2013 SENATE APPROPRIATIONS

SB 2009

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2009
01-25-2013
Job 17745

☐ Conference Committee

Committee Clerk Signature	Alice Dizer

Explanation or reason for introduction of bill/resolution:

A Bill for an Appropriation for the State Fair Association.

Minutes: See attached testimony

Chairman Holmberg opened the hearing on SB 2009. All committee members were present.

Also present:
Adam Mathiak and Sheila M. Sandness, Legislative Council
Laney Herauf, OMB

Renae Korslien, State Fair Association Manager, testified in support of SB 2009. **Written testimony #1**
The request includes:

1. Increase premium dollars by $26,000 bringing the total premium dollars for the biennium to $546,000.
2. One time capital fund expenditure for flood repair of damages to our asphalt totaling $2,881,500.
3. One time capital fund expenditure because of flood damage for gravel in the parking lots totaling $618,500.

Chairman Holmberg asked, when would the overlay be scheduled to be done?

Renae Korslien said they would have a year to plan it.

Chairman Holmberg talked about an emergency clause for the asphalt overlay

Sheila M. Sandness said the emergency clause would make it doable immediately.

Chairman Holmberg said the committee should consider that. That could make a difference if they knew April 15. Doing an overlay in 2013 would be cheaper than doing it in 2014.

Renae Korslien they would get the bids out right away. She continued on her testimony with reference to their booklet.

She presented a video "From Flood to Fair". The 2011 State Fair went into the record books as the first year the fair could not be held.

Renae Korslien introduced some champions from the state fair to talk about their 4-H projects and their experience.

Jacob Ellingson, Morton County, talked about his service project where they grow and donate food items to food pantries.

Jay Ellingson, Morton County, has been attending the State Fair all his life and last year was the first time he could exhibit. He explained his projects and stated that with the premiums from his projects he has purchased equipment for more projects. He thanked the legislators.

Florence Meyer, Morton County, testified in support of the ND State Fair. She entered 37 projects at the state fair and received a premium check for $122. She is using her premium money to start a baking business, "Lovin'from My Oven".
Written testimony #2

Vice Chairman Bowman asked Renae about the award she received.

Renae Korslien said she was awarded the Fair Manager of the year from the Rocky Mountain Association of fairs. She commented on other awards her staff received.

Senator Warner asked about an alternative plans for the Pioneer Village.

(25:32)**Renae Korslien** explained the situation and the flood damage to the buildings. She talked about the Fair's need for more land to expand.

Senator Robinson congratulated Renae and her staff on the good work they do. He said that anytime we can showcase our youth, it is a great thing for all of us.

Senator Krebsbach moved to amend SB 2009 adding the emergency clause where appropriate.

Vice Chairman Grindberg second. Voice vote amendment adopted.

Senator Krebsbach moved a **do pass as amended** on SB 2009.

Senator Wanzek second

Roll call vote: 13-0-0

Senator Krebsbach is the carrier.

VR
1/28/13

13.8159.01001
Title.02000
Fiscal No. 1

Prepared by the Legislative Council staff for
Senate Appropriations Committee
January 25, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2009

Page 1, line 2, after "association" insert "; and to declare an emergency"

Page 1, after line 24, insert:

"**SECTION 3. EMERGENCY.** The capital assets line item in section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - State Fair Association - Senate Action

The amendment makes the capital assets line item which includes funding for repairing flood damage an emergency measure.

Date: 1-25-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number as amended

Action Taken Do Pass as amended

Motion Made By K Krebsbach Seconded By ~~T Grindberg~~ (Wanzek)

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Krebsbach

If the vote is on an amendment, briefly indicate intent:

emergency Clause

REPORT OF STANDING COMMITTEE

SB 2009: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2009 was placed on the Sixth order on the calendar.

Page 1, line 2, after "association" insert "; and to declare an emergency"

Page 1, after line 24, insert:

"**SECTION 3. EMERGENCY.** The capital assets line item in section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - State Fair Association - Senate Action

The amendment makes the capital assets line item which includes funding for repairing flood damage an emergency measure.

2013 HOUSE APPROPRIATIONS

SB 2009

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

SB 2009
March 8, 2013
Job 19614

☐ Conference Committee

Committee Clerk Signature	David Hanson

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association.

Minutes: Attachments 1 and 2A. and 2B.

Vice Chairman Monson: Called the committee to order with a quorum present to hear SB 2009.

Renae Korslien-Manager of the North Dakota State Fair: Thanked the committee for the past support given to the State Fair and gave her testimony. See attachment 1.
10:00
Video presentation 16:10.

Florence Mayer-14 years old from Morton County: See Attachment 2A.

Vice Chairman Monson: Thank you, Florence. Congratulations. That's very impressive.

Korslien: We have some more champions with us. She introduced the State Fair staff. We took away fifteen first place trophies from the International Association of Fairs in Las Vegas. We got the best of show out of all of the state fairs.

Vice Chairman Monson: Congratulations. That's very impressive.

Korslien: North Dakota State Fair is one of the champions. We are recognized often. We hope we make you proud.

Vice Chairman Monson: In the one-time funding budget, is this all going for asphalt and gravel?

Korslien: Yes. It's only for those two items.

Vice Chairman Monson: I see you received deficiency funding. What did you use that for?

Korslien: We received money from FEMA. Because we are not a political subdivision, we did not get the additional percentage that you would get. We hope that is what will pay off the Bank of North Dakota. This is only to be used for only flood repairs.

Vice Chairman Monson: You just made temporary repairs?

Korslien: Yes.

Vice Chairman Monson: Are all of your other cash flow events that you've been hosting back up to speed?

Korslien: They are back up to speed. One of the challenges is getting staff and our expenses have gone up too.

Vice Chairman Monson: The one-time funding, are you putting anything toward that out of your funds?

Korslien: No. That is without our funds in it.

Rep. Boe: In your annual statement from 2011-2012 there are differences in some of the line items. Is this all flood related?

Korlien: It is all flood related.

Rep. Boe: If we took a five year average, these 2012 numbers would be pretty close?

Korslien: They would be close, but some of our expenses have gone up. There are no other additional things put in there.

Vice Chairman Monson: Discussed the asphalt flood damage.

Rep. Martinson: Asked and discussed about the efforts to honor Jerry Iverson.

Seeing no further testimony Vice Chairman Monson closed the hearing.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

SB 2009
March 21, 2013
Job 20317

☐ Conference Committee

Jocelyn Gallagher

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association

Minutes:

Chairman Skarphol took up for consideration SB 2009. With regards to the State Fair, are we going to move it forward as is? There is some consideration being given to amendment that would require that it be available for use to the Highway Patrol. I don't know if that's being considered on this one.

Rep. Streyle: I did speak with Rep. Delzer and I personally don't have any problem with that.

Chairman Skarphol: We'll have to check on that amendment see what was added.

Rep. Dosch: I think we need to take a look at the one time funding. Some if it should come out of the operating fund is what I feel. I think we should reduce it and provide some money for the flood damage.

Rep. Streyle: Their salaries and stuff are all paid internally and there are really no general funds outside of repairs that are needed from the flood event.....

Chairman Skarphol: Is this simply over-lay costs?

Rep. Streyle: Overlay of just the grounds, not parking lot stuff.

Chairman Skarphol: Is the intent to have DOT do this when they're in the area so it can be done as efficiently as possible?

Rep. Streyle: I'm not sure on that, it sounds reasonable.

Chairman Skarphol: Maybe we should check if DOT is intending over-lay and if they would get a bid on that area.

Rep. Streyle: That makes sense to add it into another project.

Chairman Skarphol: Do we fund all premiums?

Rep. Streyle: I believe so, but this would be an increase.

Chairman Skarphol: Adam or Tammy can you find out about if we pay all the premiums, I would like to know.

Chairman Skarphol: (6:30) Did the Senate put the emergency clause on, they did, ok.

Rep. Grande: They are asking for an increase to premium dollars.

Chairman Skarphol: Is it total the state's going to pay and they pay some, I just don't know.

Vice Chair Monson: When you are looking Tammy, I'd like to see the history of that. Seems we've increased them over the years substantially.

Rep. Streyle: We could put those premiums in the extension budget if you like?

Chairman Skarphol: I agree they could be there.

Went through next weeks schedule. Closed meeting.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

SB 2009
March 26, 2013
Job 20522

☐ Conference Committee

Committee Clerk Signature	David Hanson

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association; and to declare an emergency.

Minutes: Attachment 1. and amendment .02001

Chairman Skarphol called the committee to order and took up for consideration SB 2009.

Tammy-OMB: Distributed attachment 1. Explained attachment 1. 2:37

Chairman Skarphol: If we appropriate the money and they don't use it all do they get the balance?

Tammy: They turn it back.

Rep. Dosch: I spoke with Grant Levi at DOT. They do work with cities and counties on projects in their area. They are going to be in the area this summer and if the Fair will contact them they'd be more than happy to try and work something out. I would like to propose an amendment that would reduce the amount given.

Rep. Dosch moved reduce the general fund dollars from $3.5 million to $1.5 million and Vice Chair Monson seconded. The motion failed 4-4.

Rep. Grande: Explained the proposed amendment .02001.

Vice Chair Monson: If the Highway Patrol were to use fairgrounds then they could pay for it and they could use that money for their paving project.

Rep. Williams: Did the Highway Patrol ask for this?

Adam-Legislative Council: There is in their budget $ 6 million for a similar course to be built here in Bismarck.

Chairman Skarphol: Chairman Delzer's perspective on this is that if it's going to be training in Bismarck they have to travel here. If they train in Minot they have to travel there. What's the difference? If we are going to pay for a paved area, shouldn't the Highway Patrol have the opportunity to utilize that as a driving course.

Rep. Streyle: I don't know if there is going to be enough space in the area

Rep. Dosch: Have we talked to the Highway Patrol?

Rep. Grande moved to adopt amendment .02001 and Rep. Streyle seconded.

Chairman Skarphol: I understand there might be concerns about the space, but if it would be more convenient and less costly for the officers in that region to use that space and its available; I certainly wouldn't understand why we shouldn't have an expectation of use.

Vice Chair Monson: I'm fine with this amendment. I would like to find out what the Highway Patrol needs. 11:15

Rep. Williams: I would feel comfortable if the Highway Patrol had some input from the Highway Patrol. 12:00

Rep. Grande: My thoughts are that if they don't get it in here then they'll want that language some place.

Rep. Boe: My question is the time limits or conflicts would they have with the State Fair.

Chairman Skarphol: We could amend it to comply with the needs of the State Fair.

The committee stood at ease. 15:30

Colonel James Prochniak-Highway Patrol: The property is an offer from the City of Bismarck to deed the land for continued development of public safety training law enforcement track. We have in our budget is a plan to build an indoor shooting range and a driving track. The size of that pad is to be 300 by 1,000 feet. 17:40

Chairman Skarphol: We have an amendment to the State Fair budget that says the State Fair association shall allow the Highway Patrol to use the parking lot space to use for emergency vehicle operations training.

Colonel Prochniak: There are locations where we do localized training as well. That's not to be confused with what we do on a state level. We also need a statewide training facility for various law enforcement agencies. 21:48

Chairman Skarphol: What are you using in the Minot region now?

Colonel Prochniak: I think that on a limited basis they have been using the fairgrounds, but there's not enough space to test the vehicles full potential.

Chairman Skarphol: The Devils Lake law enforcement training program will utilize the fairground space?

Colonel Prochniak: They will utilize fairground space and the Red River Valley fairgrounds.

Rep. Williams: Do they pay anything for it?

Colonel Prochniak: I don't know about Minot. The Red River Valley fairgrounds is $500 a day.

Rep. Williams: I would be interested in knowing if Minot pays anything.

Vice Chair Monson: If they are using the fair grounds on a limited basis, would this be an option if it was paved over?

Colonel Prochniak: It's a limited option. It's not the proper size and it's not built to the specifications that we need to for true emergency operation vehicles. The law enforcement calendars conflict with each other. 26:12

Chairman Skarphol: Do they still have the drag strip at Minot?

Rep. Streyle: They do.

Chairman Skarphol: Why are you not able to use the shooting range at the National Guard?

Colonel Prochniak: Training in a shooting range has changed drastically in the last decade. Today training is dynamic. When we do this at a private range it makes the owners very nervous. We are looking for a centralized location.

Vice Chair Monson: Bismarck owns the land that you are proposing to put the facility on?

Colonel Prochniak: They will deed that land over as long as it is developed for training purposes.

Chairman Skarphol: Is this going to be available for all law enforcement?

Colonel Prochniak: The training pad will not only be used for all law enforcement, but all public safety as well.

Chairman Skarphol: It will be utilized by all law enforcement without cost to the various political subdivisions?

Colonel Prochniak: That is correct.

Vice Chair Monson: What kind of material will be used for this pad?

Colonel Prochniak: I think that we went with the asphalt. 31:08

Vice Chair Monson: How wide is the standard highway?

Colonel Prochniak: If you take the Interstate highway those are typically a 12 ft. lane 3 ft. inside shoulder and an 8-10 ft. outside shoulder. If you ask how I know that I used to be an accident reconstructionist.

Chairman Skarphol: The Interstate is 12 ft. from the center line to the line on the shoulder.

Colonel Prochniak: That is correct.

Rep. Grande and Rep. Streyle withdrew the amendment.

Rep. Dosch moved to reduce general fund dollars from $3.5 million to $2.5 million and seconded by Rep. Williams. Motion carried 4-2

Rep. Streyle moved do pass as amended and seconded by Rep. Boe. Motion carried 6-2

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

SB 2009
4/8/13
Job 20991

☐ Conference Committee

Lynell Thueson

Explanation or reason for introduction of bill/resolution:

Minutes:

Representative Boe: Introduced the bill and amendment .02002.

Representative Boe: I **move** to amend SB 2009 with .02002. Seconded by Representative Skarphol.

Chairman Delzer: Discussion on the motion to amend?

A Voice Roll Call vote carries.

Chairman Delzer: Did you have any discussion about whether or not the state fair association was contributing money to the exhibitor premiums?

2:05 Representative Boe: We did.

Representative Skarphol: I believe it was around $20,000, the state contributes the rest.

Chairman Delzer: I find it unsettling that they don't want to contribute more to this portion. Did you get into how much is for young people or adults?

Representative Boe: I don't think we had a break out on that.

Representative Streyle: The state fair pays for all the setup, judges, maintenance involved with doing it.

3:30 Chairman Delzer: How many people would come if you didn't have the exhibitors for just the midway and grandstand?

Representative Streyle: 80% or more of what attends now, I would bet.

Chairman Delzer: Further discussion on the amendment?

Representative Brandenburg: I have an amendment that we allow the fairgrounds to hire the highway patrol to use this property for their driving track they need.

5:02 Representative Boe: We have that amendment drafted, but the Highway Patrol came in and testified that it isn't a usable situation because it creates danger for their officers to train.

Representative Brandenburg: There's got to be some place they can drive. I really think this is something we need to discuss more. They're talking $26M for a facility that's probably already there. We need to look at our options before we go build someplace else.

Representative Streyle: We had a pretty extensive discussion on this. They need 300 x 1000 foot area. There is not enough room south of the Grandstand. I would support paving the east parking lot.

7:10 Representative Brandenburg: Are you going to second that?

Representative Brandenburg: I **move** the amendment .02001. Seconded by Representative Wieland.

Representative Streyle: on the current grounds, if this money goes through for the pavement and it's not in the parking lot, its actual grounds through the midway so there's not enough space there. If you appropriate the money to pave that, I think it's a good idea.

Chairman Delzer: The essence of the amendment is that if it would work at all, they should make every effort to work with the Highway Patrol.

9:31 Representative Streyle: I support the concept but they would have to scale it down.

Representative Brandenburg: The reason I bring this up is because to the highway patrol's credit they are getting the training done but they are having instances where they are being told to not come back. On state-owned grounds they can't say, don't come back.

Chairman Delzer: Government services looked very hard at this. There are a lot of places in the state that have training facilities and the highway patrol really does want to promote a complex in Bismarck with a driving range.

11:52 Representative Bellew: Maybe we can use runways that aren't being used at the airports.

Chairman Delzer: This is a serious matter. In Grand Forks they have some simulators that work well, do a good job, and good training. We have Camp Grafton that would be the logical place for us to build. Are we duplicating business on top of each other?

12:56 Representative Kempenich: We had a long discussion on the highway patrol budget, and it comes down to what we want to do in the state. The fairground is too much in town for what they want to look at.

Chairman Delzer: I don't know that anything in this amendment says it's going to happen.

13:52 Representative Monson: We had this discussion in this budget. They are already doing it, using the fairgrounds as much as they can; this amendment does nothing.

Representative Boe: I think if we're going to address this problem, we need to put money into it.

Chairman Delzer: That might be true. They want their thing in Bismarck. Further discussion?

A Roll Call vote to amend .02001 to allow the highway patrol to use the fairgrounds/track for training. **Yes = 11**, **No = 10**, **Absent = 1**. Motion carried.

Representative Boe: I **move** a **Do Pass** as amended. Seconded by Representative Skarphol.

A Do Pass as amended Roll Call vote: **Yes = 16**, **No = 5**, **Absent = 1**. **Carrier**: Representative Boe.

VR
4/10/13
1 of 2

13.8159.02003
Title.03000
Fiscal No. 3

Prepared by the Legislative Council staff for
House Appropriations
April 9, 2013

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after the semicolon insert "to provide space for highway patrol training;"

Page 1, replace lines 11 through 13 with:

"Capital assets	$210,000	$2,290,000	$2,500,000
Premiums	520,000	26,000	546,000
Total general fund	$730,000	$2,316,000	$3,046,000"

Page 1, replace lines 19 and 20 with:

"Repair flood damage	$0	$2,500,000
Total general fund	$0	$2,500,000"

Page 1, after line 24, insert:

"**SECTION 3. EMERGENCY VEHICLE OPERATIONS COURSE.** The state fair association shall allow the highway patrol to use parking lot space on the state fairgrounds for an emergency vehicle operations course and shall provide temporary classroom space as needed for related training courses, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - State Fair Association - House Action

	Executive Budget	Senate Version	House Changes	House Version
Capital assets	$3,500,000	$3,500,000	($1,000,000)	$2,500,000
Premiums	546,000	546,000		546,000
Total all funds	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
Less estimated income	0	0	0	0
General fund	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
FTE	0.00	0.00	0.00	0.00

Department No. 665 - State Fair Association - Detail of House Changes

	Reduces Funding for Flood Damage Repair[1]	Total House Changes
Capital assets	($1,000,000)	($1,000,000)
Premiums		
Total all funds	($1,000,000)	($1,000,000)
Less estimated income	0	0
General fund	($1,000,000)	($1,000,000)
FTE	0.00	0.00

[1] This amendment reduces funding for flood damage repair by $1 million from $3.5 million to $2.5 million.

The executive recommendation provided $3.5 million.

This amendment also adds a new section to allow the Highway Patrol to use space on the state fairgrounds for an emergency vehicle operations course and related training.

Date: 3-26-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Education and Environment Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol	X		Rep. Clark Williams		X
Vice Chairman David Monson	X		Rep. Tracy Boe		X
Rep. Bob Martinson		X			
Rep. Roscoe Streyle		X			
Rep. Mark Dosch	X				
Rep. Bette Grande	X				

Total (Yes) 4 No 4

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Change $3.5m. to $1.5m.

