

Department 665 - State Fair Association
House Bill No. 1009

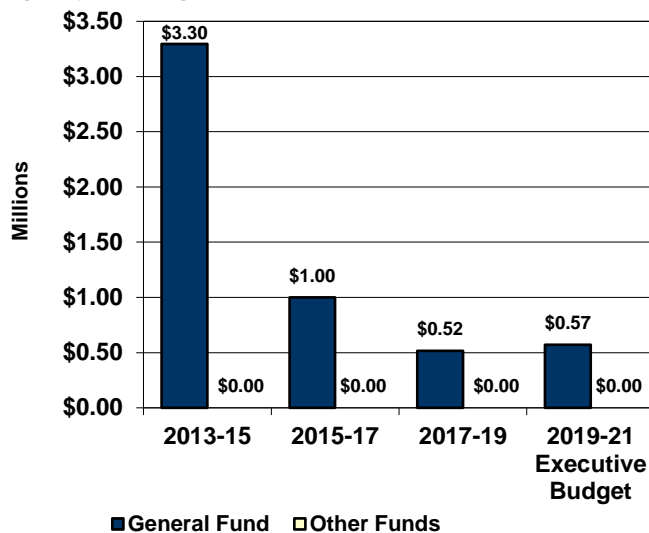
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	0.00	\$570,000	\$0	\$570,000
2017-19 Legislative Appropriations	0.00	515,665	0	515,665
Increase (Decrease)	0.00	\$54,335	\$0	\$54,335

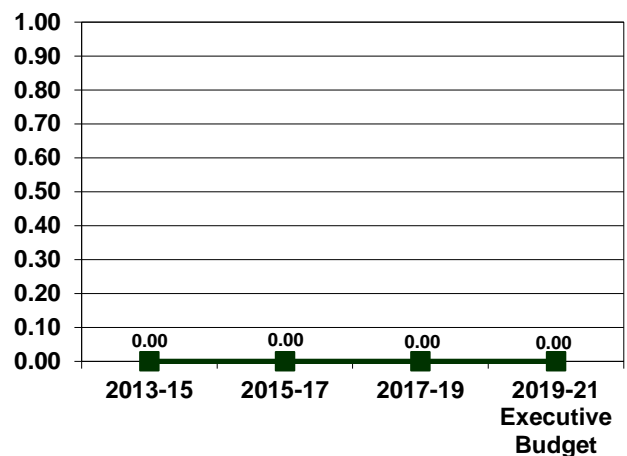
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$570,000	\$0	\$570,000
2017-19 Legislative Appropriations	515,665	0	515,665
Increase (Decrease)	\$54,335	\$0	\$54,335

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$570,000	\$0	\$570,000
2019-21 Base Level	515,665	0	515,665
Increase (Decrease)	\$54,335	\$0	\$54,335

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Increases funding for exhibitor premium payments from \$515,665 to \$570,000. The House did not include an increase in funding for exhibitor premium payments.	\$54,335	\$0	\$54,335

Other Sections in House Bill No. 1009

There are no other sections for this agency.

Continuing Appropriations

State Fair operating fund - North Dakota Century Code Section 4.1-45-14 - Provides all income, fees, rents, interest, and any other money received by the State Fair Association are to be deposited in a special fund, and those funds are appropriated as a standing appropriation for the purposes provided in the chapter.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audits for the State Fair Association conducted by Eide Bailly LLP, Certified Public Accountants during the 2017-18 interim, identified two significant audit findings as follows:

- Financial statement presentation - The North Dakota State Fair Association has not determined the net pension liability, and other postemployment benefits liability, as of a measurement date no earlier than the end of the employer's prior fiscal year. The North Dakota State Fair Association responded that to use the July 1, 2018 actuarial amounts, they would have to leave the September 30, 2018 financial statements open for months and it was determined to be in the best interest of all parties to base the GASB No. 68 and No. 75 implementation on the most recent actuarial estimates.
- Valuation of notes receivable - The North Dakota State Fair Foundation (Foundation), a discretely presented component unit of the North Dakota State Fair Association, does not have any internal controls over the valuation of their notes receivable. During the year-ended September 30, 2018, the Foundation had \$1,110,000 of notes receivable to Golf Minot, Inc. The Foundation had no allowance set up for these notes receivable and the notes were unsecured.

Major Related Legislation

Senate Bill No. 2146 - Provides a \$450,000 appropriation from the general fund to the State Historical Society to relocate the Pioneer Village from the State Fairgrounds to another location in Ward County.

