its proportion measured as of June 30, 2023.

For the year ended October 31, 2024, the Fair Authority recognized pension expense of \$185,286. At October 31, 2024, the Fair Authority 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
Differences between expected and actual experience	\$ 258,166	1,395
Changes of assumptions		22,175
Net difference between projected and actual earnings on IPERS' investments	29,740	-
Changes in proportion and differences between Fair Authority contributions and its proportionate share of contributions	214,692	481,185
Fair Authority contributions subsequent to the measurement date	267,601	-
Total	<u>\$ 770,199</u>	<u>504,755</u>

\$267,601 reported as deferred outflows of resources related to pensions resulting from Fair Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending October 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending October 31,	Amount
2025	\$ (472,236)
2026	554,077
2027	(7,543)
2028	(86,460)
2029	10,005
Total	<u>\$ (2,157)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – 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:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.52%
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension asset was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS’ investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Fair Authority’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the Fair Authority’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the Fair Authority’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Fair Authority's proportionate share of the net pension liability (asset)	\$ 5,725,425	2,049,868	(1,051,397)

IPERS’ Fiduciary Net Position – Detailed information about IPERS’ fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Payables to IPERS – At October 31, 2024, the Fair Authority reported payables to IPERS of \$72,030 for legally required Fair Authority contributions and \$48,000 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

(7) Other Postemployment Benefits

Plan Description

The Fair Authority's employees are provided with OPEB through the State of Iowa OPEB Plan – a cost-sharing, multiple-employer defined benefit OPEB plan administered by the State of Iowa (State OPEB Plan). The State of Iowa provides access to postretirement medical benefits to all retirees as required by Chapter 509A.13 of the Code of Iowa. Although the retirees generally must pay 100% of the premium rate, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), requires that employers recognize the Implicit Rate Subsidy that exists in postretirement medical plans provided by governmental employers.

Implicit Rate Subsidy refers to the concept that retirees under the age of 65 (i.e., not eligible for Medicare) generate higher claims on average than active participants. When a medical plan is self-insured or fully insured through a third-party administrator, a premium is usually determined by analyzing the claims of the entire population in the plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower; therefore, the retirees' premiums are being subsidized by the active group. Since the employer generally pays a large portion or all of the premiums for the active group, this subsidy creates a liability for the employer. The difference between the expected claims for the retiree group and the blended premium is called the Implicit Rate Subsidy.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Plan Membership

There are 79 active and 4 retired participants in the plan.

Plan Benefits

The State OPEB Plan currently offers 3 plans which are available to participants: the Iowa Choice Plan, the National Choice Plan and the SPOC (State Police Officer's Council) Plan.

The contribution requirements of the plan participants are established and may be amended by the State Legislature. The State currently finances the retiree benefit plan on a pay-as-you-go basis.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At October 31, 2024, the Fair Authority reported a liability of \$747,908 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation performed as of January 1, 2024 and rolled forward to June 30, 2024 using generally accepted actuarial principles. The Fair Authority's proportion of the total OPEB liability was based on a ratio of the Fair Authority's active employees in relation to all active employees of the State OPEB plan. At June 30, 2024, the Fair Authority's proportion was 0.438036%.

For the year ended October 31, 2024, the Fair Authority recognized OPEB expense of \$68,392. At October 31, 2024, the Fair Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 178,705	77,196
Changes of assumptions	27,848	335,056
Changes in proportion and differences in the Office's contributions and the Office's proportionate share of contributions	125,583	48,363
Total	\$ 332,136	460,615

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending October 31,	Amount
2025	\$ (9,756)
2026	(10,881)
2027	(15,854)
2028	(13,338)
2029	(15,374)
Thereafter	(63,276)
	\$ (128,479)

Actuarial Assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Payroll growth	3.25% to 16.25%, based on years of service
Discount rate	3.93%
Healthcare cost trend rate - Medical	7.00%, trending down to 4.5%, over 10 years
Healthcare cost trend rate - Rx	9.00%, trending down to 4.5%, over 18 years

The discount rate was based on the 20-year Bond Buyer GO Index as of the end of June 2024.