Date: 3-26-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Education and Environment Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 0.2001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Grande Seconded By Streyle

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol			Rep. Clark Williams		
Vice Chairman David Monson			Rep. Tracy Boe		
Rep. Bob Martinson					
Rep. Roscoe Streyle					
Rep. Mark Dosch					
Rep. Bette Grande					

Total (Yes) _____ No _____

Absent Withdrawn

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3-26-13
Roll Call Vote #: 3

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Education and Environment Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep Dosch Seconded By Rep. Williams

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol	X		Rep. Clark Williams	X	
Vice Chairman David Monson	X		Rep. Tracy Boe	X	
Rep. Bob Martinson		X			
Rep. Roscoe Streyle		X			
Rep. Mark Dosch	X				
Rep. Bette Grande	X				

Total (Yes) 6 No 2

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Reduce the general fund dollars from 3.5 to 2.5

Date: 3-26-13
Roll Call Vote #: 4

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Education and Environment Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Streyle Seconded By Boe

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol	X		Rep. Clark Williams	X	
Vice Chairman David Monson	X		Rep. Tracy Boe	X	
Rep. Bob Martinson	X				
Rep. Roscoe Streyle	X				
Rep. Mark Dosch		X			
Rep. Bette Grande		X			

Total (Yes) 6 No 2

Absent 0

Floor Assignment Rep. Boe

If the vote is on an amendment, briefly indicate intent:

Date: 4/8/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .02002

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Boe Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

voice vote carries

Date: 4/8/13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .02001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Brandenburg Seconded By Rep. Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch		X			
Rep. Grande		X	Rep. Boe		X
Rep. Hawken		X	Rep. Glassheim		X
Rep. Kreidt	X		Rep. Guggisberg		X
Rep. Martinson		X	Rep. Holman		X
Rep. Monson		X	Rep. Williams		X
Rep. Nelson	X				
Rep. Pollert					
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 11 No 10

Absent 1

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

allow HP to use fairgrounds/track for training

motion carries

Date: 4/8/13
Roll Call Vote #: 3

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2009

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.8159.02003

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Boe Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland		X
Rep. Brandenburg	X				
Rep. Dosch		X			
Rep. Grande		X	Rep. Boe	X	
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson		X	Rep. Holman	X	
Rep. Monson	X		Rep. Williams		X
Rep. Nelson	X				
Rep. Pollert					
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 16 No 5

Absent 1

Floor Assignment Rep. Boe

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2009, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2009 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide space for highway patrol training;"

Page 1, replace lines 11 through 13 with:

"Capital assets	$210,000	$2,290,000	$2,500,000
Premiums	520,000	26,000	546,000
Total general fund	$730,000	$2,316,000	$3,046,000"

Page 1, replace lines 19 and 20 with:

"Repair flood damage	$0	$2,500,000
Total general fund	$0	$2,500,000"

Page 1, after line 24, insert:

"**SECTION 3. EMERGENCY VEHICLE OPERATIONS COURSE.** The state fair association shall allow the highway patrol to use parking lot space on the state fairgrounds for an emergency vehicle operations course and shall provide temporary classroom space as needed for related training courses, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - State Fair Association - House Action

	Executive Budget	Senate Version	House Changes	House Version
Capital assets	$3,500,000	$3,500,000	($1,000,000)	$2,500,000
Premiums	546,000	546,000		546,000
Total all funds	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
Less estimated income	0	0	0	0
General fund	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
FTE	0.00	0.00	0.00	0.00

Department No. 665 - State Fair Association - Detail of House Changes

	Reduces Funding for Flood Damage Repair[1]	Total House Changes
Capital assets	($1,000,000)	($1,000,000)
Premiums		
Total all funds	($1,000,000)	($1,000,000)
Less estimated income	0	0
General fund	($1,000,000)	($1,000,000)
FTE	0.00	0.00

[1] This amendment reduces funding for flood damage repair by $1 million from $3.5 million to $2.5 million. The executive recommendation provided $3.5 million.

This amendment also adds a new section to allow the Highway Patrol to use space on the state fairgrounds for an emergency vehicle operations course and related training.

2013 CONFERENCE COMMITTEE

SB 2009

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2009 Conference Committee
April 17, 2013
Job # 21210

☒ Conference Committee

Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association.

Minutes:

No attachments

Legislative Council - Adam Mathiak
OMB - Sheila Peterson & Laney Herauf

Senator Krebsbach opened the conference committee hearing on SB 2009. **Senators Lee** and **Warner** were also present as well as **Representatives Dosch**, **Grande** and **Boe**.

Rep. Dosch: I think the only change the House made was to reduce from the Senate's version $1M from the capital assets - there was $3.5M in there for some work on the parking lot so they could do re-paving and gravelling. The House initially reduced the $3.5M to $1M and then we decided to only reduce it by $1M instead of the $2.5M they originally looked at.

The primary reason was that the fair had a good year last year. They have money in reserve that could cover $1M. The State Fair does wonders for Minot but not for the rest of the state and yet the state continues to put a lot of money into the Fair. Every biennium there is always some funding that needs to be put into it. We're willing to pick up $2.5M of that, but we'd like the State Fair Association to pick up a portion of that.

Senator Krebsbach asked them to explain section 3 that they added.

Rep. Dosch: The State Highway Patrol is lobbying for land and dollars from the state to test their vehicles. Some felt that if we provide dollars to the State Fair, we could allow emergency vehicles to use that for live testing. It wasn't unanimous to add it on. The full Appropriations Committee put it on. That was the reasoning. Even the Highway Patrol wasn't too keen on that. We should at least allow them the usage. If it works out- we thought we should at least put that option in there.

Senator Warner: I am trying to visualize how the State Fair grounds are laid out. The only paved area is in machinery row. Nothing could be high speed. All the other areas are gravel.

Rep. Dosch: Some thought it would be a great obstacle course.

Senator Krebsbach suggested totally removing section 3. It isn't conducive for any type of testing or training. Basically the Highway Patrol is looking for training for all levels. They do the training here in Bismarck. It is not logical to send them to Minot. The space is confined for the traffic coming into the fair grounds. It is not set up for any type of training areas. The State Fair has done some work with vehicles being on the ground and parked there, not on a constant basis - unless they want to do a whole lot of paving. The State Fair is not interested in paving. Gravel is much cheaper to maintain. The comment was made that they should take it out of their operations. The flood recovery to re-do pavement and gravel areas was $3.5M. If we want them to start taking it out of operations budget, then they will start coming back to the legislature for operations money which they have not done. They have been handling their finances extremely conservatively and well. The $3.5M was in the executive budget. Minot contributes to the State Fair from both the county and the city. You can note that on the annual report. Addressing the comment that it is mostly the Minot area: there were 45,863 entries in the State Fair this year, and the largest number of entries came from Richland County-7,406 entries. The entries were spread across the state.

Rep. Dosch: I think we were referring to the economic impact rather than participation.

Senator Krebsbach said she will hold firmly to the $3.5M because she feels it is warranted and justified.

Senator Gary Lee: I was reflecting back on the deficiency appropriation budget-was there something in there for the State Fair?

Senator Krebsbach: That was flood related and was for some of the buildings.

Senator Gary Lee: That's not a reflection of this?

Senator Krebsbach: A lot of money went into rewiring all of the buildings other than the grandstand and the State Fair Center.

Rep. Dosch: We will discuss your concerns and issues, and we'll have to come back at least one more time.

Senator Krebsbach: We will recess until further notice in time.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2009
April 19, 2013
Job # 21299

☒ Conference Committee

Committee Clerk Signature Rose Laning

A BILL for an Act to provide an appropriation for defraying the expenses of the State Fair Association.

Minutes:

Legislative Council - Adam Mathiak
OMB - Sheila Peterson & Laney Herauf

Senators - Krebsbach, Lee, Warner
Representatives - Dosch, Grande, Boe

Senator Krebsbach explains where the committee had ended during a previous meeting. She asks if there is any movement on the House side regarding the issue of removing $1M and the Highway Patrol using space at the fairgrounds.

Rep. Dosch replies they believe the State has been very generous to the State Fair and states they have put in over $28M. He goes on to explain the DOT is willing to work with the county and city of Minot. He says they are willing to compromise on the amendment as far as the race track and they are agreeable to removing Section 3 out but they do stay firm on the $1M.

Senator Krebsbach states that since 1969, other than the grandstand there has been $5M of State money put into that entity. She relates that the local community there has put in almost $23M compared to the $20M from the state. She explains the flood damage and what FEMA paid for and would like to see half of the million dollars given back for the parking lot project.

Rep. Dosch replies that Minot was given another $6M or $7M by the Federal Government to help mitigate flood damage to which **Senator Krebsbach** replies that none of that goes to the State Fair.

Rep. Dosch said he believes Minot is the only community that benefits from the State Fair and wonders why there is a State Fair if it continually costs the State money.

Senator Krebsbach asks how much goes back to the State in sales taxes.

Rep. Dosch says the State cannot be expected to pay for all of it.

Senator Krebsbach offers to go with half of the request.

Senator G. Lee takes issue that Minot is the only one that benefits from the State Fair. He gives the example of Bonanza Ville in Fargo, and says that these are all destination sites in ND so all benefit.

Senator Krebsbach remarks on the countless hours of volunteer work that goes into the State Fair.

Rep. Grande mentions that compromise will be very difficult in the House and a match fund is not an unreasonable request.

Rep. Dosch believes this is a very fair offer.

Senator Krebsbach asks the committee to discuss it on their own and that the Senate would settle if they would put in the $500,000 and remove the HP language.

Conference committee recessed.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2009 conference committee
April 20, 2013
Job # 21356

☒ Conference Committee

Committee Clerk Signature Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association.

Minutes:

Legislative Council - Adam Mathiak
OMB - Sheila Peterson & Laney Herauf

Senator Krebsbach re-convened the conference committee hearing on SB 2009. **Senators Lee** and **Sinner** were also present as well as **Representatives Dosch**, **Grande** and **Boe**. (Senator Sinner is filling in for Senator Warner who is absent.)

Senator Krebsbach said she'd like to turn it over to the House side to see if there were any changes, any offers or any reaction to the offer that was made the other day.

Rep. Grande: In light of the way the budget seems to be falling in place and the way the numbers are looking for Monday, we're feeling the need to probably tighten up on some of these budgets and we're looking at possibly moving that line to $1.5M.

Senator Krebsbach recessed the meeting.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2009
04-23-2013
Job # 21454

☒ Conference Committee

Committee Clerk Signature

A Conference Committee hearing on the State Fair (Do Pass as Amended)

Minutes:

Senator Krebsbach called the Conference committee to order on Tuesday, April 23, 2013 at 3:30 pm in the Harvest Room. Let the record show all conferees are present.

SENATE: Senators: Karen Krebsbach, Gary Lee, John Warner
HOUSE: Representatives: Mark Dosch, Bette Grande, Tracy Boe

Sheila M. Sandness - Legislative Council
Sheila Peterson and Laney Herauf - OMB

Senator Krebsbach explains what they discussed in their previous meeting. She says they would like to remove the wording in Section three which gives the HP use of parking lot space and to have classrooms. She further explains other issues are the money amount to go for repair and paving of the parking lots. She said this project has received no FEMA money so the Governor put it in his budget at $3.5M. She goes on to explain her last offer being that the Senate would drop $500,000. **Rep. Dosch** states they would agree to go from $1M to $750. **Senator Krebsbach** asks if it is correct to say they would agree to $2,750,000.00. **Rep. Dosch** replies yes plus they would take out the training track. **Senator Krebsbach** asks if they would care to put that into a motion.

Representatives Dosch moves the House will recede from the House amendments and that we will further amend to reducing down from $3.5M leaving a balance that the state would pick up at $2,750,000.00 and remove section 3 of the bill which is the emergency operation course. **Representative Grande seconded the motion**

Senator Krebsbach asked the Clerk to call the roll on SB 2009.

Vote - 6 yes, 0 no, (Senator Warner added his vote)
Motion passes
Committee adjourned

13.8159.02004
Title.04000
Fiscal No. 1

Prepared by the Legislative Council staff for
Conference Committee
April 24, 2013

4-26-13
1 of 2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1320 and 1321 of the Senate Journal and pages 1376 and 1377 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, replace lines 11 through 13 with:

"Capital assets	$210,000	$2,540,000	$2,750,000
Premiums	520,000	26,000	546,000
Total general fund	$730,000	$2,566,000	$3,296,000"

Page 1, replace lines 19 and 20 with:

"Repair flood damage	$0	$2,750,000
Total general fund	$0	$2,750,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - State Fair Association - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Capital assets	$3,500,000	$3,500,000	($750,000)	$2,750,000	$2,500,000	$250,000
Premiums	546,000	546,000		546,000	546,000	
Total all funds	$4,046,000	$4,046,000	($750,000)	$3,296,000	$3,046,000	$250,000
Less estimated income	0	0	0	0	0	0
General fund	$4,046,000	$4,046,000	($750,000)	$3,296,000	$3,046,000	$250,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 665 - State Fair Association - Detail of Conference Committee Changes

	Reduces Funding for Flood Damage Repair[1]	Total Conference Committee Changes
Capital assets	($750,000)	($750,000)
Premiums		
Total all funds	($750,000)	($750,000)
Less estimated income	0	0
General fund	($750,000)	($750,000)
FTE	0.00	0.00

[1] This amendment reduces funding for flood damage repair by $750,000, from $3.5 million to $2.75 million. The executive recommendation and the Senate provided $3.5 million. The House reduced funding by $1 million, from $3.5 million to $2.5 million.

This amendment does not include a section added by the House to allow the Highway Patrol to use space on the state fairgrounds for an emergency vehicle operations course and related training.

2 of 2

Date 4-23-13

Roll Call Vote # 1

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2009 as (re) engrossed

Senate Appropriations **Committee**

Action Taken

- ☐ SENATE accede to House Amendments
- ☐ SENATE accede to House Amendments and further amends
- ☐ HOUSE recede from House amendments
- ☒ HOUSE recede from House amendments and amends as follows

  2.5 m. + removal of Sect 3.

- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Dosch Seconded by: Grande

Senators	4/23			Yes	No	Representatives	4/23			Yes	No
Krebsbach	✓			✓		Dosch	✓			✓	
Lee	✓			✓		Grande	✓			✓	
Warner				✓		Boe	✓			✓	
Sinner											
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: 5 No: _____ Absent: 1

Senate Carrier Krebsbach House Carrier Dosch.

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Sen Warner came in and voted yes at the close of the hearing.

REPORT OF CONFERENCE COMMITTEE

SB 2009, as engrossed: Your conference committee (Sens. Krebsbach, G. Lee, Warner and Reps. Dosch, Grande, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1320-1321, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on pages 1320 and 1321 of the Senate Journal and pages 1376 and 1377 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, replace lines 11 through 13 with:

"Capital assets	$210,000	$2,540,000	$2,750,000
Premiums	520,000	26,000	546,000
Total general fund	$730,000	$2,566,000	$3,296,000"

Page 1, replace lines 19 and 20 with:

"Repair flood damage	$0	$2,750,000
Total general fund	$0	$2,750,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - State Fair Association - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Capital assets	$3,500,000	$3,500,000	($750,000)	$2,750,000	$2,500,000	$250,000
Premiums	546,000	546,000		546,000	546,000	
Total all funds	$4,046,000	$4,046,000	($750,000)	$3,296,000	$3,046,000	$250,000
Less estimated income	0	0	0	0	0	0
General fund	$4,046,000	$4,046,000	($750,000)	$3,296,000	$3,046,000	$250,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 665 - State Fair Association - Detail of Conference Committee Changes

	Reduces Funding for Flood Damage Repair[1]	Total Conference Committee Changes
Capital assets	($750,000)	($750,000)
Premiums		
Total all funds	($750,000)	($750,000)
Less estimated income	0	0
General fund	($750,000)	($750,000)
FTE	0.00	0.00

[1] This amendment reduces funding for flood damage repair by $750,000, from $3.5 million to $2.75 million. The executive recommendation and the Senate provided $3.5 million. The House reduced funding by $1 million, from $3.5 million to $2.5 million.

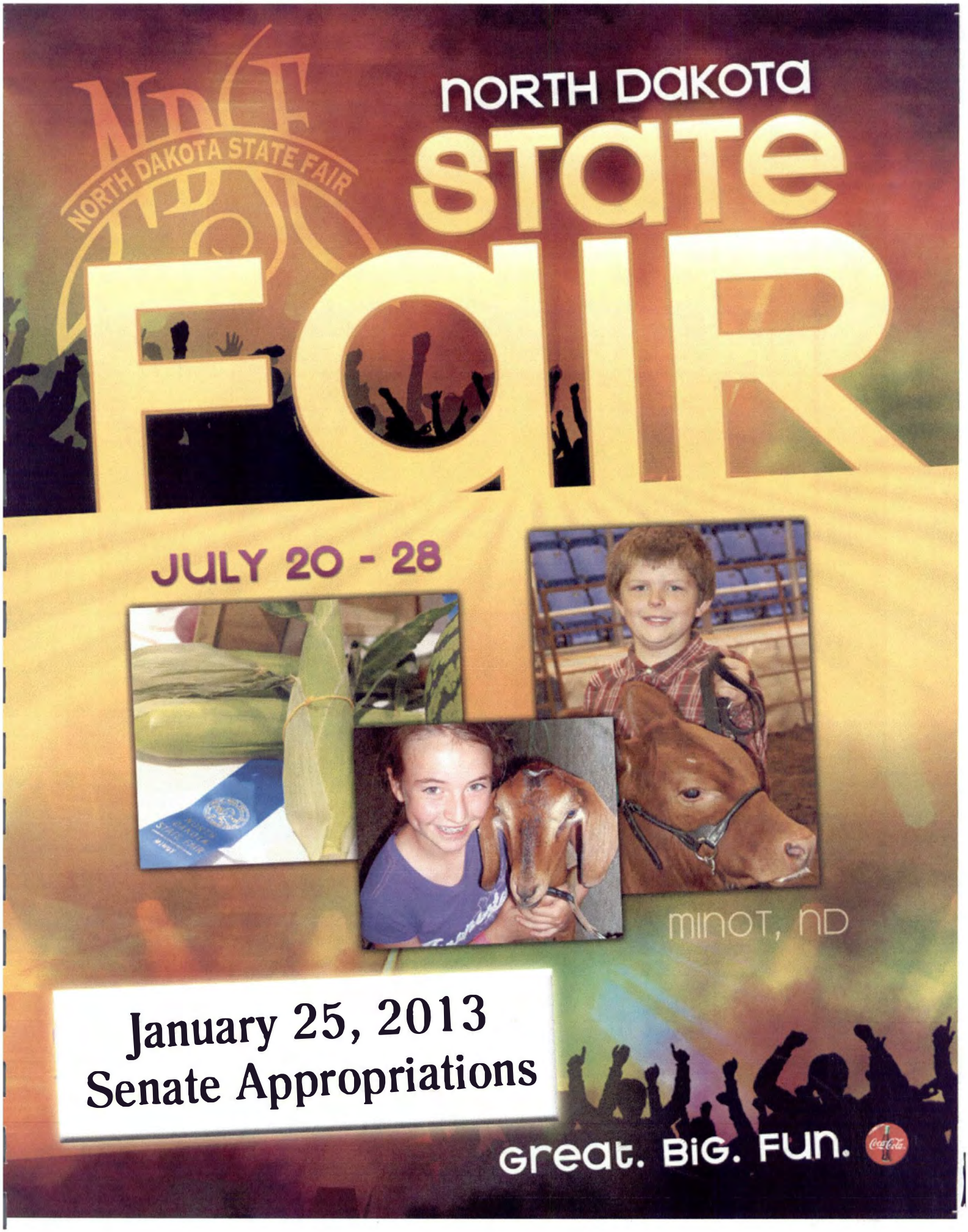
This amendment does not include a section added by the House to allow the Highway Patrol to use space on the state fairgrounds for an emergency vehicle operations course and

related training.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

SB 2009


NORTH DAKOTA STATE FAIR
NORTH DAKOTA
STATE
FAIR
JULY 20 - 28
MINOT, ND
January 25, 2013
Senate Appropriations
great. BIG. FUN.

Senate Appropriations Committee
Senator Ray Holmberg, Chairman
January 25, 2013
10:00AM
SB2009

Dear Senators,

The North Dakota State Fair is requesting the Senate Appropriations Committee to support Senate Bill No. 2009.

The request includes:

1. Increase premium dollars by $26,000 bringing the total premium dollars for the biennium to $546,000.

2. One time capital fund expenditure for flood repair of damages to our asphalt totaling $2,881,500.

3. One time capital fund expenditure because of flood damage for gravel in the parking lots totaling $618,500.

The influx of 4-H, FFA and open class exhibitors causes need for an increase in premium dollar funds. The remainder of the request is due to damage caused by the 2011 flood which we have not been able to repair.

Thank you and we appreciate your support.

Life is Fair,

Renae Korslien

Renae Korslien
Manager

P.O. Box 1796
Minot, North Dakota 58702
Phone 701.857.7620
Fax 701.857.7622
email: ndsf@minot.com
Web site: ndstatefair.com

Premium Dollar Request

Requesting a $26,000 increase
to equal a total of $546,000.

2012 North Dakota State Fair
Entries by County

County	Total	County	Total
Adams	63	McKenzie	281
Barnes	355	McLean	2,097
Benson	333	Mercer	967
Bottineau	787	Morton	981
Bowman	239	Mountrail	779
Burke	299	Nelson	181
Burliegh	2,012	Oliver	449
Cass	4,354	Pembina	337
Cavalier	117	Pierce	457
Dickey	3,738	Ramsey	532
Divide	122	Ransom	1,407
Dodge	1	Renville	658
Dunn	158	Richland	7,406
Eddy	200	Rolette	175
Emmons	203	Sargent	58
Foster	524	Sheridan	314
Golden Valley	3	Stark	265
Grand Forks	391	Steele	10
Grant	55	Stutsman	735
Griggs	160	Towner	382
Hettinger	131	Traill	163
Kidder	409	Walsh	283
LaMoure	257	Ward	7,076
Logan	162	Wells	1,582
McHenry	2,577	Williams	492
McIntosh	146		
		Total Entries	**45,863**

Renae Korslien

From: Loretta Haas [Loretta.Haas@sendit.nodak.edu]
Sent: Monday, January 21, 2013 7:21 PM
To: renae@ndstatefair.com
Subject: State Fair funding

This is an email supporting more financial assistance for the State Fair.
My daughter has been in 4-H for two years and this past year was her first time exhibiting at the State Fair. She was excited to know how well she did and what other people thought of her projects. When they came back from state, she was ECSTATIC to find out that she had earned a purple ribbon. This, she feels, is her single most exciting experience this past summer. She talks about the excitement and has a corner in her room where her rocket and her purple ribbon are on display. This has given her more incentive to do better and try more events this coming year. I know as a parent I couldn't have pressured or been able to given her this drive or incentive.

