



December 22, 2020

Montana ExpoPark Advisory Board

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400 3<sup>rd</sup> St. NW

Great Falls, MT 59404

Cascade County Commissioners

James L. Larson, Chair

325 2<sup>nd</sup> Ave. N.

Great Falls, MT 59401

Dear Mr. Larson and Fellow Commissioners,

As Covid 19 has demonstrated its ability to rob the events and entertainment industry across this country, Montana ExpoPark is no stranger to this detrimental impact. We know we share your concerns regarding the ExpoPark's ability to rebound from a tough year. Our stakeholders are also sharing similar concerns with us. As the Montana ExpoPark For All committee is now formed and moving toward the prospect of new facilities, we find this is a perfect time to review our current venue operations.

Our financial state-of-affairs reveal that as of 11-16-20, Montana ExpoPark is operating at a YTD loss of \$787,102.18. At this rate, we could finish FY2021 at \$1.2M in losses. This is of great concern to us, as we are certain it is to you. We would like to visit about ideas we have to move toward a more sustainable position, improve our business model, and reduce as much of that loss as possible in the coming years.

We find it important to note that we have previously brought forward questions to you regarding Montana ExpoPark financials. These queries were met with responses such as "the financials are irrelevant to the advisory board's job description;" "the advisory board does not need to know;" or "the advisory board doesn't understand government budgeting." The fact is: our advisory board bylaws are distinct regarding our responsibilities of financial oversight. It is indeed our obligation to make certain this venue remains financially viable.

As such, over the past month we have researched similar fair and entertainment venues in our region. These facilities operate on similar business models, but with different results.

For example, these comparative venues are producing a monthly balance sheet, cash flow statement, and a profit and loss statement. These reports are then provided to the advisory or governing boards, and to the governing authority (such as county commissioners and/or county administrator).

A second example we found is the separation of P&Ls between the interim events (rental of facilities) and for the county or state fair held at the venue. We find this to be quite telling. It is clear from visiting



with these venues that their fairs operate on a very different tactical, budgetary and strategic plan apart from their interim events. The separation of income statements seems to have enabled these venues more realistic expectations for outcomes. They appear to be planning more wisely, such as preparing contingency plans or securing reserve dollars for capital improvements.

Those are just a few of the differences we have discovered in operations. For our anticipated meeting between the Montana ExpoPark advisory board and the Cascade County commission at the end of January, we ask for the following information:

- 1) An income statement for the 2019 Montana State Fair showing all revenues and expenses, broken down by common fair itemization such as:  
Revenues:
  - ◆ Gate Admission      ◆ Carnival Commissions      ◆ Ticket Sales      ◆ Food & Beverage Commissions
  - ◆ Ticket Sales      ◆ RV Space Sales      ◆ Entry Fees      ◆ Sponsorship SalesExpenses:
  - ◆ Premiums/Awards      ◆ Professional Services      ◆ Rentals      ◆ Materials/Supplies
  - ◆ Entertainment      ◆ Food & Beverage      ◆ Promotion      ◆ Competitive Exhibits
- 2) The preliminary itemized budget for the 2021 Montana State Fair
- 3) An income statement for the 2019 horse racing season

**We respectfully request a response in writing no later than Friday, January 8** in order to prepare for our January 27 visit with you. Thank you very much for the opportunity to serve Cascade County residents toward a sustainable and bright future with Montana ExpoPark. We are looking forward to an invigorating discussion as, together, we seek solutions to our challenges.

Sincerely,

Montana ExpoPark Advisory Board