The majority of State of Iowa employees are participants in the Iowa Public Employees' Retirement Systems. For this reason, the individual salary increases, the mortality rates, withdrawal, retirement, and age of spouse assumptions are based on the assumptions used for the Iowa Public Employees' Retirement System (IPERS) actuarial valuation report as of June 30, 2024. The plan participation and coverage election at retirement assumptions are based upon the recent experience of the State of Iowa Postretirement Medical Plan.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 758,797
Changes for the year:	
Service cost	59,212
Interest	31,568
Differences between expected and actual experiences	(5,018)
Changes in assumptions	(118,309)
Change in proportionate share	76,787
Benefit payments	<u>(55,129)</u>
Net changes	<u>(10,889)</u>
Total OPEB liability end of year	<u>\$ 747,908</u>

Sensitivity of the Authority's Total OPEB Liability to Changes in the Discount Rate

The proportionate share of the total OPEB liability was calculated using a discount rate of 3.93%, as well as a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current discount rate. The sensitivity of the proportionate share of the total OPEB liability to changes in the discount rate is presented below:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 800,869	747,908	697,944

Sensitivity of the Authority's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The proportionate share of the total OPEB liability was calculated using a healthcare cost rate of 7.00% for medical and 9.00% for Rx, as well as a healthcare cost trend rate that is 1 percentage point lower (6.00% and 8.00%) or 1 percentage higher (8.00% and 10.00%) than the current rate. The sensitivity of the proportionate share of the total OPEB liability to changes in the healthcare cost trend rate is presented below:

	1% Decrease (6.00% & 8.00%)	Healthcare Cost Trend Rate (7.00% & 9.00%)	1% Increase (8.00% & 10.00%)
Total OPEB liability	\$ 671,144	747,908	837,666

Payables to the OPEB Plan – There were no amounts due to the defined benefit State OPEB plan at June 30, 2024.

Leases – Lessee

On March 20, 2021, the Fair Authority entered into a lease agreement for a copier. An initial lease liability was recorded in the amount of \$60,776. The agreement requires monthly payments of \$979 over 63 months, with an implicit rate of 3.0% and final payment due May 20, 2026. During the year ended October 31, 2024, principal and interest paid were \$11,606 and \$141, respectively.

On November 17, 2022, the Fair Authority entered into a lease agreement for two copiers and two printers. An initial lease liability was recorded in the amount of \$117,848. The agreement requires monthly payments at \$1,695 and increasing 15% each year. The lease lasts for 60 months with an implicit rate of 5.50% and final payment due October 17, 2027. During the year ended October 31, 2024, principal and interest paid were \$18,144 and \$5,247, respectively.

Future principal and lease payments as of October 31, 2024 are as follows:

Year Ending	Copiers		
	Principal	Interest	Total
October 31,			
2025	\$ 34,439	4,209	38,648
2026	35,028	2,759	37,787
2027	34,537	1,038	35,575
Total	<u>\$ 104,004</u>	<u>8,006</u>	<u>112,010</u>

(8) Contractual Commitments

The Fair Authority has entered into several contracts for capital improvement projects throughout the Fairgrounds and has spent \$5,026,840 under these contracts as of October 31, 2024. The remaining contractual obligation as of October 31, 2024 for projects already in the progress totals \$283,279 and will be paid as work on the projects progress.

(9) Risk Management

State employee benefits for health, dental, long-term disability and life insurance coverage are insured through commercial insurers. Insurance coverage for auto and crime are insured through commercial insurers. There were no significant reductions in insurance coverage from the prior year and settlements have not exceeded coverage for the past three fiscal years.

The State of Iowa self-insures on behalf of its agencies for losses related to workers' compensation, its motor vehicle fleet, property damage and torts. A contingent fund exists under Section 29C.20 of the Code of Iowa to provide compensation for loss or damage to state property (casualty losses).