I was also in 4-H in my youth and I still remember and use many of the experiences I had at the State Fair. I entered into the Fashion revue and decorative display and I use many of the skills that I learned to get to the State Fair in my daily life as a teacher and educator. I love to sew and look good and I know my experience at the Fashion Revue helped with this. I know the State Fair participants would be adversely affected by lack of funding for this event.

Thank you for your time and I hope you are able to support this bill.

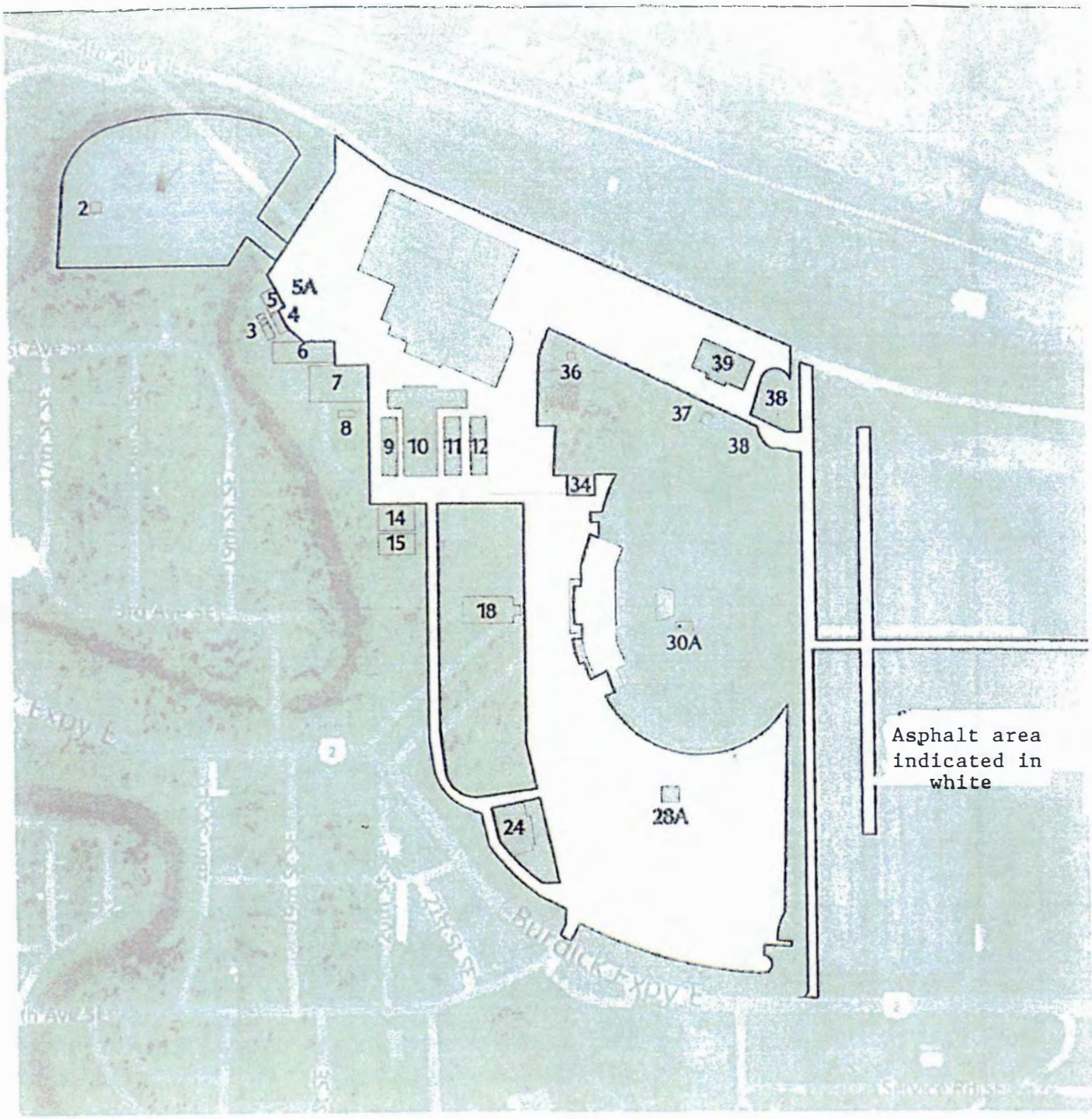
Mrs. Loretta Haas
mother of Charmaine Haas and
Teacher at Napoleon Public school
Napoleon, ND 58561

ENTRIES

	1983	1984	1986	1987	1986	1989	1990	1991	1992	1993	1994	1996	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Beef Entries	408	511	465	717	597	457	660	579	736	533	656	584	479	482	536	472	380	496	558	493	461	495	530	491	494	412	333	Flood	330
Dairy Entries	262	243	421	313	335	435	379	391	424	228	254	184	126	124	212	222	259	122	98	199	307	102	129	154	133	125	153	Flood	114
Swine Entries	111	108	118	89	99	123	56	disease	89	137	146	107	111	93	90	279	155	434	422	527	617	566	599	512	461	427	464	Flood	429
Sheep Entries	863	728	658	849	670	770	677	844	924	947	1039	772	1115	845	679	893	847	640	485	588	560	648	597	647	624	623	530	Flood	341
Goats/Llama Entries	122	102	82	0	79	28	21	82	68	108	114	152	108	112	99	91	62	60	58	56	75	84	130	102	110	100	109	Flood	157
Poultry Entries	33	88	472	364	813	673	767	878	981	557	713	578	429	269	378	213	259	262	367	317	261	168	249	198	217	249	315	Flood	310
Rabbit Entries	44	41	65	41	113	82	127	124	159	182	186	243	318	1149	1388	1204	796	547	549	871	1089	899	592	1220	1006	1045	1264	Flood	1498
Horse Entries	2603	2437	1741	1821	1916	2137	2285	3510	3060	2805	3283	3862	3874	4030	3559	3841	5017	4741	4980	4833	4724	4379	3754	3041	2380	3106	3025	Flood	1496
Ag Products	382	315	386	488	391	339	390	389	396	292	389	420	533	519	356	246	260	498	217	362	326	300	334	306	188	170	172	Flood	215
Domestic Arts & Meats	764	842	735	1049	1153	1123	1077	1860	1064	870	857	981	779	718	785	821	727	826	583	736	671	710	723	589	448	502	501	Flood	527
Sunflowers & Snacks			12	5	12	7	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Flood	0
Needlework	855	839	865	706	1039	1139	851	917	928	833	689	714	584	679	679	613	605	603	493	579	589	453	451	348	304	342	321	Flood	393
Flowers	312	263	564	493	490	449	476	471	637	523	542	736	436	396	537	543	548	607	406	907	948	971	920	920	948	1002	739	Flood	561
Fine Arts	344	335	290	304	416	482	475	514	563	556	548	552	511	495	456	555	377	329	348	344	355	371	235	222	269	266	326	Flood	219
Photography	359	444	492	468	725	611	575	555	517	354	357	322	426	497	472	483	433	365	438	448	533	455	451	506	410	464	615	Flood	543
Number of FFA	6308	6479	6629	8731	9737	9762	10019	10588	9598	9632	9636	10220	9362	10329	11927	12718	14238	14282	15604	15534	17877	20168	21216	21405	18271	18960	22228	Flood	26393
Number of 4-H	7017	7600	8430	9327	9793	10991	11635	10866	11382	11896	11282	11925	11489	11099	10863	11135	11604	11575	11909	12704	12475	11783	11021	10669	10374	10295	10039	Flood	9409
School Entries	1365	1648	1745	2021	2566	2586	2979	2948	3129	3337	2285	2753	2779	3350	3535	3553	3805	4191	4671	4249	4061	4159	3542	3175	3573	3474	3477	Flood	2555
Writing Entries	1132	1125	1200	750	780	700	566	475	490	440	451	293	427	365	255	270	400	304	430	350	150	150	100	452	100	125	140	Flood	316
Dairy Bake-off	104	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Flood	0
Crisco Contest			32	0	20	27	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Flood	0
Special Food Shows						20	0	50	56	16	16	11	12	17	45	44	33	85	23	27	19	32	15	19	6	75	46	Flood	57
	23,388	24,248	25,402	28,536	31,744	32,941	34,035	36,041	35,201	34,246	33,443	35,409	33,898	35,568	36,851	38,196	40,805	40,967	42,639	44,124	46,098	46,893	45,588	44,976	40,310	41,762	44,797	Flood	45,863

Asphalt Request

After the flood of 2011, the Fairgrounds asphalt was left in desperate need of renewal.
A request for $2,881,500 for an asphalt overlay is the number one request for capital improvement.



NORTH DAKOTA
STATE FAIR
FLOOD RECOVERY

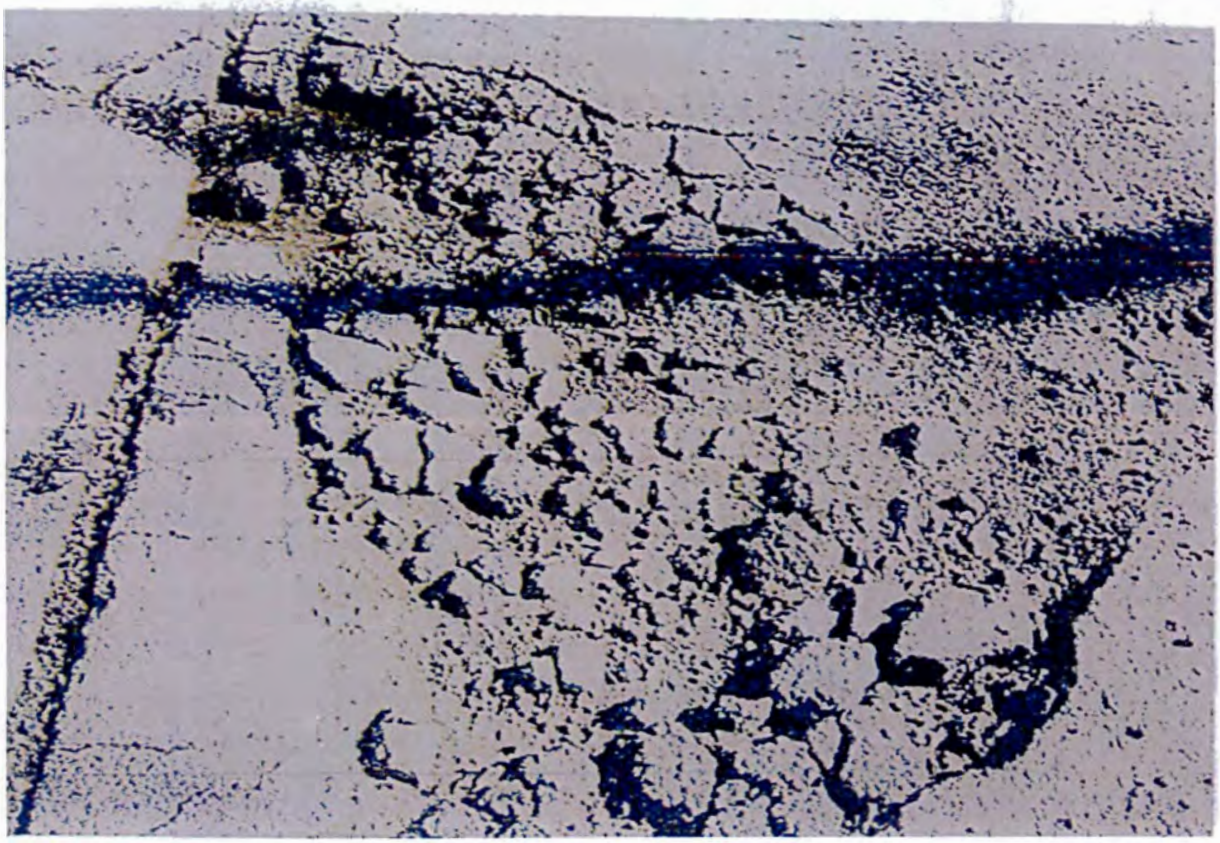
MINOT, NORTH DAKOTA

Scale: 1"=500'-0"

A1.0

Reference Dwg: A10
Project No: 11-047
Date: July 25, 2011

Near First Aid Station and Kids' Area



North Side of State Fair Center

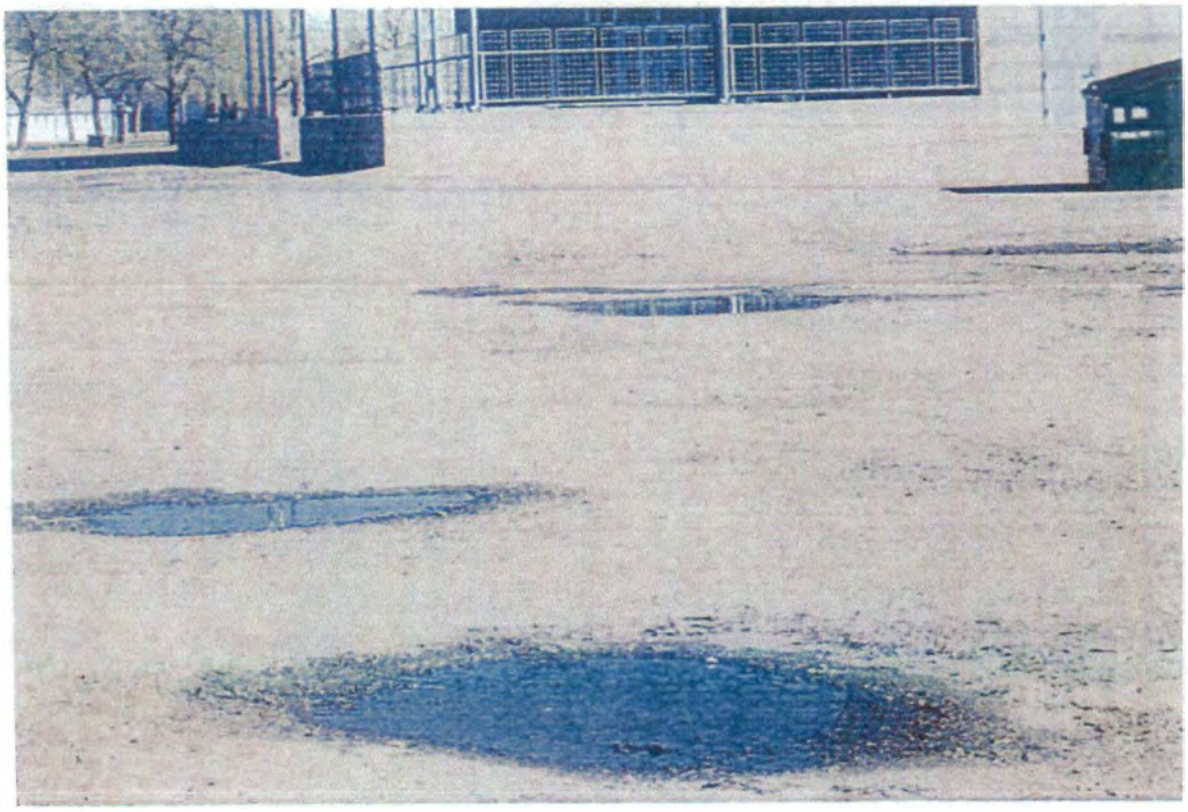
North End of Grounds at Machinery Row

East End of Machinery Row Area

South of Barns

North End of the Grandstand Area

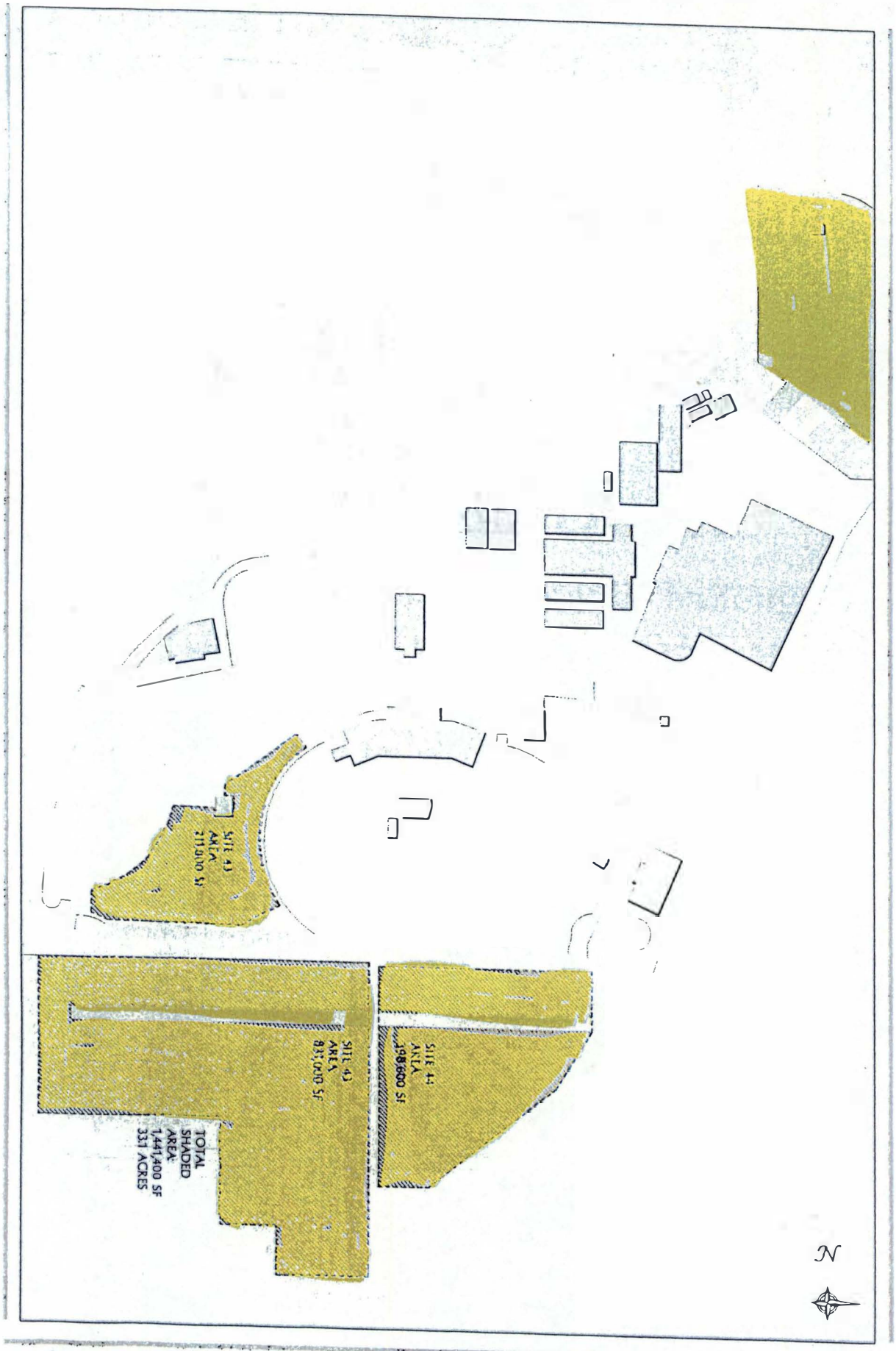
South End of the Grandstand Area



South East of State Fair Center

Gravel Request

Gravel lots = 1,822,500 sq ft.
Add gravel to these lots = $618,500.00



gehrtz

NORTH DAKOTA
STATE FAIR
FLOOD RECOVERY

MINOT, NORTH DAKOTA

A1.0

Scale: 1"=300'-0"
Project No: 11-047
Date: October 21, 2011

FAIR ANNUAL STATEMENT
2012

	2012	2011
OPENING CASH	$1,898,614.38	$3,183,092.38
RECEIPTS		
STORAGE	$106,807.50	$52,512.50
GROUNDS, BUILDING, EQ RENTAL	$938,731.60	$703,097.33
NODAK	$27,457.30	$15,806.06
INDOOR	$151,178.63	$0.00
OUTDOOR	$241,274.37	($425.00)
INDEPENDENT	$172,556.30	($225.00)
CARNIVAL	$297,836.68	$644.00
GRANDSTAND	$2,375,027.30	($34,950.73)
OUTSIDE GATES	$1,200,028.20	$2,153.00
CAMPING	$166,297.00	$650.00
ENTRIES & STALL FEES	$33,194.00	$0.00
SPONSORSHIPS	$355,502.79	$195,047.21
MISCELLANEOUS	$16,008.11	$8,902.21
BEER GARDENS	$660,185.28	$0.00
STATE APPROP (PREMIUMS & BOND)	$470,000.00	$17,370.18
INTEREST ON INVESTMENTS	$3,469.60	$8,438.37
WARD COUNTY MILL LEVY	$378,021.89	$370,424.35
TOTAL FAIR REVENUE	$7,593,576.55	$1,339,444.48
REVENUE PLUS OPENING CASH	$9,492,190.93	
TOTAL FAIR EXPENSE	($5,622,863.54)	
BALANCE SEPTEMBER 30, 2012	$3,869,327.39	
BANK OF NORTH DAKOTA FLOOD LOAN	($964,829.92)	
ENDING BALANCE	$2,904,497.47	