State Fair Association - Budget No. 665
House Bill No. 1009
Base Level Funding Changes

	<u>Executive Budget Recommendation</u>				<u>House Version</u>			
	<u>FTE Position</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>FTE Position</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
2019-21 Biennium Base Level	0.00	\$515,665	\$0	\$515,665	0.00	\$515,665	\$0	\$515,665
2019-21 Ongoing Funding Changes								
Increases funding for premiums to provide a total of \$570,000		\$54,335		\$54,335				\$0
Total ongoing funding changes	0.00	\$54,335	\$0	\$54,335	0.00	\$0	\$0	\$0
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$54,335	\$0	\$54,335	0.00	\$0	\$0	\$0
2019-21 Total Funding	0.00	\$570,000	\$0	\$570,000	0.00	\$515,665	\$0	\$515,665

Other Sections for State Fair Association - Budget No. 665

Executive Budget Recommendation

The executive budget did not include any other sections related to the State Fair Association.

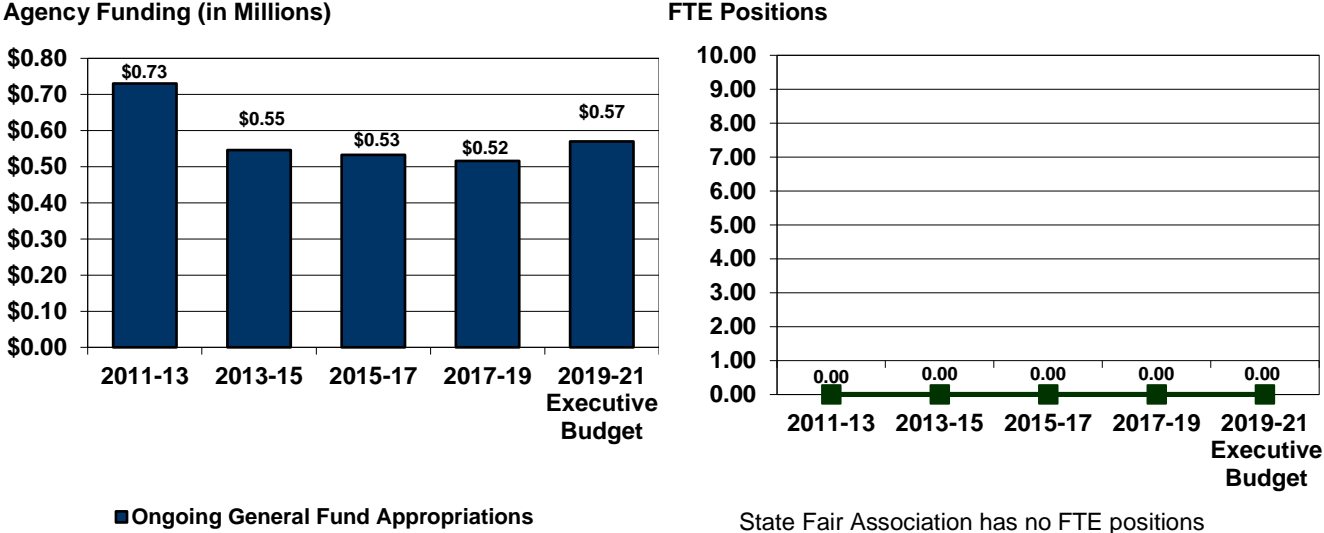
House Version

The House did not include any other sections related to the State Fair Association.

Department 665 - State Fair Association

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$730,000	\$546,000	\$532,665	\$515,665	\$570,000
Increase (decrease) from previous biennium	\$32,850	(\$184,000)	(\$13,335)	(\$17,000)	\$54,335
Percentage increase (decrease) from previous biennium	N/A	(25.2%)	(2.4%)	(3.2%)	10.5%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	(25.2%)	(27.0%)	(29.4%)	(21.9%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- 1. Increased funding for State Fair premiums from \$520,000 to \$546,000 \$26,000
- 2. Removed funding for State Fair bond payments for bonds repaid during the 2011-13 biennium (\$210,000)

2015-17 Biennium

- 1. Decreased funding for State Fair premiums from \$546,000 to \$532,665 (This amount was reduced from \$570,000 as a result of the August 2016 special legislative session) (\$13,335)

2017-19 Biennium

- 1. Decreases funding for State Fair premiums from \$532,665 to \$515,665 (\$17,000)

2019-21 Biennium (Executive Budget Recommendation)

- 1. Increases funding for State Fair premiums from \$515,665 to \$570,000. **The House did not include an increase in funding for exhibitor premium payments.** \$54,335

**GOVERNOR'S RECOMMENDATION FOR THE
STATE FAIR ASSOCIATION AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Premiums	<u>\$515,665</u>	<u>\$54,335</u>	<u>\$570,000</u>
Total general fund	<u>\$515,665</u>	<u>\$54,335</u>	<u>\$570,000</u>