Iowa State Fair Authority

Required Supplementary Information

Iowa State Fair Authority

Schedule of the Fair Authority's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
For the Last Ten Years*
(In Thousands)

Required Supplementary Information

	2024	2023	2022	2021
Fair Authority's proportion of the net pension liability (asset)	0.056292%	0.055931%	0.065993%	(0.024135%) **
Fair Authority's proportionate share of the net pension liability	\$ 2,050	2,525	2,493	83
Fair Authority's covered payroll	\$ 6,676	5,985	5,578	5,074
Fair Authority's proportionate share of the net pension liability as a percentage of its covered payroll	30.71%	42.19%	44.69%	1.64%
IPERS' net position as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

** Overall plan net pension asset.

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
0.071740%	0.067379%	0.066124%	0.063373%	0.064763%	0.063564%
5,040	3,902	4,184	4,221	4,076	3,140
4,810	5,198	5,118	4,882	4,714	4,423
104.78%	75.07%	81.75%	86.46%	86.47%	70.99%
82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

Iowa State Fair Authority
 Schedule of Fair Authority Contributions
 Iowa Public Employees' Retirement System
 Last Fiscal Ten Years
 (In Thousands)

Required Supplementary Information

	2024	2023	2022	2021
Statutorily required contribution	\$ 629	564	527	479
Contributions in relation to the statutorily required contribution	(629)	(564)	(527)	(479)
Contribution deficiency (excess)	\$ -	-	-	-
Fair Authority's covered payroll	\$ 6,676	5,985	5,578	5,074
Contributions as a percentage of covered payroll	9.42%	9.42%	9.45%	9.44%

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
454	491	457	436	421	395
(454)	(491)	(457)	(436)	(421)	(395)
-	-	-	-	-	-
4,810	5,198	5,118	4,882	4,714	4,423
9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

Iowa State Fair Authority

Iowa State Fair Authority

Notes to Required Supplementary Information – Pension Liability

Year ended October 31, 2024

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

Iowa State Fair Authority
Schedule of Changes in the Authority's
Total OPEB Liability and Related Ratios

For the Last Seven Years
Required Supplementary Information

	2024	2023	2022	2021
Service cost	\$ 59,212	58,088	60,186	67,940
Interest cost	31,568	30,414	16,845	19,408
Difference between expected and actual experiences	(5,018)	-	(52,421)	(3,184)
Changes in assumptions	(118,309)	(103,516)	(30,399)	(33,430)
Change in proportionate share	76,787	48,241	(10,554)	17,350
Benefit payments	(55,129)	(52,347)	(43,937)	(47,001)
Net change in total OPEB liability	(10,889)	(19,120)	(60,280)	21,083
Total OPEB liability beginning of year	758,797	777,917	838,197	817,114
Total OPEB liability end of year	\$ 747,908	758,797	777,917	838,197
Covered-employee payroll	\$ 6,213,467	5,523,665	5,379,480	5,879,860
Total OPEB liability as a percentage of covered-employee payroll	12.04%	13.74%	14.46%	14.26%

* GASB Statement No. 75 requires ten years of information to be presented in this schedule. However, until a full 10-year trend is compiled, Iowa State Fair Authority will present information for those years for which information is available. The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

2020	2019	2018
51,964	46,032	50,174
27,906	27,743	25,234
(4,800)	(976)	(4,120)
17,610	18,287	10,226
26,185	(26,763)	58,389
(43,379)	(40,989)	(35,583)
75,486	23,334	104,320
741,628	718,294	613,974
817,114	741,628	718,294
5,219,841	4,949,882	5,163,651
15.65%	14.98%	13.91%

Iowa State Fair Authority

Notes to Required Supplementary Information – OPEB Liability

Year ended October 31, 2024

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2024	3.93%
Year ended June 30, 2023	3.65%
Year ended June 30, 2022	3.54%
Year ended June 30, 2021	2.16%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

Additional changes in assumptions:

Year ended June 30, 2024 – The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs retired). This resulted in retiree and spouse costs by gender becoming the same.

Year ended June 30, 2022 – Inflation rate was replaced with payroll growth rate.