FAIR ANNUAL STATEMENT
2012

	2012	2011
EXPENSES		
SALARIES & WAGES	$1,206,431.39	$1,041,816.08
BOARD MEETINGS/TRAVEL	$52,101.26	$31,423.59
STAFF TRAVEL/TRAINING	$28,336.60	$22,166.11
UTILITIES	$393,550.85	$269,268.06
TELEPHONE	$19,579.99	$12,226.08
RENT OF EQUIPMENT	$9,173.79	$4,573.20
POSTAGE & FREIGHT	$6,269.47	$11,954.85
REPAIR EQUIPMENT	$7,875.48	$10,876.43
BUILDINGS & GROUNDS MAINTENANCE	$130,990.69	$169,145.14
PROFESSIONAL FEES	$321,616.61	$64,219.33
INSURANCE, DUES, MEMBERSHIPS, T & L	$64,520.38	$49,684.77
OFFICE SUPPLIES	$8,899.79	$7,566.65
ADVERTISING	$275,354.41	$209,445.40
PROMOTIONS	$45,432.28	$42,908.21
MISCELLANEOUS EXPENSES	$1,589.39	$2,016.54
GAS & OIL	$42,025.85	$34,306.77
NEW EQUIPMENT	$29,444.18	$63,401.95
CAPITAL IMPROVEMENTS	$251,807.83	$280,478.70
BOND PAYMENTS	$209,153.31	$208,885.89
GRANDSTAND	$1,932,135.37	$8,340.16
OTHER ENTERTAINMENT	$126,842.15	$6,937.61
CONCESSIONAIRES	$3,542.50	$1,141.00
4-H	$99,042.46	$10,942.58
FFA	$136,728.17	$9,782.88
BEEF	$27,178.77	$5,557.86
DAIRY	$16,732.98	$1,353.22
HORSES	$68,615.39	$15,792.83
SHEEP & WOOL	$17,542.62	$1,471.77
SWINE	$16,469.94	$1,276.47
GOATS/LLAMAS	$6,380.98	$369.41
RABBITS	$8,074.49	$1,314.40
POULTRY	$3,776.17	$426.69
ARTS & CRAFTS	$2,372.67	$543.61
DOMESTIC ARTS	$14,315.49	$2,155.66
EDUCATION	$7,014.69	$3,580.24
PHOTOGRAPHY	$2,455.79	$605.62
WRITING	$971.32	$183.68
AG PRODUCTS	$1,150.08	$579.58
GATES	$27,367.96	$14,548.46
TOTAL FAIR EXPENSES	$5,622,863.54	$2,623,267.48

Fair Annual Statement
Explanation of Expenses

PROFESSIONALS	
Armored Car	$1,336.46
Attorney Fees	$5,442.42
Audit	$9,600.00
FEMA Audit	$3,000.00
Computer Back-up	$1,338.61
Bond Fee	$2,500.00
Carnival Hookups	$350.00
Carnival Inspector	$5,580.40
Chair Setup for Hostfest	$625.00
Classified Ads	$236.96
Cleaning-Fair	$47,850.00
Cleaning-Hostfest/Rodeo	$8,730.00
Cleaning-Food Court	$6,800.00
Cleaning-Races	$15,150.00
Combination Lock Changes	$85.00
Community Ambulance	$625.00
Fair Golf Cart Rental	$9,000.00
Fair Paper Picking	$5,500.00
Fair Porta Pot Rental	$10,475.00
Fair Garbage	$41,900.00
Fair Vet Services	$3,095.00
Fire Alarm/Monitoring	$3,100.21
Health Inspector	$107.00
Help Wanted Ads	$7,024.35
Mosquito Control	$3,050.00
Overflow Parking Attendants	$1,250.00
Photos	$29.95
Publicity	$1,200.00
Security	$121,265.25
Shuttle Service	$4,000.00
Street Sweeper	$1,370.00
TOTAL	**$321,616.61**

UTILITIES	
Electricity	$269,772.54
Garbage Hauling	$61,873.33
Natural gas	$41,173.08
Sewer & Water	$20,731.90
TOTAL	**$393,550.85**

NEW EQUIPMENT	
Bobcat	$1,600.00
Deadwood Boxes	$127.92
Garbage Cans	$945.00
GS Plaque-Jerry Iverson	$620.00
GrandstandTie-Off Harness	$500.00
Pins-Hog/Sheep Panels	$164.44
Radio	$3,336.00
Security Camera	$7,870.38
Table Covers	$1,391.44
Ticketing System	$7,375.49
Tires/Castors	$4,549.11
Tools	$964.40
TOTAL	$29,444.18

CAPITAL IMPROVEMENTS	
Go-Cart Track	$510.40
Grandstand Concrete	$25,523.54
Grandstand Construction	($1,579.00)
Grandstand Lights	$5,835.14
GS Snow Retention System	$63,028.46
GS Stage Roof Anchors	$4,223.72
Industrial Lot Lights	$36,680.07
Industrial Lot Recycled Asphalt	$80,200.00
Theater Overhead Door	$7,085.50
State Fair Center HVAC Unit	$18,000.00
Sprinkler System	$12,300.00
TOTAL	**$251,807.83**

GRANDSTAND	
Catering	$14,241.15
Entertainers	$1,709,145.38
Equipment	$3,523.59
Parade	$2,000.00
Payroll	$71,625.89
Printing	$2,744.28
Professionals	$26,483.90
Rain Insurance	$43,000.00
Sound	$52,575.00
Supplies	$6,796.18
TOTAL	**$1,932,135.37**

INSURANCE, DUES, T & L	
Dues & Memberships	$3,991.00
Insurance	$49,675.37
Flood Insurance	$11,052.00
Tax & License	$2.00
TOTAL	**$64,720.37**

CONCESSIONAIRES	
Picnics	$3,542.50
TOTAL	**$3,542.50**

ENTERTAINMENT STAGES	
3 on 3	$131.04
Amateur Talent	$1,449.00
Arm Wrestling	$698.39
Cake/Cupcake Decorating	$123.34
Clowns	$3,039.00
Color The Fair	$88.71
Crop Plot	$657.79
Dakota Talent	$2,264.33
Diaper Derby/Toddler Trot	$318.93
Fireworks	$5,000.00
Flickertail Gardens	$12,678.25
Freddie Flickertail	$850.00
Horse Pull	$3,721.10
Hot Dog Eating Contest	$422.00
Kids Clubhouse	$2,083.32
Pedal Pull	$620.57
Pony Pull	$2,265.11
Redneck Relay	$70.86
Run the Route	$147.68
Senior Festival	($1,474.06)
Showdeo	$821.05
Stage 1-Swampmaster Alligator	$14,015.50
Stage 2-Juke Box Junkie	$10,818.23
Stage 3-Welde Bear Show	$16,100.00
Stage 4-Racing Pigs	$2,917.17
Stage 5-Petting Zoo	$10,160.00
Stage 6-Fur Traders	$18,000.00
Stage 7-Sports Extreme	$11,599.90
Strolling	$7,254.94
TOTAL	**$126,842.15**

PROMOTIONS	
Ag Awards	$237.69
Ag Experience	$1,257.98
Annual Meeting	$755.00
Annual Report	$912.36
Award Pins	$186.88
Bus Services	$11,200.00
Christmas Party & Cards	$2,660.37
Clippings	$1,185.80
Co-op Day	$349.05
Convention Auctions	$91.51
DMX	$486.12
Family Day	$300.00
Film Processing	$39.08
Flowers	$279.95
Media-Accommodations	$4,114.95
Merchandise	$52.74
Motor Magic	($610.03)
NDSF Rodeo Queen	$1,078.95
Photo ID'S	$75.00
Photographers	$1,267.00
Plaques	$198.00
Pride Day	$300.00
Printing	$2,135.26
Reader Board/Sign	$200.00
Refreshments/Committees	$990.03
Shirts	$299.50
Signs	$5,674.30
Special Campaigns	$968.09
Special Display	$697.70
Special Friends	$1,234.57
Sponsor Support	$6,634.43
Video	$180.00
TOTAL	**$45,432.28**

GATES	
Supplies	$535.82
Payroll	$25,092.22
Pros	$162.00
Refunds	$1,325.00
Printing	$252.92
TOTAL	**$27,367.96**

BOND PAYOFF	**$428,842.29**

DEPARTMENT EXPENSES

4-H	
Premiums	$68,658.52
Hay & Straw	$1,170.00
Judges	$5,475.50
Supplies	$343.85
Payroll	$13,624.00
Picnics	$1,911.75
Printing	$3,470.44
Professionals	$4,388.40
TOTAL	**$99,042.46**

HORSE	
Premiums	$13,848.40
Dues & Memberships	$400.00
Hay & Straw	$4,666.47
Judges	$6,483.41
Supplies	$39.59
Payroll	$15,947.16
Printing	$3,132.42
Professionals	$23,522.94
Trophies	$575.00
TOTAL	**$54,766.99**

FFA	
Premiums	$128,962.03
Hay & Straw	$1,170.00
Judges	$1,532.50
Supplies	$185.46
Picnics	$487.50
Printing	$2,259.90
Professionals	$2,130.78
TOTAL	**$7,766.14**

BEEF	
Premiums	$10,339.50
Hay & Straw	$4,053.57
Judges	$3,224.96
Supplies	$81.52
Payroll	$2,765.00
Printing	$287.98
Professionals	$6,426.24
TOTAL	**$16,839.27**

SWINE	
Premiums	$7,231.25
Hay & Straw	$760.45
Judges	$2,925.60
Supplies	$43.06
Payroll	$1,919.50
Printing	$354.30
Professionals	$3,235.78
TOTAL	**$9,238.69**

SHEEP	
Premiums	$8,513.75
Hay & Straw	$867.54
Judges	$2,496.31
Supplies	$47.83
Payroll	$1,919.50
Printing	$501.13
Professionals	$3,196.56
TOTAL	**$9,028.87**

DAIRY	
Premiums	$12,866.67
Hay & Straw	$224.38
Judges	$798.00
Supplies	$244.24
Payroll	$683.00
Printing	$72.00
Professionals	$1,844.69
TOTAL	**$3,866.31**

POULTRY	
Premiums	$876.50
Hay & Straw	$283.29
Judges	$358.00
Supplies	$105.17
Payroll	$1,671.75
Printing	$198.96
Professionals	$282.50
TOTAL	**$2,899.67**

RABBITS	
Premiums	$578.75
Dues	$25.00
Hay & Straw	$127.11
Judges	$4,860.00
Supplies	$357.10
Payroll	$1,277.00
Printing	$729.53
Professionals	$120.00
TOTAL	**$7,495.74**

GOATS	
Premiums	$1,689.00
Hay & Straw	$167.09
Judges	$3,031.65
Supplies	$50.98
Payroll	$484.67
Printing	$74.80
Professionals	$862.79
Ribbons	$20.00
TOTAL	**$4,691.98**

PHOTOGRAPHY	
Premiums	$1,232.00
Judges	$300.00
Supplies	$42.19
Payroll	$550.00
Printing	$331.60
TOTAL	**$1,223.79**

DOMESTIC ARTS	
Premiums	$6,270.00
Judges	$1,885.00
Supplies	$143.38
Payroll	$4,690.69
Printing	$1,326.42
TOTAL	**$8,045.49**

EDUCATION	
Premiums	$1,716.25
Supplies	$27.37
Payroll	$2,413.85
Printing	$2,857.22
TOTAL	**$5,298.44**

ARTS & CRAFTS	
Premiums	$1,189.00
Judges	$285.00
Supplies	$149.71
Payroll	$550.00
Printing	$198.96
TOTAL	**$1,183.67**

AG PRODUCTS	
Premiums	$394.50
Supplies	$17.94
Payroll	$605.00
Printing	$132.64
TOTAL	**$755.58**

WRITING	
Premiums	$905.00
Printing	$66.32
TOTAL	**$971.32**

STATE FAIR GROWTH

Year	Attendance	**Livestock Entries (Open Class Only)	All FFA Entries	All 4-H Entries	*Other Divisions	Total Entries	Premiums Paid	Income	Expenses
1977	249,536	2,862	1,210	5,354	3,768	13,194	$66,066	$524,726	$430,083
1978	258,674	2,703	1,728	5,492	4,449	14,372	$67,242	$644,577	$400,496
1979	254,864	2,977	1,846	5,999	5,000	15,822	$85,607	$748,616	$735,661
1980	251,345	2,772	5,253	6,310	5,314	19,649	$97,564	$893,292	$863,121
1981	261,376	3,342	7,171	6,434	5,143	22,090	$112,351	$1,045,066	$960,886
1982	285,067	3,746	6,529	6,257	5,493	22,025	$109,257	$1,387,058	$1,448,009
1983	300,790	4,446	6,308	7,017	5,617	23,388	$117,254	$1,560,999	$1,426,699
1984	296,597	4,258	6,479	7,600	5,911	24,248	$120,083	$2,140,921	$2,123,436
1985	279,782	4,146	6,352	7,352	5,872	23,722	$140,517	$2,179,456	$2,155,629
1986	237,314	4,022	6,629	8,430	6,321	25,402	$127,751	$1,664,021	$1,814,850
1987	247,569	4,194	8,731	9,327	6,284	28,536	$151,215	$1,803,674	$1,747,844
1988	248,267	4,622	9,737	9,793	7,592	31,744	$160,336	$1,936,119	$1,957,875
1989	230,566	4,705	9,762	10,991	7,483	32,941	$164,176	$1,951,023	$1,896,224
1990	226,949	4,972	10,019	11,635	7,409	34,035	$167,170	$1,944,498	$2,074,316
1991	240,291	6,408	10,588	10,866	8,179	36,041	$169,217	$2,039,732	$1,697,486
1992	244,236	6,441	9,598	11,382	7,780	35,201	$179,218	$2,071,577	$2,333,713
1993	244,248	5,497	9,632	11,896	7,221	34,246	$147,497	$2,585,799	$2,357,436
1994	250,150	6,391	9,636	11,282	6,134	33,443	$147,381	$2,565,972	$2,497,946
1995	260,041	6,482	10,220	11,925	6,782	35,409	$146,288	$3,070,535	$2,794,103
1996	248,154	6,558	9,382	11,489	6,467	33,896	$143,837	$2,678,819	$2,999,225
1997	233,004	7,104	10,329	11,099	7,036	35,568	$165,747	$2,611,151	$2,673,766
1998	236,140	6,941	11,927	10,863	7,120	36,851	$173,327	$2,900,516	$2,714,889
1999	210,840	7,215	12,718	11,135	7,128	38,196	$180,425	$3,128,884	$3,098,148
2000	206,584	8,371	14,238	11,604	6,592	40,805	$189,324	$3,000,633	$3,047,789
2001	208,601	7,302	14,282	11,575	7,808	40,967	$196,170	$3,269,316	$3,190,199
2002	211,126	7,517	15,604	11,909	7,609	42,639	$186,876	$3,307,393	$2,982,581
2003	217,587	7,251	15,534	12,704	8,002	43,491	$194,252	$3,625,568	$3,694,827
2004	243,024	8,094	17,877	12,475	7,652	46,098	$206,049	$3,554,346	$3,576,068
2005	244,874	7,341	20,168	11,783	7,601	46,893	$213,514	$4,459,492	$3,951,718
2006	247,970	6,580	21,216	11,021	6,771	45,588	$210,690	$3,964,308	$4,205,077
2007	248,501	6,365	21,405	10,669	6,537	44,976	$217,347	$4,455,104	$4,119,248
2008	239,449	5,476	18,271	10,374	6,140	40,261	$226,636	$4,613,393	$4,331,299
2009	296,919	6,087	18,961	10,295	6,420	41,763	$230,125	$5,448,090	$5,016,629
2010	308,641	6,193	22,228	10,039	6,337	44,797	$272,865	$6,539,982	$6,013,375
2011***	0	0	0	0	0	0	$17,370	$1,339,444	$2,623,267
2012	310,839	4,675	26,393	9,409	4,911	45,388	$265,866	$7,593,577	$5,622,864

Income and Expenses include State Premium Appropriations and Bonding Assistance, but no State funded Capital Improvements.
*Other Divisions include Ag Products, Domestic Arts, Needlework, Flowers, Arts & Crafts, Photography, Writing & Education.
**Livestock Entries include Horse, Beef, Goats, Sheep, Swine, Rabbits, Dairy & Poultry.
***2011 Fair cancelled due to flooding

MAJOR CAPITAL IMPROVEMENTS
Source of Revenue
(also includes State and Local support of facilities)

The ND State Fair was authorized by the 1965 State Legislature with the 1st Fair held July 17-23 of 1966.

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1969	4-H & FFA BARN	$25,000		
	1/4 Mile Race Track		$20,000	
1971	Horse Barn		$16,000	$39,000
1975	Caretakers House			$27,000
	All Seasons Arena	$500,000	$1,700,000	
1976	FFA Building	$250,000		
	Horse Barn & Stalls	$200,000		
	Paving & Lighting		$94,000	$200,000
	Interest			$28,713
1977	New Shop			$11,000
	Kiddies Barn		$8,000	
	Interest			$29,423
1978	Warehouse		$1,700	$3,000
	Expo Barn & Stalls & Wash	$500,000		
	Trailer Park	$40,000		
	Sewer/Water/Electric System	$60,000		
	3/8 Mile Race Track		$30,000	$25,000
	Security Fencing			$75,000
	Toilets			$27,000
	Interest			$23,779
1979	Grandstand Seats			$35,000
	Jaycees Building		$60,000	
	New Sidewalks			$8,000
	Interest			$16,658
1980	Avenue of Flags		$2,500	$2,500
	Crops & Gardens Bldg			$70,000
	Parking Lot - Land			$95,000
	Interest			$13,976
1981	Fencing			$5,913
	Paving Around Barns			$60,170
	Front Sign			$5,980
	Sewer & Water Drains on Ind. Midway			$4,125
	Parking Barriers & Signs			$3,160
	Expanding Outdoor Horse Arena			$1,000
	Interest			$12,524

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1982	Expanding Outdoor Horse Arena			$1,000
	Landscape Machinery Area South of Com. Bldg.			$3,000
	New Aluminum Seats for Grandstand Bleachers			$40,000
	New Stalls for Goats & Sheep			$7,500
	New Parking Lot Sign			$6,250
	Fencing East Lot			$4,000
	New Stage			$49,000
	1st Phase of Electrical			$6,440
	Renovation	$110,600		
	Steel Post & Chain Fences Around Grounds			$10,038
	Concrete Benches		$650	
	Beer Garden Addition		$6,500	$8,868
	Electrical Service for Oil Show			$1,400
	Construction Parking Lot N of Grounds			$7,300
	Stage			$48,658
	Pave Shuttle Bus Route			$2,004
	Interest			$11,847
1983	Stage Cover		$7,800	$15,800
	Electrical	$39,400		$38,614
	Comfort Station			$73,022
	Signage			$5,652
	Sheriff's Office			$1,029
	Landscaping			$1,094
	Livestock Pens			$3,815
	Interest			$10,007
1984	Parking Lot Landscaping			$23,852
	Trees & Shrubs			$1,999
	Signage			$6,565
	Grandstand Gates & Entries			$2,710
	Ticket Office Addition			$4,194
	Pave Front of Grandstand			$8,800
	Curbs			$2,970
	In-field Transformer			$2,700
	Spotlight Stand			$750
	Commercial Building II			$473,324
	Comfort Station Architect			$960
	Landscaping at Stage II, Remove Road			$6,877
	Interest			$18,601
1985	All Seasons Arena Companion Structure & Office under contract with interest payments pledged as of 1/8/85		$1,486,418	$433,658
	Landscape around Pond			$590
	Paving Front Grandstand			$5,325
	Remodel Picnic Area			$4,459

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1986	Signage			$764
	Trees			$1,080
	Waterline			$8,678
	Beer Gardens			$263,633
	Interest		$25,950	$44,338
	Paving West Arena		$45,000	$22,961
	Sewer Improvement		$166,181	$1,908
	Paving			$13,775
	Beer Gardens Heating			$24,611
	Beer Gardens Fencing			$1,142
	Concessions Area Arena II		$21,210	
	Land			$70,000
	Arches			$6,733
	East Parking Lot Paving			$420
	Trees			$320
	Interest		$88,234	$70,423
1987	Arches		$35,000	$23,673
	Paving by Arch		$9,845	$8,600
	Dairy Barn Lighting			$1,041
	Morton Shop			$9,357
	Stage III			$4,800
	Interest		$78,152	$120,339
1988	Cultural Concessions Area		$8,057	
	Cultural Building			
	Theater/Conference Room/ Kitchen/Equipment/Restrooms		$1,594,660	$1,377,706
	Parking Lot			
	Gym Dandy's Center	$70,000		$330,000
	Dressing Room			$7,920
	Backstage Bathroom			$1,884
	Free Stage			$1,000
	Defaulted Pledges		($357,000)	$357,000
	Pedestrian Control			$3,937
	Restaurant I		$60,119	
	Honeywell Air Cleaners			$1,825
	Interest		$65,595	$86,831
1989	Carnival Bathroom			$14,605
	Commercial III/Sidewalk			$8,424
	Gate Change/Shuttle Route			$10,055
	Dressing Rooms			$2,701
	Pepsi Gate		$15,000	$1,569
	Restaurant II		$106,045	
	Visibility Barrier Fence			$3,135
	State Appropriation	$201,027		($201,027)
	Interest		$73,975	$71,547

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1990	Camping			$5,176
	Comm II/Heating & Air			$139,559
	Comm II Restaurant		$86,706	
	Horse Barn			$3,000
	Beer Gardens/Concrete			$443
	Shuttle Route			$1,849
	Coffee Room			$495
	State Appropriation	$210,000		($210,000)
	Interest		$72,821	$247,093
1991	Camping/Elec/Sewer		$7,200	$10,000
	Comm II/Heat, Air, Lights			$5,727
	Horse Barn II/Liner			$1,312
	Cultural Bldg/Arbitration			$13,834
	Ticket Booths			$3,179
	Ticket Office/Electric			$545
	Handicap Access/Grandstand			$3,597
	Land			$5,000
	Surface Drainage/Culverts			$1,400
	Arena I Retrofit		$370,000	
	Interest			$329,883
1992	Expo Barn Concrete		$27,339	
	Fence			$6,293
	Ticket Booths			$3,810
	State Appropriations	$210,000		($210,000)
	Interest			$261,620
1993	Horse Barn Concrete		$74,116	
	City/Arena Maintenance Repairs		$30,000	
	State Appropriations	$210,000		($210,000)
	Interest			$239,414
1994	West Lot		$225,645	$27,626
	Barn Moving		$119,350	
	Grandstand Restrooms			$40,407
	County/Building & Grounds Repair		$57,524	
	City/Arena Maintenance Repairs		$80,000	
	Interest			$303,850
1995	West Lot			$19,550
	Moving Reader Board Sign			$7,350
	East Lot	$30,000	$20,000	$91,261
	City/Arena Maintenance Repairs		$80,000	
	County/Building & Grounds Repair		$67,818	
	State Appropriations	$210,000		($210,000)
	Interest/Debt Service			$186,333

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1996	Midway Transformer			$1,000
	Midway Parking			$24,709
	Stage Roof			$119,233
	Street Lights			$5,500
	City/Arena Maintenance Repairs		$80,000	
	County/Building & Grounds Repair		$69,849	
	Interest			$179,319
	Flickertail Concrete			$4,358
	Game and Fish		$103,000	
	Pond Fountain			$2,324
	Sprinkler System			$3,828
	City/Arena Maintenance Repairs		$80,000	
	County/Building & Grounds Repair		$68,870	
	State Appropriations	$210,000		($210,000)
	Interest			$171,886
1998	Flat Track - Drag Strip		$290,344	
	County/Building & Grounds Repair		$85,678	
	City/Arena Maintenance Repair		$80,000	
	Arena I Restrooms			$70,000
	Pond Fountain			$674
	Grounds Keeper's Garage			$11,008
	Grounds Keeper's House			$5,230
	Interest			$165,602
	Expansion		$241,881	$4,664
1999	New Asphalt			$112,049
	Fence Relocation North of Fair			$7,782
	North Road Relocation		$50,000	$12,500
	Pavilion Project			$829
	Electrical for Machinery Row			$15,487
	West Lot Camping Improvements			$11,781
	East Lot Fence Remove/Replace			$410
	Industrial Lot Gravel		$51,000	
	Gate Repair/Install Barrier			$835
	City/Arena Maintenance		$80,000	
	County		$91,605	
	City/Magic Place		$6,916,560	
	State Appropriations	$210,000		($210,000)
	Interest			$156,184
2000	City/Magic Place/Renovation		$1,445,519	
	City		$57,566	
	Kiddie barn relocation/parking			$16,683
	Porter land			$6,000
	Porter land fencing			$2,324
	State Fair Park			$33,090
	West lot camping			$9,119
	County		$95,328	
	Interest			$148,137

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
2001	Carnival lot relocation			$93,892
	Super Cross Track		$30,000	
	Super Cross Fence		$15,000	
	Super Cross Water Point		$6,000	
	State Appropriations	$210,000		($210,000)
	City		$95,320	
	County		$180,140	
	Interest			$138,066
2002	Asphalt			$32,210
	Camping Electrical East Lot		$15,030	
	Camping Electrical West Lot		$10,104	
	Office Cupboards			$1,942
	City		$99,681	
	County		$190,367	
	Interest			$135,639
2003	Air Conditioned Jaycees			$7,322
	Air Conditioned Commercial I			$29,268
	City		$100,965	
	County		$195,615	
	East Lot Electrical Upgrade			$9,271
	Gate Arches			$32,498
	Midway Restrooms			$154,621
	Office Cupboards and Desks			$3,519
	State Approriations	$210,000		($210,000)
	Street Light (sand box)			$1,284
	Interest			$83,597
2004	Arena Hallway Flooring			$59,249
	City		$116,240	
	County		$203,393	
	Independent Midway Renovation			$31,412
	Interest			
	Office Cupboards and Desks			$2,176
	Street Light			$2,408
	West Lot Electrical Upgrade			$6,200
	Interest			$79,541
2005	Electrical Upgrades			$11,538
	City		$133,300	
	County		$212,371	
	Gate Arches Lighting			$1,917
	Office Cupboards			$1,230
	State Appropriations	$210,000		($210,000)
	West Lot Electrical Upgrade		$50,311	$23,852
	Interest			$73,073

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
2006	All Seasons Arena Seating Upgrade		$500,395	$200,000
	City		$115,000	
	County		$220,000	
	East Lot RV			$113,261
	West Lot Electrical & Grass Lots			$2,500
	Interest			$65,410
2007	All Seasons Arena Seating Upgrade		$7,511	$26,940
	Asphalt	$28,488		
	City		$169,495	
	County		$236,789	
	Expo Barn Fan			$14,258
	East Lot RV			$4,312
	Interest			$52,365
	State Appropriations	$210,000		($210,000)
2008	Asphalt	$2,157		
	City		$235,828	
	County		$281,032	
	Electrical RV Upgrade			$15,500
	Commercial III Air Conditioner			$36,069
	Grandstand Project	$120,200		
	Interest			$43,586
2009	Arena I Break Room			$10,385
	Ashpalt	$234,356		
	Electrical Upgrade East Lot RV			$39,617
	Electrical Upgrade Carnival RV			$9,737
	Electrical Upgrade South HB II			$15,000
	FFA Air Conditioner			$18,505
	Grandstand Approp 2007-2009	$129,800		$4,046
	Grandstand Approp 2009-2011	$969,986		
	Interest Paid			$34,861
	North Road			$12,500
	Umbrella's Food Court			$19,351
	City		$260,885	
	County		$284,198	
	State Appropriations	$210,000		($210,000)
2010	Industrial Lot Regrade			$18,925
	Umbrella's Food Court			$23,159
	West Lot Comfort Station		$30,500	$156,153
	Carpet-Norsk Room & TJs			$7,370
	Night Deposit Vault			$4,769
	East Lot RV Embankment			$25,000
	Electrical Upgrade Carnival RV			$7,360
	Expo Barn Re-Roof Wings			$34,210
	Food Court Utilities			$33,855

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
2010	Regrade West Lot			$10,066
(cont)	Ticket Booth			$7,237
	Asphalt			$102,751
	City		$297,787	
	County		$335,795	
	Interest			$31,999
	Grandstand	$13,003,452		$58,019
2011	Asphalt			$59,157
	Grandstand	$1,026,562		$95,699
	Grounds Keeper House			$45,355
	Industrial Lot Power			$84,155
	Interest			$21,111
	State Fair Center Lobby Piers			$12,623
	Ticket Booth			$6,679
	Umbrella's Food Court			$19,498
	West Lot Comfort Station			$9,987
	West Lot Electric Upgrade			$3,984
	City		$408,188	
	County		$370,424	
2012	Asphalt			$241,083
	Grandstand Concrete			$25,524
	Grandstand Snow Retention System			$63,028
	Grandstand Stage Roof Anchors			$4,224
	Industrial Lot Lights			$36,680
	Industrial Lot Asphalt			$80,200
	Interest			$38,409
	Pond Fence			$16,230
	Re-Seed Grass			$2,600
	Regrade Dirt South of Horse Barn II			$4,000
	RV Booth			$3,961
	Sprinkler System			$14,499
	State Fair Center HVAC Unit			$18,000
	Theater Overhead Door			$7,086
	West Lot Gravel			$29,666
	City		$492,775	
	County		$378,022	
	State Appropriations	$210,000		($210,000)
	Misc. Items Listed			$835,291
	TOTAL =	$20,061,028	$22,953,772	$9,750,982

1966 MAJOR IMPROVEMENTS: Non-specified improvements include the purchase of props, tables, chairs, display curtains, stock panels, tractors, vehicles and other equipment. The remodeling of the plumbing of 3 bathrooms in the Arts & Crafts Building; the remodeling of the grandstand ticket office; the addition of a mens toilet in the Arts & Crafts Building; $8,000 worth of hand dryers; new staging; sodding of boulevards; replanting of grass; remodeling of the beer gardens & 4-H building; ticket booths; installation of new gates, fences & dividers; the demolition of two horse barns, the old hog & sheep barn, two race barns, an old log barn, two houses & the old office. The construction of a show mobile stage; a new underground drainage system; dredging of the pond; construction of a horse arena; cattle tie outs; new parking lot roadway & lights; aluminum benches; more portable bleachers; aluminum picnic tables; re-roofing of the dairy barn; painting of the domestic arts building, beef barn & dairy barn; new soffits on the horse barn; miscellaneous fencing; remodeling the pub bar & diaper stations; painting the grandstand. Over $835,291 worth of additional significant changes & improvements.

***Major improvements do not include general routine maintenance repairs, the purchase of consumable supplies, or replacement of equipment.

Footnote: A small portion of the interest credited to the support of Fair funding from 1976-1984 could possibly be credited to local funds.

Financial Statements
September 30, 2012 and 2011

North Dakota State Fair Association

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Independent Auditor's Report

The Board of Directors
North Dakota State Fair Association
Minot, North Dakota

We have audited the accompanying financial statements of the business-type activities of the North Dakota State Fair Association, enterprise fund of the State of North Dakota, as of and for the years ended September 30, 2012 and 2011, which comprise the Association's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the North Dakota State Fair Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the North Dakota State Fair Association are intended to present the financial position, changes in financial position, and cash flows of the State of North Dakota that are attributable to the transactions of the North Dakota State Fair Association. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of September 30, 2012 and 2011 and the changes in financial position and cash flows for the years ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the North Dakota State Fair Association as of September 30, 2012 and 2011, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued a report dated November 5, 2012, on our consideration of North Dakota State Fair Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2012

This section of the Association's annual financial report presents our analysis of the financial performance during the fiscal year that ended September 30, 2012. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- During fiscal year 2012, the Association had a successful Fair.
- During fiscal year 2011, the Association cancelled the Fair due to flooding.
- During fiscal year 2012, the Association's net assets increased by $1,123,046 or 4.36%.
- During fiscal year 2011, the Association's net assets decreased by $2,016,943 or -7.3%.
- During fiscal year 2010, the Association's net assets increased by $14,315,138 or 106.2%.
- In 2012, the Association's operating revenues increased $5,547,354 or 427%, while operating expenses increased $3,192,066 or 84.2%.
- During fiscal year 2011, the Association's operating revenues decreased by $4,662,751 or -78.21%
- During fiscal year 2010, the Association's operating revenues increased $762,639 or 14.6%, while operating expenses increased $678,340 or 11%.
- In fiscal year 2012, fair revenues increased to $6,652,773 or 543% over fiscal year 2011.
- Fair revenues in fiscal year 2011 decreased to $1,034,986 or -82%.
- Fair revenues in fiscal year 2010 increased to $5,728,818 or 17.7% over 2009.
- During fiscal year 2012, the property and equipment additions totaled 1,387,191.
- During fiscal year 2011, the property and equipment additions totaled $335,448.
- During fiscal year 2010, the property and equipment additions totaled $15,877,444.
- Depreciation expense for the current fiscal year 2012 totaled $1,332,486.
- Depreciation expense for fiscal year 2011 totaled $1,317,930.
- Depreciation expense for fiscal year 2010 totaled $1,035,825.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements, and Supplementary Information. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The Financial Statements of the Association report information about the Association using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Balance Sheet includes all of the Association's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Association creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Association and assessing the liquidity and financial flexibility of the Association. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Net Assets. This statement measures the success of the Association's operations over the past year and can be used to determine whether the Association has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Association's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Association

One of the most important questions asked about the Association's finances is "Is the Association as a whole better off or worse off as a result of the year's activities?" The Balance Sheet, and the Statement of Revenues, Expenses and Changes in Net Assets report information about the Association's activities in a way that will help answer this question. These two statements report the net assets of the Association and changes in them. You can think of the Association's net assets-the difference between assets and liabilities-as one way to measure financial health or financial position. Over time, increases or decreases in the Association's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population declines, and competitive forms of entertainment.

Net Assets

To begin our analysis, a summary of the Association's Balance Sheets is presented in the following:

Condensed Balance Sheets
(In Thousands of Dollars)

	2012	2011	2010	Dollar Change	Total Percent Change
Current and other assets	$ 4,637	$ 5,734	$ 5,157	$ (1,097)	-19.13%
Capital assets	23,447	23,405	24,401	42	0.18%
Total assets	$ 28,084	$ 29,139	$ 29,558	$ (1,055)	-3.62%
Long-term debt outstanding	$ -	$ 419	$ 595	$ (419)	-100.00%
Other liabilities	1,184	2,943	1,169	(1,759)	-59.77%
Total liabilities	$ 1,184	$ 3,362	$ 1,764	$ (2,178)	-64.78%
Invested in capital assets, net of related debt	$ 23,447	$ 22,987	$ 23,806	$ 460	2.00%
Restricted	-	470	472	(470)	-100.00%
Unrestricted	3,453	2,320	3,516	1,133	48.84%
Total net assets	$ 26,900	$ 25,777	$ 27,794	$ 1,123	4.36%

As can be seen from the table above, net assets increased over $1 million. The increase is due to the Fair resuming operations this year after last years' Fair being cancelled due to the flooding of the Fairgrounds. Total liabilities decreased $2,178,000 to $1,184,000 due to the payoff of the bond and payment on all flood contracts that were payable at 2011 year end.

Net assets decreased over $2 million in fiscal year 2011 from fiscal year 2010. The decrease was due to the flooding of the ND State Fairgrounds and lost revenue due to the cancellation of the 2011 ND State Fair. Total liabilities increased from $1,764,000 in 2010 to $3,362,000 in 2011 due to flood contracts payable.

Condensed Statements of Revenues, Expenses and Changes in Net Assets
(In Thousands of Dollars)

	2012	2011	2010	Dollar Change	Total Percent Change
Operating Revenues					
Fair proceeds and other revenue	$ 6,653	$ 1,035	$ 5,728	$ 5,618	542.80%
Arena revenue	177	255	210	(78)	-30.59%
Other revenue	16	9	23	7	77.78%
	6,846	1,299	5,961	5,547	427.02%
Nonoperating Revenues					
Local grants	1,171	779	634	392	50.32%
Interest and investment income	3	6	8	(3)	-50.00%
(Loss)/Gain on sale of fixed assets	(1)	-	(54)	(1)	0.00%
	1,173	785	588	388	49.43%
Total Revenue	8,019	2,084	6,549	5,935	284.79%
Operating Expenses					
General expenses	3,860	1,163	4,076	2,697	231.90%
Depreciation expense	1,332	1,318	1,036	14	1.06%
Salaries, wages and vacation pay	1,524	1,310	1,291	214	16.34%
Premiums, trophies and awards	266	17	273	249	1464.71%
	6,982	3,808	6,676	3,174	83.35%
Non Operating Expenses					
Interest expense	38	21	29	17	80.95%
Bond issuance costs	1	3	3	(2)	-66.67%
Amortization	1	9	9	(8)	-88.89%
	40	33	41	7	21.21%
Total Expenses	7,022	3,841	6,717	3,181	82.82%
Extraordinary Items					
FEMA grants	1,424	2,569	-	(1,145)	100%
Flood expenditures	(1,768)	(2,846)	-	1,078	100%
Transfers -					
State Appropriations	470	17	14,483	453	2664.71%
Change in Net Assets	1,123	(2,017)	14,315	3,140	
Net Assets, Beginning of Year	25,777	27,794	13,479	(2,017)	
Net Assets, End of Year	$ 26,900	$ 25,777	$ 27,794	$ 1,123	4.36%

While the Balance Sheet shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Assets, provides answers as to the nature and source of these changes. As can be seen above, there is an increase in net assets due to revenues from the 2012 ND State Fair, flooding in 2011 caused the cancellation of the 2011 ND State Fair.

Capital Assets

As of September 30, 2012 and September 30, 2011, the Association had invested more than $41 million in infrastructure including land, buildings, improvements and equipment. Approximately 96 percent of that total is related to land and structures. Maintenance and upkeep of those structures and improvements is a continual ongoing process for the Association. Annual yearly costs for building and grounds upkeep exceed $665 thousand, excluding payroll costs for Association employees engaged in repair and upkeep procedures.

Current year additions to the capital asset category totaled approximately $1,387,191. See footnote 4 for additional details.

Long-Term Bond Debt

At year end, the Association had no long or short-term bond debt down from $420 thousand in the prior year. The decrease is due to the payoff of the debt. See footnote 5 for additional details. In fiscal year 2011, the Association had $420 thousand in long and short-term bond debt down from $605 thousand in fiscal year 2010 for a decrease of 30.6 percent.

Economic Factors and Next Year's Operations

The North Dakota State Fair Association is in the entertainment business, and as such is dependent upon many factors affecting the entertainment spending decisions of its customers. Factors such as condition of the agriculture economy, oil industry, Minot Air Force Base, Canadian exchange rates, weather, and competing entertainment providers such as casinos can all have significant impact on turnout for the annual State Fair. Fair attendance figures increased the past year because of the strong local economy.

Contacting the Association's Financial Manager

This financial report is designed to provide our state citizens, customers, and creditors with a general overview of the Association's finances and to demonstrate the Association's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the North Dakota State Fair Association office at P.O. Box 1796, Minot, ND 58702-1796.