Year ended June 30, 2020 – Updated mortality assumptions and the salary scale to be consistent with the assumptions used in the June 30, 2019 IPERS actuarial valuation.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Supplementary Information

Iowa State Fair Authority

Iowa State Fair Authority
Expenditures by Object
Blue Ribbon Foundation Special Revenue Fund

Year ended October 31, 2024

	<u>Administration</u>	<u>Promotion</u>	<u>Total</u>
Personal services	\$ 695,522	-	695,522
Travel	856	-	856
Supplies and materials	264,903	-	264,903
Contractual services	32,209	-	32,209
Miscellaneous	60,307	-	60,307
Equipment	52,820	-	52,820
Marketing	-	1,081,496	1,081,496
Donor promotion	-	815,567	815,567
Total	<u>\$ 1,106,617</u>	<u>1,897,063</u>	<u>3,003,680</u>

See accompanying independent auditor's report.

Iowa State Fair Authority

Expenses by Object
Enterprise Fund

Year ended October 31, 2024

	Administration	Admissions	Concessions, Exhibits and Attractions	Competitive Events and Ag Education	Campground	Grandstand Entertainment
Personal services	\$ 4,966,060	367,480	534,993	184,589	60,491	152,243
Travel and conferences	170,822	-	-	6,180	-	-
Supplies and materials	644,677	102,111	1,287,952	262,290	2,642	-
Judging	-	-	-	116,960	-	-
Contractual services	233,281	1,663	3,037,430	100,042	34,937	1,083,804
Repair and improvements	-	-	-	-	-	-
Talent	-	-	-	-	-	6,185,419
Advertising	77,418	-	-	-	-	-
Claims and miscellaneous	901,080	-	-	195,255	-	260,927
Premiums	-	-	-	433,311	-	-
Depreciation	-	-	-	-	-	-
Total	\$ 6,993,338	471,254	4,860,375	1,298,627	98,070	7,682,393

See accompanying independent auditor's report.

Utilities and Maintenance	Marketing and Promotion	Parking and Transportation	Public Safety	Special Entertainment	Depreciation	Interim Events	Total
4,155,427	-	115,572	1,567,091	11,360	-	-	12,115,306
-	-	-	-	-	-	-	177,002
2,099,455	-	-	62,896	59,388	-	196,326	4,717,737
-	-	-	-	2,685	-	-	119,645
3,611,695	38,610	405,010	974,935	153,423	-	328,248	10,003,078
120,513	-	-	-	-	-	-	120,513
-	-	-	-	702,868	-	88,007	6,976,294
-	1,072,865	-	-	-	-	-	1,150,283
15,589	57,036	-	-	118,131	-	6,022	1,554,040
-	-	-	-	-	-	-	433,311
-	-	-	-	-	5,178,254	-	5,178,254
10,002,679	1,168,511	520,582	2,604,922	1,047,855	5,178,254	618,603	42,545,463

Schedule 3

Iowa State Fair Authority
Summary of Operating Revenues and Paid Admissions
For the Five Years Ended October 31, 2024

Fiscal Year	Operating Revenues	Operating Income (loss)	Paid Admissions
2020	\$ 3,221,424	(12,726,219)	- *
2021	47,471,444	14,535,887	798,120
2022	40,395,521	3,453,734	852,336
2023	45,732,690	4,997,916	948,804
2024	45,718,708	3,173,245	982,885

* No paid admissions in 2020 due to the cancellation of the Iowa State Fair.

See accompanying independent auditor's report.

Iowa State Fair Authority
Grandstand Performances
Year ended October 31, 2024

Main Act Performer	Attendance (Net of Complimentary Tickets)	Revenues	Performer's Share	State Fair's Share
Lauren Daigle	9,548	\$ 471,830	361,284	110,546
Foreigner: Historic Farewell Tour	11,044	576,555	452,789	123,766
Jelly Roll	15,761	1,356,130	1,188,690	167,440
Greta Van Fleetr Stracher World Tour	9,001	610,280	677,000	(66,720)
Brett Young	4,821	242,030	299,350	(57,320)
Thomas Rhett	12,375	905,960	875,000	30,960
Motley Crue	11,568	1,051,340	1,220,000	(168,660)
Gabriel Fluffy Iglesias	9,253	461,900	333,520	128,380
The Avett Brothers	5,003	265,550	385,000	(119,450)
Ne-Yo	7,948	393,170	279,536	113,634
Kidz Bop	5,746	176,120	110,000	66,120
Total	102,068	\$ 6,510,865	6,182,169	328,696

This information is included on Exhibit F in grandstand entertainment revenue and expenses.