North Dakota State Fair Association
Balance Sheets
September 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 4,237,422	$ 2,541,701
Accounts receivable, net of allowance for uncollectible accounts (2012 and 2011 - $50,000)	28,741	114,275
FEMA receivable - due from Federal Government	330,801	2,569,030
Prepaid items	39,760	38,702
Total current assets	4,636,724	5,263,708
Noncurrent Assets		
Restricted cash and cash equivalents	-	250,871
Restricted investment, at fair value	-	219,055
Unamortized bond issuance costs	-	556
Capital assets		
Land	390,816	390,816
Infrastructure	3,776,156	3,613,281
Buildings	35,741,352	34,728,112
Equipment	1,859,469	1,758,107
Less accumulated depreciation	(18,320,511)	(17,085,115)
Total noncurrent assets	23,447,282	23,875,683
Total assets	$ 28,084,006	$ 29,139,391

See Notes to Financial Statements

	2012	2011
Liabilities and Net Assets		
Current Liabilities		
Trade accounts payable	$ 113,101	$ 20,990
Flood contracts payable	-	1,798,685
Accrued interest payable	36,006	6,440
Current portion of accrued employee leave	45,000	30,000
Current portion of flood loan payable	964,830	-
Bonds payable, net of unamortized discount (2011 - $1,461)	-	418,539
Total current liabilities	1,158,937	2,274,654
Noncurrent Liabilities		
Accrued employee leave, net of current portion	24,856	31,777
Flood loan payable	-	1,055,793
Total noncurrent liabilities	24,856	1,087,570
Total liabilities	1,183,793	3,362,224
Net Assets		
Invested in capital assets, net of related debt	23,447,282	22,986,662
Restricted for debt service	-	469,926
Unrestricted	3,452,931	2,320,579
Total net assets	26,900,213	25,777,167
Total liabilities and net assets	$ 28,084,006	$ 29,139,391

North Dakota State Fair Association

Statements of Revenues, Expenses and Changes in Net Assets

Years Ended September 30, 2012 and 2011

	2012	2011
Operating Revenues		
Fair proceeds and other revenue	$ 6,652,773	$ 1,035,336
Arena revenue	177,423	254,612
Other revenue	16,008	8,902
Total operating revenues	6,846,204	1,298,850
OperatingE xpenses		
General expenses	3,860,393	1,146,129
Depreciation expense	1,332,486	1,317,930
Salaries, wages and vacation pay	1,524,491	1,309,721
Premiums, trophies and awards	265,868	17,392
Total operating expenses	6,983,238	3,791,172
Operating Loss	(137,034)	(2,492,322)
Nonoperating Revenues (Expenses)		
Local grants	1,170,797	778,609
Interest and investment income	3,232	8,440
Net decrease in fair value of investments	-	(1,930)
Loss on disposal of fixed assets	(535)	-
Interest expense	(38,409)	(21,111)
Bond issuance costs	(555)	(3,335)
Amortization of bond discount	(1,461)	(8,754)
Total nonoperating revenues	1,133,069	751,919
Gain (Loss) Before Extraordinary Items & Transfers	996,035	(1,740,403)
Extraordinary Items		
FEMA grants	1,424,750	2,569,030
Flood expenditures	(1,767,739)	(2,862,940)
Transfers - State Appropriations	470,000	17,370
Change in Net Assets	1,123,046	(2,016,943)
Net Assets, Beginning of Year	25,777,167	27,794,110
Net Assets, End of Year	$ 26,900,213	$ 25,777,167

See Notes to Financial Statements

North Dakota State Fair Association

Statements of Cash Flows

Years Ended September 30, 2012 and 2011

	2012	2011
Operating Activities		
Cash received from customers	$ 6,931,738	$ 1,197,581
Cash payments for goods and services	(4,035,208)	(2,267,105)
Cash payments to employees	(1,516,412)	(1,302,410)
Net Cash from (used for) Operating Activities	1,380,118	(2,371,934)
Non-Capital Financing Activities		
Local grants received	1,170,797	778,609
State appropriations received	470,000	17,370
Net Cash from Non-Capital Financing Activities	1,640,797	795,979
Capital and Related Financing Activities		
Payments for capital acquisitions	(1,375,103)	(322,442)
State appropriations received		1,026,562
FEMA flood assistance received	3,662,981	-
Proceeds from issuance of flood loan	3,572,018	1,073,698
Payments on flood loan	(3,662,981)	(17,905)
Payments for flood expenditures	(3,566,424)	(1,047,333)
Principal payments on bonds	(420,000)	(185,000)
Interest paid	(8,843)	(23,886)
Net Cash from (used for) Capital and Related Financing Activities	(1,798,352)	503,694
Investing Activities		
Receipts of interest and dividends	3,232	8,440
Purchase of US Treasury Notes	-	(221,000)
Proceeds from the sale of US Treasury Notes	219,055	221,000
Net Cash from Investing Activities	222,287	8,440
Net Change in Cash and Cash Equivalents	1,444,850	(1,063,821)
Cash and Cash Equivalents, Beginning of Year	2,792,572	3,856,393
Cash and Cash Equivalents, End of Year	$ 4,237,422	$ 2,792,572

See Notes to Financial Statements

	2012	2011
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating loss	$ (137,034)	$ (2,509,244)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation	1,332,486	1,317,930
Changes in operating assets and liabilities		
Customer receivables	85,534	(101,269)
Prepaid expenses	(1,058)	(2,560)
Trade accounts payable	92,111	(1,084,102)
Accrued leave	8,079	7,311
Net Cash from Operating Activities	$ 1,380,118	$ (2,371,934)
Summary of Cash and Cash Equivalents		
Unrestricted cash in banks	$ 4,237,422	$ 2,541,701
Restricted cash in banks	-	250,871
	$ 4,237,422	$ 2,792,572
Supplemental Disclosure of Noncash Capital Financing Activities		
Value received for trade of capital assets	$ 12,089	$ -
Noncash Investing Activity		
Change in FMV of investments	$ -	$ (1,930)

	2009-2011 Appropriation	7/1/2009 9/30/2009 Expenditures	10/1/2009-9/30/2010 Expenditures	10/1/2010-6/30/2011 Expenditures	2011-2013 Appropriation	7/1/2011-9/30/2011 Expenditures	10/1/2011-9/30/2012 Expenditures	Unexpended Appropriations at 9/30/2012
Debt Service	$ 210,000	$ -	$ 190,000	$ 20,000	$ 210,000	$ -	$ 210,000	$ -
Grandstand	15,000,000	970,366	14,029,634		-	-		-
Premiums	487,150	236,698	250,452	-	520,000	17,392	260,000	242,608
	$ 15,697,150	$ 1,207,064	$ 14,470,086	$ 20,000	$ 730,000	$ 17,392	$ 470,000	$ 242,608

The following schedule shows the appropriated and non-appropriated portion of premiums, operating expenses, interest expense and bond principal payments for the two-year period ended September 30, 2012. Non-appropriated expenditures are made in accordance with NDCC 4-02.1-15.

	FY 2012 Appropriated	FY 2012 Non-appropriated	FY 2011 Appropriated	FY 2011 Non-appropriated	Fiscal Years 2011-2012 Total
Premiums	$ 260,000	$ 5,868	$ 17,392	$ -	$ 283,260
Operating expenses	-	6,717,370	-	3,790,702	10,508,072
Interest expenses	-	38,409	-	21,111	59,520
Principal payments on bonds	210,000	210,000	20,000	165,000	605,000
	$ 470,000	$ 6,971,647	$ 37,392	$ 3,976,813	$ 11,455,852

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

The North Dakota State Fair Association is an Enterprise Fund of the State of North Dakota. The purpose of the State Fair Association is to conduct an annual exhibition of the state's resources and products in order to promote the state.

The accompanying financial statements of the North Dakota State Fair Association follow the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing generally accepted accounting principles for governmental entities. In addition, the Association follows all nonconflicting pronouncements of the Financial Accounting Standards Board (FASB) issued and effective subsequent to November 30, 1989.

The accounting policies of the North Dakota State Fair Association conform to generally accepted accounting principles as applicable to local governmental units. The following is a summary of the more significant policies:

Reporting Entity

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

Revenue Recognition

Revenue is recognized on the accrual basis for financial reporting.

Infrastructure, Buildings, and Equipment

Infrastructure, buildings and equipment are stated at cost except for donated assets which are reported at fair value on the date received. Expenditures exceeding $5,000 for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance, repairs and improvements less than $5,000 are currently charged to expense.

Depreciation is provided for over the estimated useful lives of the individual assets using the straight-line method. The estimated useful lives used in the computation of depreciation are as follows:

Infrastructure	5-25 years
Buildings	20-40 years
Equipment	3-15 years

Pension Costs

Pension costs are funded as they accrue.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Association considers all Treasury bills, commercial paper, certificates of deposit and money market funds which have an original maturity of three months or less to be cash equivalents.

Restricted Cash and Investments

As of September 30, 2011, the North Dakota State Fair had a bond that required certain reservations of the Association's assets. The Association had a reserved investment account in the amount of $219,055, and an Emergency Reserve Cash Account in the amount of $250,871. The bond was paid in full during 2012.

Accounts Receivable

Accounts receivable are carried at original invoice amount less a reserve estimate made for doubtful accounts. Management's estimate of the allowance for doubtful accounts is based on historical loss levels and an analysis of the collectability of individual accounts. Accounts receivable are due within 30 days after which they are charged interest at 18% annually.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements.

Bond Issuance Costs and Bond Discounts

Bond issuance costs and bond discounts are amortized over the life of the bonds using the straight-line method.

Operating Revenues

For purposes of differentiating operating revenues from no operating revenues, the Association considers support received from the City of Minot and Ward County to be non-operating revenues. The stated purpose of the support from the mentioned entities is to help offset the operating expenses related to non-Fair and arena ice activities. Expenses related to the maintenance and operations of these facilities are classified as operating expenses.

Restricted Resources

It is the Association's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

Compensated Absences

Employees accrue annual leave at a rate of eight hours per month for the first three years of continuous service. The accrual rate is increased to ten hours per month after three years, twelve hours per month after seven years, fourteen hours per month after thirteen years, and sixteen hours per month after eighteen years of service. The maximum amount of leave that may be carried forward each year is 240 hours. All unpaid leave is payable upon termination.

Permanent employees also earn sick leave at a rate of eight hours per month. Sick leave is being carried over from year to year. If an employee leaves after ten continuous years of service, the employee will be paid for ten percent of any unused accumulated sick leave.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense for the years ended September 30, 2012 and 2011, is $275,442 and $208,978, respectively.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Note 2 - Cash

Custodial Credit Risk

State law generally requires that all state funds be deposited in the Bank of North Dakota. NDCC 21-04-02 provides that public funds belonging to or in the custody of the state shall be deposited in the Bank of North Dakota. Also, NDCC 6-09-07 states, "all state funds... must be deposited in the Bank of North Dakota" or must be deposited in accordance with constitutional and statutory provisions.

Note 3 - Investments

As of September 30, 2012 and 2011, the Association has the following investments:

Investment	Maturity	2012 Fair Value	2011 Fair Value
U.S. Treasury note	10/21/10	$ -	$ 219,055

State law generally requires that all state funds be deposited in the Bank of North Dakota. NDCC 21-04-02 provides that public funds belonging to or in the custody of the state shall be deposited in the Bank of North Dakota. The North Dakota State Fair Association only invests in investments offered by the State Treasurer.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The Association does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

Note 4 - Capital Assets

The components and changes in components of capital assets at September 30, 2012 and 2011 are as follows:

	Balance 09/30/11	Additions/ Depreciation Expense	Deletions	Balance 09/30/12
Capital Assets Not Being Depreciated				
Land	$ 390,816	$ -	$ -	$ 390,816
Capital Assets Being Depreciated				
Infrastructure	3,613,281	170,935	(8,060)	3,776,156
Buildings	34,728,112	1,019,369	(6,129)	35,741,352
Equipment	1,758,107	196,887	(95,525)	1,859,469
	40,490,316	1,387,191	(109,714)	41,767,793
Less accumulated depreciation				
Infrastructure	(2,545,912)	(123,576)	8,060	(2,661,428)
Buildings	(13,005,752)	(1,148,695)	5,594	(14,148,853)
Equipment	(1,533,451)	(60,215)	83,436	(1,510,230)
	(17,085,115)	(1,332,486)	97,090	(18,320,511)
Net	$ 23,405,201	$ 54,705	$ (12,624)	$ 23,447,282

	Balance 09/30/10	Additions/ Depreciation Expense	Deletions	Balance 09/30/11
Capital Assets Not Being Depreciated				
Land	$ 390,816	$ -	$ -	$ 390,816
Capital Assets Being Depreciated				
Infrastructure	3,465,985	147,296	-	3,613,281
Buildings	34,598,087	130,025	-	34,728,112
Equipment	1,721,183	58,127	(21,203)	1,758,107
	40,176,071	335,448	(21,203)	40,490,316
Less accumulated depreciation				
Infrastructure	(2,424,868)	(121,044)	-	(2,545,912)
Buildings	(11,868,850)	(1,136,902)	-	(13,005,752)
Equipment	(1,481,664)	(59,983)	8,196	(1,533,451)
	(15,775,382)	(1,317,929)	8,196	(17,085,115)
Net	$ 24,400,689	$ (982,481)	$ (13,007)	$ 23,405,201

Note 5 - Long – Term Debt

Changes in Bonds Payable, Flood Loan Payable and Accrued Employee Leave

The following is a summary of changes in bonds payable, flood loan payable and accrued employee leave for the year ended September 30, 2012 and 2011:

	Balance 09/30/11	Additions	Retirements	Balance 09/30/12	Current Portion
Bonds Payable	$ 420,000	$ -	$ (420,000)	$ -	$ -
Flood Loan	1,055,793	3,572,018	(3,662,981)	964,830	964,830
Accrued Employee Leave	61,777	50,889	(42,810)	69,856	45,000
	$ 1,537,570	$ 3,622,907	$ (4,125,791)	$ 1,034,686	$ 1,009,830

	Balance 09/30/10	Additions	Retirements	Balance 09/30/11	Current Portion
Bonds Payable	$ 605,000	$ -	$ (185,000)	$ 420,000	$ 420,000
Flood Loan	-	1,073,698	(17,905)	1,055,793	-
Accrued Employee Leave	54,466	34,821	(27,510)	61,777	30,000
	$ 659,466	$ 1,108,519	$ (230,415)	$ 1,537,570	$ 450,000

Maturities of Bonds & Loan Payable

Maturities of principal and interest on the flood loan are as follows:

Year Ended September 30,	Principal	Interest	Total
2013	$ 964,830	$ 52,243	$ 1,017,073

The following summarizes the Association's debt outstanding as of September 30, 2012 and 2011:

Description and Due Date	Interest Rate	Original Issue Amount
Refunding Revenue Bonds Series 2001 12/01/02 - 12/01/11	3.5 - 4.6	$ 2,205,000
Flood Loan through the Bank of North Dakota 08/10/11 - 06/30/13	1.25% over 30-day LIBOR Floor rate of 2.26%	Maximum $6,000,000

Refunding Revenue Bonds Series 2001

Interest on the 2001 Series Bonds is payable semi-annually on June 1 and December 1 of each year. The bonds maturing on December 1, 2011 are not subject to optional redemption prior to maturity except under extraordinary circumstances. The bonds are presented on the balance sheet net of unamortized discount of $1,461 for the year ended September 30, 2011. The bonds are secured by the Association's net revenues, designated appropriations from the North Dakota Legislature, a Reserve Account in the amount of $219,926, and by an Emergency Reserve Account in the amount of $250,000. During 2012 the bonds were paid in full.

Bank of North Dakota Flood Loan

On August 10, 2011, the Bank of North Dakota approved a loan for a non-revolving line of credit for the North Dakota State Fair Association, with funds up to $6,000,000 available. The purpose of the unsecured loan is to cover expenses associated with 2011 flooding. All principal and interest are due at the maturity date of June 30, 2013. The interest rate is 1.25% over the 30-day LIBOR, with a floor rate of 2.26%, at September 30, 2012 and 2011 the interest rate was at 2.25% and 2.26%, respectively.

Note 6 - Appropriations

The North Dakota State Fair Association receives premium appropriations from the State of North Dakota. These premium appropriations are restricted for the purpose of providing premiums to fair exhibition winners. Premium appropriations for the years ended September 30, 2012 and 2011, were $260,000 and $17,370, respectively.

The North Dakota State Fair Association receives debt service appropriations from the State of North Dakota. These amounts are restricted for the purpose of bond payments. Debt service appropriations for September 30, 2012 and 2011 totaled $210,000 and $0, respectively.

Note 7 - Pensions

The North Dakota State Fair Association participates in the North Dakota Public Employees' Retirement System (NDPERS) administered by the State of North Dakota. The following is a brief description of the plan.

Description of Plan

NDPERS is a cost-sharing multiple-employer defined benefit pension plan covering substantially all classified employees of the North Dakota State Fair Association. The plan provides retirement, disability and death benefits. If an active employee dies with less than five years of credited service, a death benefit equal to the value of the employee's accumulated contributions, plus interest, is paid to the employee's beneficiary. If the employee has earned more than five years of credited service, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the employee's accrued normal retirement benefit, or 60 monthly payments equal to the employee's accrued normal retirement benefit calculated as if the employee were age 65 the day before death occurred (or, effective August 1, 1995, monthly payments in an amount equal to the employees' accrued 100% joint and survivor retirement benefit if the member had reached normal retirement age prior to date of death). If the surviving spouse dies before the employee's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible employees, who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits that are equal to 25% of their final average salary with a minimum benefit of $100. To qualify under this section, the employee must meet the criteria established by the Retirement Board for being considered totally disabled.

Employees are entitled to unreduced monthly pension benefits equal to 2.0% of their final average salary for each year of service beginning when the sum of age and years of credited service equal or exceed 85, or at normal retirement age (65). The plan permits early retirement at ages 55-64, with five or more years of service. NDPERS issues a publicly available financial report that includes financial statements and the required supplementary information for NDPERS. That report may be obtained by writing to NDPERS; 400 E. Broadway, Suite 505; P.O. Box 1214; Bismarck, ND 58502-1214.

Funding Policy

NDPERS is funded by employee contributions (set by statute) of 5% of regular compensation. During the 1983-1985 biennium the State implemented the employer pickup provision of the IRS code whereby a portion or all of the required employee contributions are made by the employer. The ND State Fair Assn is paying the full employee contribution of 4%. Employer contributions of 5.12 percent of covered compensation are set by statute. Therefore, the ND State Fair Assn is paying a total contribution of 9.12% out of ND State Fair Assn operating funds. The required contributions are determined using an entry age normal actuarial funding method. The North Dakota Retirement Board was created by the State legislature and is the governing authority of NDPERS. Benefit and contribution provisions are administered in accordance with Chapter 54-52 of the North Dakota Century Code. The North Dakota State Fair Association's required and actual contributions to NDPERS for the fiscal years ending September 30, 2012, 2011, and 2010, were $73,367, $61,952, and $61,335, respectively.

Note 8 - Lease Agreements

The North Dakota State Fair Association, as lessor, has entered into lease agreements with local organizations for the use of Association buildings. The lessees have use of the facilities for established months of each year and the Association has use of the facilities for the period which coincides with fair time.

Lease terms are as follows:

	Term and Expiration Date	Annual Rental
Gymagic Gymnastics Agreement	5 years through September 2017,	$ 25,200
All Seasons Arena Ice Contract	Annual with renewal option	105,900
Norsk Hostfest Contract	1 year through September 2012	156,400
Minot Curling Club Contract	5 years through April 2017	6,000

The leases are accounted for as operating leases. The Gymagic Gymnastics and the Minot Curling Club leases are noncancelable. The Minot Curling Club Contract increases to $7,200 annually in fiscal year 2015. The All Seasons Arena Ice Contract and Norsk Hostfest contracts are cancelable in the event the facilities specified within the contracts are destroyed.

The minimum aggregate lease revenue over the next five years is as follows:

Years Ended September 30,	Amount
2013	$ 137,100
2014	31,200
2015	32,400
2016	32,400
2017	32,400
	$ 265,500

Note 9 - Risk Management

The North Dakota State Fair Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are funds/pools established by the State for risk management issues:

The 1995 Legislative Session established the Risk Management Fund (RMF), an internal service fund, to provide a self-insurance vehicle for funding the liability exposures of State agencies resulting from the elimination of the State's sovereign immunity. The RMF manages the tort liability of the State, its agencies' employees and the University System. All State agencies participate in the RMF and their fund contribution was determined using a projected cost allocation approach. The statutory liability of the State is limited to a total of $250,000 per person and $1,000,000 per occurrence.

In 1986 State agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for over 2,000 State agencies and political subdivisions. The North Dakota State Fair Association pays an annual premium to NDIRF for its general liability, auto, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of one million dollars per occurrence.

The Association also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The agency pays an annual premium to the Fire and Tornado Fund to cover property damage to building and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of one million dollars per occurrence during a 12 month period. The State Bonding Fund currently provides the agency with blanket fidelity bond coverage in the amount of $2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The agency participates in the North Dakota Workforce Safety and Insurance Fund (WSI), an Enterprise Fund of the State of North Dakota. The WSI is a state insurance fund and a "no fault" insurance system covering the State's employers and employees financed by premiums assessed to employers. The premiums are available for the payment of claims to employees injured in the course of employment.

There have been no significant reductions in insurance coverage from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past two fiscal years.

Note 10 - Commitments

The North Dakota State Fair Association entered into a lease and concessions arrangement with M & S Concessions. The lessee is responsible to provide for its own concession equipment. In the event that the lease is not renewed or terminated, the Association is committed to purchase the equipment and improvements installed by the lessee at a price equal to "depreciated value." Depreciated value means the original cost of the equipment or improvements, less 10% per year from the date of installation to the date of termination. Estimated depreciated value at September 30, 2012 is approximately $260,844.

Note 11 - Extraordinary Items – Flooding

During the month of June 2011, flooding from the Souris River directly impacted the North Dakota State Fair Association causing significant damage to the buildings and other properties. Costs are expected to be partially recovered from federal assistance programs. Included in the financial statements for the year ended September 30, 2012 and 2011 are $1,767,739 and $2,862,940 in expenditures incurred or payable, respectively, and $1,424,750 and $2,569,030 in federal grants revenues or receivables, respectively, from the Federal Emergency Management Agency.

Lovin' From My Oven: Order Form

Name_____

Telephone _____

*Return order form in Donation box or call 255-1747

Delivery Dates:

___Dec 21 or 24 _____

___Other_____

Selection:

____Snicker-doodle Cookie $6.00

____Ginger-Spice Cookie $6.00

____Choc-Chip Oatmeal $6.00

____Chocolate Crinkle Cookie $6.00

____Monster Cookie $6.00

____PB Kissed Cookie $6.00

____Raisin Cookie $6.00

____Brownies $6.00

____Coffee Break Platter Inquiry

____Pumpkin Pie $10.00

____Apple Pie $12.00

____Pecan Pie $12.00

____Choc. Mint Bundt Cake $10.00

____Cinnamon Roll 1/2 dozen $6.00

____Cranberry Walnut Bread $6.00

____Garlic Herb Bread $6.00

____Multi Grain Bread $6.00

____Dill Bread $6.00

____Country White Bread $5.00

____**# of Items Total Cost $**_____

Cash or Check (Check #_____)

Make Checks Payable to Florence Mayer

About the Baker & Lovin' From My Oven

Florence Mayer is an active 14 year old girl who enjoys learning, spending time with her family, playing the piano & violin, riding her horse Penny, baking & sewing.

She is active in 4-H. This past year she earned 57 Blue Ribbons & a combination of 13 Grand or Reserve Champion Awards.

"Lovin' From My Oven" is an Educational Project on Entrepreneurship through Morton County 4-H. Her goal is to learn the business of owning/running a bakery & all the details that go with it. (Health regulations, Money Management, Marketing, Product Perfection, Customer satisfaction...)

Florence is independently funding her project. Her goal is to earn back the cost of ingredients & establish a 4-H scholarship fund for kids who would like to do service projects to help others in our community.

Thank you for your patronage, for supporting a youth to learn new skills, gain knowledge & inspire other children by making community service projects affordable. Thank you!

Lovin' From My Oven

Quality Baked Goods

December 2012

Holiday Delivery Dates:
Christmas; December 21st or 24th

Other Dates for Holiday Delivery available upon request.

Lovin' From My Oven: Holiday Selections

Cookie & Sweets Selections

Cookies.....$ 6.00/dozen
- Snicker-doodle Cookie
- Ginger-Spice Cookie
- Chocolate Chip Oatmeal Cookie
- Chocolate Crinkle Cookie
- Monster Cookie
- Peanut Butter Kissed Cookie
- Old Fashioned Raisin Cookie

Brownies.....$ 6.00/dozen
Wonderful cake-like chocolate brownies with frosting!

"Coffee Break Platters" available weekly for the office. Cookies are individually packaged. Price varies, depending on size of platter. Check blank on the Order form and we will return a call for questions & information. Thanks.

Pie & Roll Selections

Pumpkin Pie.....$ 10.00
9 1/2 inch Pie, Traditional Holiday Pie

Apple Pie.....$ 12.00
9 1/2 inch pie, Tender & flaky crust filled with fresh apple filling.

Pecan Pie.....$ 12.00
9 1/2 inch pie. A Southern Tradition. Very rich.

Cinnamon Rolls.....$ 6.00/half dozen
A half dozen pan of cinnamon rolls drizzled with a sweet vanilla icing.

Mint Chocolate Cake..... $10.00
Moist Chocolate bundt cake with a smooth mint. flavor. Serves 16.

*Pies are made fresh & should be eaten fresh. We recommend pies to be consumed within 48 hours of delivery.

Bread Selections

Cranberry Walnut Bread.....$ 6.00
Fantastic served warm or toasted. This generous loaf will delight all for brunch or breakfast.

Garlic Herb Bread.....$ 6.00
Beautifully-Braided Loaf with a rich Savory flavor.

Multi Grain Bread.....$ 6.00
7 wonderfully nutty grains fill this moist round loaf.

Dill Bread.....$ 6.00
Round Artesian loaf, full-flavor. Fantastic fresh, with soup, grilled or toasted.

Country White Bread .....$ 5.00
A traditional home-made country white bread.

** As always *Lovin' From My Oven* baked goods are made from scratch with fresh, whole ingredients. They are NOT low fat. Nuts are present in the kitchen where goodies are made.

Sincerely, Florence Mayer

4-H premium at work

By: Florence Mayer January 2013

I am a member of the Integrity 4-H club of Morton County. The 4-H motto is to "make the best, better". Today I'd like to tell you about an opportunity I had to make my best better, because of the premium money I earned at the ND State Fair.

This past year I entered 37 projects at the ND State Fair.
I earned; 33 blue ribbons and 4 red ribbons.
Of the 33 blue ribbons I was awarded:

1 Grand Champion Award,
2 Reserve Champion Awards,
3 Awards of Excellence,
A Citizenship Ribbon & a Traveling Banner Award for promoting 4-H.

After the State Fair I received a premium money check for $122 for my efforts. I was excited about my success and started thinking about my options for what to do with this premium money.

I researched the banking industry, investing & spoke to many business professionals concerning cds, savings accounts, interest rates & investing. I wanted this premium money to grow.

One businessman I spoke to instructed me to invest in our local utility company, so I could drive down Century Avenue & say I own part of that particular glass palace. Another informed me he would be so happy if I put my money in his bank. After one year of having my money inaccessible I would have enough interest earned to purchase a postage stamp.

Neither of these options appealed to me. I earned this money by making my best better & decided I should put my hard earned premium money to use by continuing to make my best better. I started assessing my interests and skills based on the success I had at the ND State Fair. After pondering several ideas, I came up with a business plan focused baking and I was on my way to becoming an entrepreneur.

My entrepreneurship project is called “Lovin’ from My Oven”. My goals were to:
~completely fund the project myself using premium money.
~earn back the cost of business expenses.
~make enough of a profit to establish a scholarship fund for other youth to apply for funds to allow them to focus on community service.

This project required me to research

food safety,
food sanitation,
accounting,
marketing,
money management
and a healthy amount of time management.

I called local health departments, explained my mission & obtained permission under the name of 4-H to develop my project. I had an 8 week window to operate my entrepreneurship project. I started by putting out a tray of baked goods with a pamphlet & a jar stating the suggested donation of $1 per serving would be appreciated.

When people started to ask about placing orders for the upcoming holidays I was thrilled. I started handing out specific holiday fliers and putting together a portfolio. I received a greater response then I had imagined.

At the end of the 8 week business, I had met all of my goals. I think every 4-H member should have an opportunity to do good for their community. From the premium money I earned through 4-H and a little hard work and determination I have established a scholarship fund through Morton County for other 4-H members who want to give back to their community through service projects.

I know ND State Fair premium money has made a big difference in the opportunities I have had. It rewards the efforts to make my best better.

I believe ND 4-H members are ready to step up and make a difference in our communities. Premium money facilitates this desire and makes opportunities for youth through the financial rewards of their work. Thank you for helping us along on our journey of responsibility and making ND a better place.

NORTH DAKOTA STATE FAIR

JULY 20 - 28

MINOT, ND

March 8, 2013
House Appropriations

Great. Big. Fun.

Attachment 1.
SB 2009
March 8, 2013

Education & Environment Subsection Committee
Representative Robert Skarpol
March 8, 2013
9:00AM
SB2009

Dear Representatives,

The North Dakota State Fair is requesting the Education & Environment Subsection Committee to support Senate Bill No. 2009.

The request includes:

1. Increase premium dollars by $26,000 bringing the total premium dollars for the biennium to $546,000.
2. One time capital fund expenditure for flood repair of damages to our asphalt totaling $2,881,500.
3. One time capital fund expenditure because of flood damage for gravel in the parking lots totaling $618,500.

The influx of 4-H, FFA and open class exhibitors causes need for an increase in premium dollar funds. In addition to this, as inflation has grown rapidly in the state, premium awards have not. Costs to create projects and show animals at the State Fair have grown dramatically and exhibitors' awards should reflect this. The remainder of the request is due to damage caused by the 2011 flood which we have not been able to repair.

Thank you and we appreciate your support.

Life is Fair,

Renae Korslien
Manager

P.O. Box 1796
Minot, North Dakota 58702
Phone 701.857.7620
Fax 701.857.7622
email: ndsf@minot.com
Web site: ndstatefair.com

Premium Dollar Request

Requesting a $26,000 increase
to equal a total of $546,000.

2012 North Dakota State Fair
Entries by County

County	Total	County	Total
Adams	63	McKenzie	281
Barnes	355	McLean	2,097
Benson	333	Mercer	967
Bottineau	787	Morton	981
Bowman	239	Mountrail	779
Burke	299	Nelson	181
Burliegh	2,012	Oliver	449
Cass	4,354	Pembina	337
Cavalier	117	Pierce	457
Dickey	3,738	Ramsey	532
Divide	123	Ransom	1,407
Dunn	158	Renville	658
Eddy	200	Richland	7,406
Emmons	203	Rolette	175
Foster	524	Sargent	58
Golden Valley	3	Sheridan	314
Grand Forks	391	Stark	265
Grant	55	Steele	10
Griggs	160	Stutsman	735
Hettinger	131	Towner	382
Kidder	409	Traill	163
LaMoure	257	Walsh	283
Logan	162	Ward	7,076
McHenry	2,577	Wells	1,582
McIntosh	146	Williams	492
		Total Entries	**45,863**

Renae Korslien

From: Loretta Haas [Loretta.Haas@sendit.nodak.edu]
Sent: Monday, January 21, 2013 7:21 PM
To: renae@ndstatefair.com
Subject: State Fair funding

This is an email supporting more financial assistance for the State Fair.
My daughter has been in 4-H for two years and this past year was her first time exhibiting at the State Fair. She was excited to know how well she did and what other people thought of her projects. When they came back from state, she was ECSTATIC to find out that she had earned a purple ribbon. This, she feels, is her single most exciting experience this past summer. She talks about the excitement and has a corner in her room where her rocket and her purple ribbon are on display. This has given her more incentive to do better and try more events this coming year. I know as a parent I couldn't have pressured or been able to given her this drive or incentive.

I was also in 4-H in my youth and I still remember and use many of the experiences I had at the State Fair. I entered into the Fashion revue and decorative display and I use many of the skills that I learned to get to the State Fair in my daily life as a teacher and educator. I love to sew and look good and I know my experience at the Fashion Revue helped with this. I know the State Fair participants would be adversely affected by lack of funding for this event.

Thank you for your time and I hope you are able to support this bill.

Mrs. Loretta Haas
mother of Charmaine Haas and
Teacher at Napoleon Public school
Napoleon, ND 58561

ENTRIES

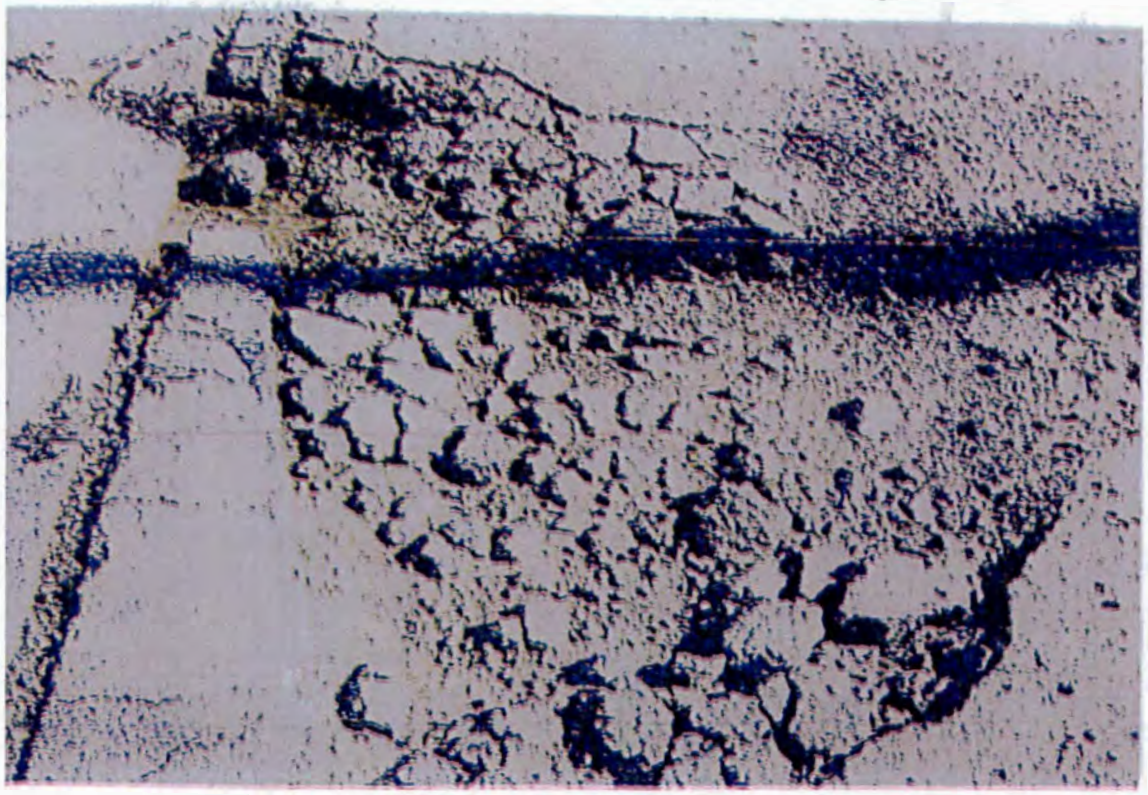
	1983	1984	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Beef Entries	408	511	465	717	597	457	660	579	736	533	656	584	479	482	536	472	380	496	558	493	461	495	530	491	494	412	333	Flood	330
Dairy Entries	262	243	421	313	335	435	379	391	424	228	254	184	126	124	212	222	259	122	98	199	307	102	129	154	133	125	153	Flood	114
Swine Entries	111	108	118	89	99	123	56	disease	89	137	146	107	111	93	90	279	155	434	422	527	617	566	599	512	461	427	464	Flood	429
Sheep Entries	863	728	658	849	670	770	677	844	924	947	1039	772	1115	845	679	893	847	640	485	588	560	648	597	647	624	623	530	Flood	341
Goats/Llama Entries	122	102	82	0	79	28	21	82	68	108	114	152	108	112	99	91	62	60	58	56	75	84	130	102	110	100	109	Flood	157
Poultry Entries	33	88	472	364	813	673	767	878	981	557	713	578	429	269	378	213	259	262	367	317	261	168	249	198	217	249	315	Flood	310
Rabbit Entries	44	41	65	41	113	82	127	124	159	182	186	243	318	1149	1388	1204	796	547	549	871	1089	899	592	1220	1006	1045	1264	Flood	1498
Horse Entries	2603	2437	1741	1821	1916	2137	2285	3510	3060	2805	3283	3862	3874	4030	3559	3841	5017	4741	4980	4833	4724	4379	3754	3041	2380	3106	3025	Flood	1496
Ag Products	382	315	386	488	391	339	390	389	396	292	389	420	533	519	356	246	260	498	217	362	326	300	334	306	188	170	172	Flood	215
Domestic Arts & Meats	764	842	735	1049	1153	1123	1077	1860	1064	870	857	981	779	718	785	821	727	826	583	736	671	710	723	589	448	502	501	Flood	527
Sunflowers & Snacks			12	5	12	7	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Flood	0
Needlework	855	839	865	706	1039	1139	851	917	928	833	689	714	584	679	679	613	605	603	493	579	589	453	451	348	304	342	321	Flood	393
Flowers	312	263	564	493	490	449	476	471	637	523	542	736	436	396	537	543	548	607	406	907	948	971	920	920	948	1002	739	Flood	561
Fine Arts	344	335	290	304	416	482	475	514	563	556	548	552	511	495	456	555	377	329	348	344	355	371	235	222	269	266	326	Flood	219
Photography	359	444	492	468	725	611	575	555	517	354	357	322	426	497	472	483	433	365	438	448	533	455	451	506	410	464	615	Flood	543
Number of FFA	6308	6479	6629	8731	9737	9762	10019	10588	9598	9632	9636	10220	9362	10329	11927	12718	14238	14282	15604	15534	17877	20168	21216	21405	18271	18960	22228	Flood	26393
Number of 4-H	7017	7600	8430	9327	9793	10991	11635	10866	11382	11896	11282	11925	11489	11099	10863	11135	11604	11575	11909	12704	12475	11783	11021	10669	10374	10295	10039	Flood	9409
School Entries	1365	1648	1745	2021	2566	2586	2979	2948	3129	3337	2285	2753	2779	3350	3535	3553	3805	4191	4671	4249	4061	4159	3542	3175	3573	3474	3477	Flood	2555
Writing Entries	1132	1125	1200	750	780	700	566	475	490	440	451	293	427	365	255	270	400	304	430	350	150	150	100	452	100	125	140	Flood	316
Dairy Bake-off	104	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Flood	0
Crisco Contest			32	0	20	27	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Flood	0
Special Food Shows						20	0	50	56	16	16	11	12	17	45	44	33	85	23	27	19	32	15	19	6	75	46	Flood	57
	23,388	24,248	25,402	28,536	31,744	32,941	34,035	36,041	35,201	34,246	33,443	35,409	33,898	35,568	36,851	38,196	40,805	40,967	42,639	44,124	46,098	46,893	45,588	44,976	40,310	41,762	44,797	Flood	45,863

Asphalt Request

After the flood of 2011, the Fairgrounds asphalt was left in desperate need of renewal.
A request for $2,881,500 for an asphalt overlay is the number one request for capital improvement.

☐ Asphalt areas indicated in gray.