See accompanying independent auditor's report.

Iowa State Fair Authority

Iowa State Fair Authority

Concessionaire Sales

For the Five Years Ended October 31, 2024
(Unaudited)

Fiscal Year	Sales Reported by Vendor		
	Food	Beer	Merchandise
2020*	\$ -	-	-
2021	13,232,176	1,249,292	6,645,820
2022	17,158,913	1,408,577	6,560,823
2023	20,093,095	1,680,354	7,045,170
2024	22,891,572	1,929,298	7,091,828

This information is provided for comparative purposes only. Food and Merchandise are reported at gross sales, whereas Beer is reported at the Fair's net sales commission. The Iowa State Fair Authority receives a varying percentage of vendor proceeds.

* No Vendor sales in 2020 due to the cancellation of the Iowa State Fair.

See accompanying independent auditor's report.



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Rob Sand
Auditor of State

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board Members of the Iowa State Fair Authority:

We have audited, 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, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Iowa State Fair Authority as of and for the year ended October 31, 2024, and the related Notes to Financial Statements, which collectively comprise the Iowa State Fair Authority's basic financial statements, and have issued our report thereon dated August 27, 2025. Our report includes a reference to other auditors who audited the financial statements of the Foundation Endowment, as described in our report on the Iowa State Fair Authority's financial statements. The financial statements of the Foundation Endowment were not audited in accordance with Government Auditing Standards.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Iowa State Fair Authority's internal control over financial reporting (internal control) as a basis for designing 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 Iowa State Fair Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iowa State Fair Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Iowa State Fair Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iowa State Fair Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 which are required to be reported under Government Auditing Standards.

Iowa State Fair Authority's Responses on Findings

Government Auditing Standards require the auditor to perform limited procedures on the Iowa State Fair Authority's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Iowa State Fair Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Iowa State Fair Authority'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 Iowa State Fair Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa State Fair Authority during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Brian R. Brustkern, CPA
Deputy Auditor of State

August 27, 2025

Iowa State Fair Authority
Schedule of Findings
Year Ended October 31, 2024

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2025-001 Financial Reporting

Criteria – A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the Iowa State Fair Authority's financial statements.

Condition – Material amounts of capital assets were improperly included in Iowa State Fair Authority's financial statements. Adjustments were subsequently made by the Iowa State Fair Authority to properly remove these amounts from the financial statements.

Cause – Iowa State Fair Authority's policies do not require and procedures have not been established to require independent review of capital assets to ensure the Iowa State Fair Authority's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in Iowa State Fair Authority employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the Iowa State Fair Authority's financial statements were necessary.

Recommendation – The Iowa State Fair Authority should establish procedures to ensure all capital assets are properly reported in the Iowa State Fair Authority's financial statements.

Response – We will establish procedures to thoroughly review capital assets to ensure accuracy in the financial statements.

Conclusion – Response accepted.

Iowa State Fair Authority
Schedule of Findings
Year Ended October 31, 2024

2025-002 Disbursements

Criteria – Internal controls over safeguarding assets constitute a process, effected BY an entity’s governing body, management and other personnel designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from error or misappropriation. Such processes include establishing policies addressing proper asset use and proper supporting documentation.

Condition – One claim over reimbursed an employee, \$105, for their spouse attending an event.

Condition – The Iowa State Fair Authority did not follow the expense and travel policies in place.

Recommendation – The Iowa State Fair Authority should ensure that expenses and travel claims comply with policies.

Response – We will establish a procedure to track reimbursable expenses related to registrations and travel claims of fair and non-fair attendees.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Other Findings Related to Statutory Requirments and Other Matters:

No matters were noted.

Iowa State Fair Authority

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Katherine L. Rupp, CPA, Manager
Adam J. Sverak, Senior Auditor
Allison L. Carlon, Staff Auditor
Enoch Duval, Staff Auditor
Jon G. Hanson, Staff Auditor
Benjamin I. Manchester, Staff Auditor
Marianna R. Frank, Assistant Auditor
Katherine A. Koele, Assistant Auditor