Near First Aid Station and Kids' Area

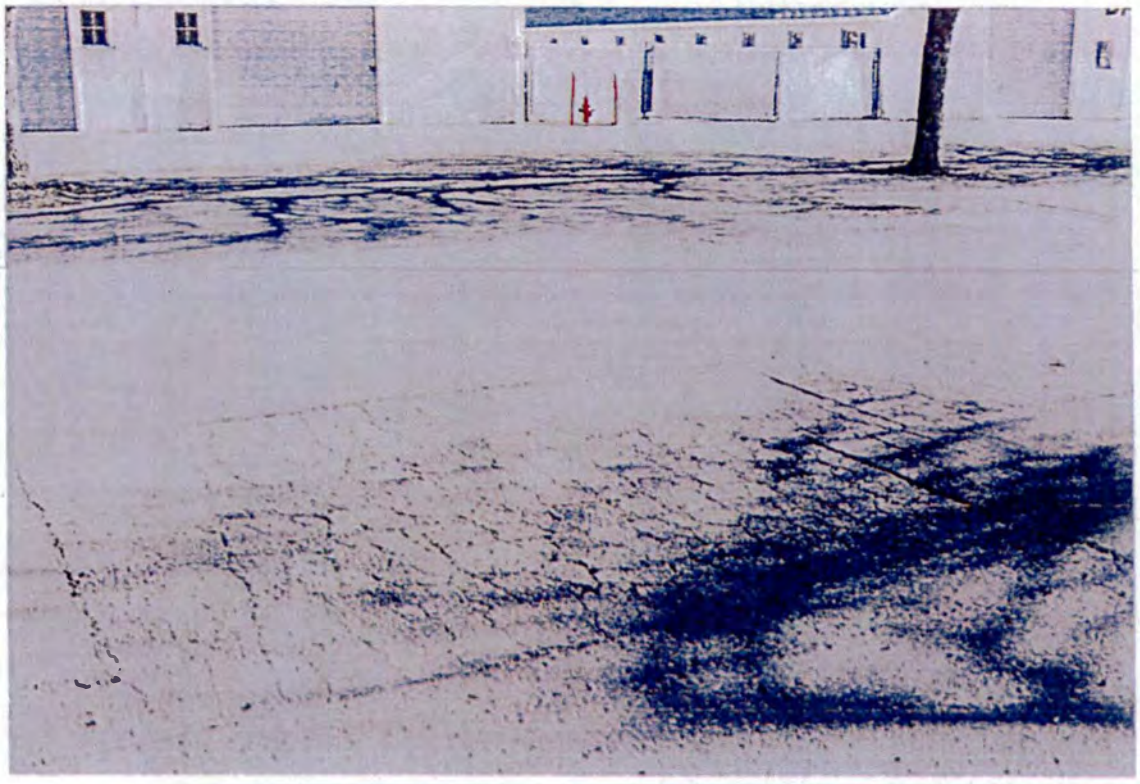


North Side of State Fair Center

North End of Grounds at Machinery Row

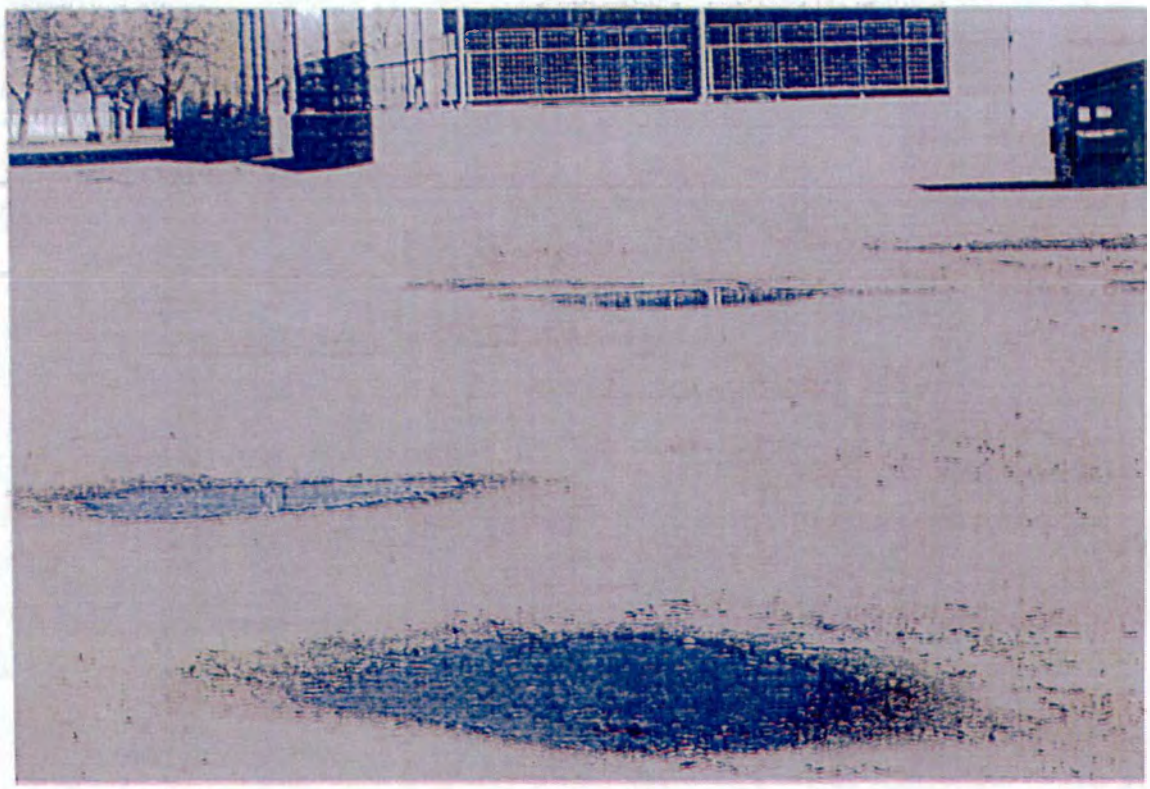
East End of Machinery Row Area

South of Barns



North End of the Grandstand Area

South End of the Grandstand Area

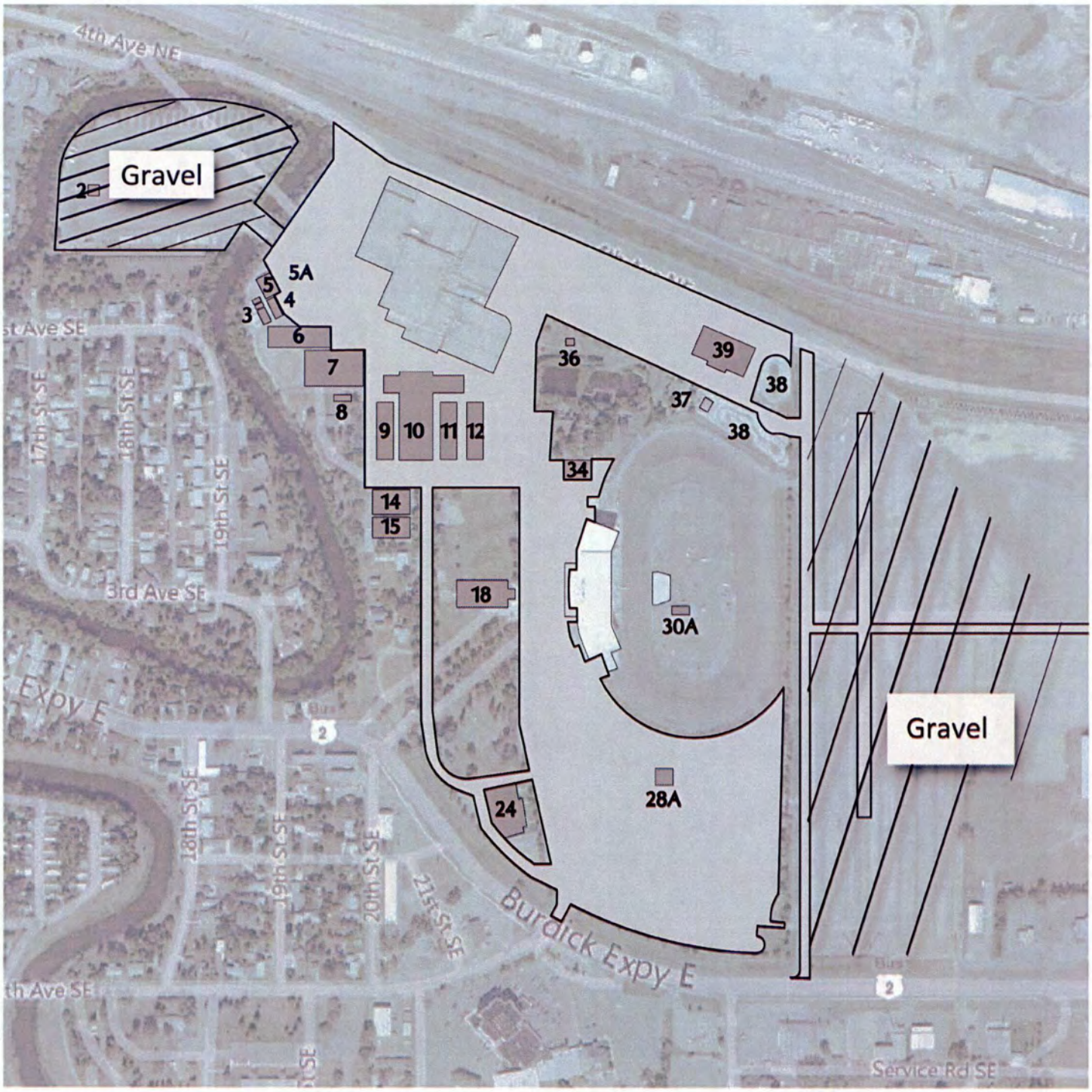


South East of State Fair Center

Gravel Request

Gravel lots = 1,822,500 sq ft.
Add gravel to these lots = $618,500.00

Gravel areas indicated in stripes.



FAIR ANNUAL STATEMENT
2012

	2012	2011
OPENING CASH	$1,898,614.38	$3,183,092.38
RECEIPTS		
STORAGE	$106,807.50	$52,512.50
GROUNDS, BUILDING, EQ RENTAL	$938,731.60	$703,097.33
NODAK	$27,457.30	$15,806.06
INDOOR	$151,178.63	$0.00
OUTDOOR	$241,274.37	($425.00)
INDEPENDENT	$172,556.30	($225.00)
CARNIVAL	$297,836.68	$644.00
GRANDSTAND	$2,375,027.30	($34,950.73)
OUTSIDE GATES	$1,200,028.20	$2,153.00
CAMPING	$166,297.00	$650.00
ENTRIES & STALL FEES	$33,194.00	$0.00
SPONSORSHIPS	$355,502.79	$195,047.21
MISCELLANEOUS	$16,008.11	$8,902.21
BEER GARDENS	$660,185.28	$0.00
STATE APPROP (PREMIUMS & BOND)	$470,000.00	$17,370.18
INTEREST ON INVESTMENTS	$3,469.60	$8,438.37
WARD COUNTY MILL LEVY	$378,021.89	$370,424.35
TOTAL FAIR REVENUE	$7,593,576.55	$1,339,444.48
REVENUE PLUS OPENING CASH	$9,492,190.93	
TOTAL FAIR EXPENSE	($5,622,863.54)	
BALANCE SEPTEMBER 30, 2012	$3,869,327.39	
BANK OF NORTH DAKOTA FLOOD LOAN	($964,829.92)	
ENDING BALANCE	$2,904,497.47	

FAIR ANNUAL STATEMENT
2012

	2012	2011
EXPENSES		
SALARIES & WAGES	$1,206,431.39	$1,041,816.08
BOARD MEETINGS/TRAVEL	$52,101.26	$31,423.59
STAFF TRAVEL/TRAINING	$28,336.60	$22,166.11
UTILITIES	$393,550.85	$269,268.06
TELEPHONE	$19,579.99	$12,226.08
RENT OF EQUIPMENT	$9,173.79	$4,573.20
POSTAGE & FREIGHT	$6,269.47	$11,954.85
REPAIR EQUIPMENT	$7,875.48	$10,876.43
BUILDINGS & GROUNDS MAINTENANCE	$130,990.69	$169,145.14
PROFESSIONAL FEES	$321,616.61	$64,219.33
INSURANCE, DUES, MEMBERSHIPS, T & L	$64,520.38	$49,684.77
OFFICE SUPPLIES	$8,899.79	$7,566.65
ADVERTISING	$275,354.41	$209,445.40
PROMOTIONS	$45,432.28	$42,908.21
MISCELLANEOUS EXPENSES	$1,589.39	$2,016.54
GAS & OIL	$42,025.85	$34,306.77
NEW EQUIPMENT	$29,444.18	$63,401.95
CAPITAL IMPROVEMENTS	$251,807.83	$280,478.70
BOND PAYMENTS	$209,153.31	$208,885.89
GRANDSTAND	$1,932,135.37	$8,340.16
OTHER ENTERTAINMENT	$126,842.15	$6,937.61
CONCESSIONAIRES	$3,542.50	$1,141.00
4-H	$99,042.46	$10,942.58
FFA	$136,728.17	$9,782.88
BEEF	$27,178.77	$5,557.86
DAIRY	$16,732.98	$1,353.22
HORSES	$68,615.39	$15,792.83
SHEEP & WOOL	$17,542.62	$1,471.77
SWINE	$16,469.94	$1,276.47
GOATS/LLAMAS	$6,380.98	$369.41
RABBITS	$8,074.49	$1,314.40
POULTRY	$3,776.17	$426.69
ARTS & CRAFTS	$2,372.67	$543.61
DOMESTIC ARTS	$14,315.49	$2,155.66
EDUCATION	$7,014.69	$3,580.24
PHOTOGRAPHY	$2,455.79	$605.62
WRITING	$971.32	$183.68
AG PRODUCTS	$1,150.08	$579.58
GATES	$27,367.96	$14,548.46
TOTAL FAIR EXPENSES	$5,622,863.54	$2,623,267.48

Fair Annual Statement
Explanation of Expenses

PROFESSIONALS	
Armored Car	$1,336.46
Attorney Fees	$5,442.42
Audit	$9,600.00
FEMA Audit	$3,000.00
Computer Back-up	$1,338.61
Bond Fee	$2,500.00
Carnival Hookups	$350.00
Carnival Inspector	$5,580.40
Chair Setup for Hostfest	$625.00
Classified Ads	$236.96
Cleaning-Fair	$47,850.00
Cleaning-Hostfest/Rodeo	$8,730.00
Cleaning-Food Court	$6,800.00
Cleaning-Races	$15,150.00
Combination Lock Changes	$85.00
Community Ambulance	$625.00
Fair Golf Cart Rental	$9,000.00
Fair Paper Picking	$5,500.00
Fair Porta Pot Rental	$10,475.00
Fair Garbage	$41,900.00
Fair Vet Services	$3,095.00
Fire Alarm/Monitoring	$3,100.21
Health Inspector	$107.00
Help Wanted Ads	$7,024.35
Mosquito Control	$3,050.00
Overflow Parking Attendants	$1,250.00
Photos	$29.95
Publicity	$1,200.00
Security	$121,265.25
Shuttle Service	$4,000.00
Street Sweeper	$1,370.00
TOTAL	**$321,616.61**

UTILITIES	
Electricity	$269,772.54
Garbage Hauling	$61,873.33
Natural gas	$41,173.08
Sewer & Water	$20,731.90
TOTAL	**$393,550.85**

NEW EQUIPMENT	
Bobcat	$1,600.00
Deadwood Boxes	$127.92
Garbage Cans	$945.00
GS Plaque-Jerry Iverson	$620.00
GrandstandTie-Off Harness	$500.00
Pins-Hog/Sheep Panels	$164.44
Radio	$3,336.00
Security Camera	$7,870.38
Table Covers	$1,391.44
Ticketing System	$7,375.49
Tires/Castors	$4,549.11
Tools	$964.40
TOTAL	$29,444.18

CAPITAL IMPROVEMENTS	
Go-Cart Track	$510.40
Grandstand Concrete	$25,523.54
Grandstand Construction	($1,579.00)
Grandstand Lights	$5,835.14
GS Snow Retention System	$63,028.46
GS Stage Roof Anchors	$4,223.72
Industrial Lot Lights	$36,680.07
Industrial Lot Recycled Asphalt	$80,200.00
Theater Overhead Door	$7,085.50
State Fair Center HVAC Unit	$18,000.00
Sprinkler System	$12,300.00
TOTAL	**$251,807.83**

GRANDSTAND	
Catering	$14,241.15
Entertainers	$1,709,145.38
Equipment	$3,523.59
Parade	$2,000.00
Payroll	$71,625.89
Printing	$2,744.28
Professionals	$26,483.90
Rain Insurance	$43,000.00
Sound	$52,575.00
Supplies	$6,796.18
TOTAL	**$1,932,135.37**

INSURANCE, DUES, T & L	
Dues & Memberships	$3,991.00
Insurance	$49,675.37
Flood Insurance	$11,052.00
Tax & License	$2.00
TOTAL	**$64,720.37**

CONCESSIONAIRES	
Picnics	$3,542.50
TOTAL	**$3,542.50**

ENTERTAINMENT STAGES	
3 on 3	$131.04
Amateur Talent	$1,449.00
Arm Wrestling	$698.39
Cake/Cupcake Decorating	$123.34
Clowns	$3,039.00
Color The Fair	$88.71
Crop Plot	$657.79
Dakota Talent	$2,264.33
Diaper Derby/Toddler Trot	$318.93
Fireworks	$5,000.00
Flickertail Gardens	$12,678.25
Freddie Flickertail	$850.00
Horse Pull	$3,721.10
Hot Dog Eating Contest	$422.00
Kids Clubhouse	$2,083.32
Pedal Pull	$620.57
Pony Pull	$2,265.11
Redneck Relay	$70.86
Run the Route	$147.68
Senior Festival	($1,474.06)
Showdeo	$821.05
Stage 1-Swampmaster Alligator	$14,015.50
Stage 2-Juke Box Junkie	$10,818.23
Stage 3-Welde Bear Show	$16,100.00
Stage 4-Racing Pigs	$2,917.17
Stage 5-Petting Zoo	$10,160.00
Stage 6-Fur Traders	$18,000.00
Stage 7-Sports Extreme	$11,599.90
Strolling	$7,254.94
TOTAL	**$126,842.15**

PROMOTIONS	
Ag Awards	$237.69
Ag Experience	$1,257.98
Annual Meeting	$755.00
Annual Report	$912.36
Award Pins	$186.88
Bus Services	$11,200.00
Christmas Party & Cards	$2,660.37
Clippings	$1,185.80
Co-op Day	$349.05
Convention Auctions	$91.51
DMX	$486.12
Family Day	$300.00
Film Processing	$39.08
Flowers	$279.95
Media-Accommodations	$4,114.95
Merchandise	$52.74
Motor Magic	($610.03)
NDSF Rodeo Queen	$1,078.95
Photo ID'S	$75.00
Photographers	$1,267.00
Plaques	$198.00
Pride Day	$300.00
Printing	$2,135.26
Reader Board/Sign	$200.00
Refreshments/Committees	$990.03
Shirts	$299.50
Signs	$5,674.30
Special Campaigns	$968.09
Special Display	$697.70
Special Friends	$1,234.57
Sponsor Support	$6,634.43
Video	$180.00
TOTAL	**$45,432.28**

GATES	
Supplies	$535.82
Payroll	$25,092.22
Pros	$162.00
Refunds	$1,325.00
Printing	$252.92
TOTAL	**$27,367.96**

BOND PAYOFF	**$428,842.29**

DEPARTMENT EXPENSES

4-H	
Premiums	$68,658.52
Hay & Straw	$1,170.00
Judges	$5,475.50
Supplies	$343.85
Payroll	$13,624.00
Picnics	$1,911.75
Printing	$3,470.44
Professionals	$4,388.40
TOTAL	**$99,042.46**

FFA	
Premiums	$128,962.03
Hay & Straw	$1,170.00
Judges	$1,532.50
Supplies	$185.46
Picnics	$487.50
Printing	$2,259.90
Professionals	$2,130.78
TOTAL	**$7,766.14**

SWINE	
Premiums	$7,231.25
Hay & Straw	$760.45
Judges	$2,925.60
Supplies	$43.06
Payroll	$1,919.50
Printing	$354.30
Professionals	$3,235.78
TOTAL	**$9,238.69**

DAIRY	
Premiums	$12,866.67
Hay & Straw	$224.38
Judges	$798.00
Supplies	$244.24
Payroll	$683.00
Printing	$72.00
Professionals	$1,844.69
TOTAL	**$3,866.31**

HORSE	
Premiums	$13,848.40
Dues & Memberships	$400.00
Hay & Straw	$4,666.47
Judges	$6,483.41
Supplies	$39.59
Payroll	$15,947.16
Printing	$3,132.42
Professionals	$23,522.94
Trophies	$575.00
TOTAL	**$54,766.99**

BEEF	
Premiums	$10,339.50
Hay & Straw	$4,053.57
Judges	$3,224.96
Supplies	$81.52
Payroll	$2,765.00
Printing	$287.98
Professionals	$6,426.24
TOTAL	**$16,839.27**

SHEEP	
Premiums	$8,513.75
Hay & Straw	$867.54
Judges	$2,496.31
Supplies	$47.83
Payroll	$1,919.50
Printing	$501.13
Professionals	$3,196.56
TOTAL	**$9,028.87**

POULTRY	
Premiums	$876.50
Hay & Straw	$283.29
Judges	$358.00
Supplies	$105.17
Payroll	$1,671.75
Printing	$198.96
Professionals	$282.50
TOTAL	**$2,899.67**

RABBITS

Premiums	$578.75
Dues	$25.00
Hay & Straw	$127.11
Judges	$4,860.00
Supplies	$357.10
Payroll	$1,277.00
Printing	$729.53
Professionals	$120.00
TOTAL	**$7,495.74**

PHOTOGRAPHY

Premiums	$1,232.00
Judges	$300.00
Supplies	$42.19
Payroll	$550.00
Printing	$331.60
TOTAL	**$1,223.79**

EDUCATION

Premiums	$1,716.25
Supplies	$27.37
Payroll	$2,413.85
Printing	$2,857.22
TOTAL	**$5,298.44**

AG PRODUCTS

Premiums	$394.50
Supplies	$17.94
Payroll	$605.00
Printing	$132.64
TOTAL	**$755.58**

GOATS

Premiums	$1,689.00
Hay & Straw	$167.09
Judges	$3,031.65
Supplies	$50.98
Payroll	$484.67
Printing	$74.80
Professionals	$862.79
Ribbons	$20.00
TOTAL	**$4,691.98**

DOMESTIC ARTS

Premiums	$6,270.00
Judges	$1,885.00
Supplies	$143.38
Payroll	$4,690.69
Printing	$1,326.42
TOTAL	**$8,045.49**

ARTS & CRAFTS

Premiums	$1,189.00
Judges	$285.00
Supplies	$149.71
Payroll	$550.00
Printing	$198.96
TOTAL	**$1,183.67**

WRITING

Premiums	$905.00
Printing	$66.32
TOTAL	**$971.32**

STATE FAIR GROWTH

Year	Attendance	**Livestock Entries (Open Class Only)	All FFA Entries	All 4-H Entries	*Other Divisions	Total Entries	Premiums Paid	Income	Expenses
1977	249,536	2,862	1,210	5,354	3,768	13,194	$66,066	$524,726	$430,083
1978	258,674	2,703	1,728	5,492	4,449	14,372	$67,242	$644,577	$400,496
1979	254,864	2,977	1,846	5,999	5,000	15,822	$85,607	$748,616	$735,661
1980	251,345	2,772	5,253	6,310	5,314	19,649	$97,564	$893,292	$863,121
1981	261,376	3,342	7,171	6,434	5,143	22,090	$112,351	$1,045,066	$960,886
1982	285,067	3,746	6,529	6,257	6,493	22,025	$109,267	$1,387,058	$1,448,009
1983	300,790	4,446	6,308	7,017	6,617	23,388	$117,254	$1,560,999	$1,426,699
1984	296,597	4,258	6,479	7,600	5,911	24,248	$120,083	$2,140,921	$2,123,436
1985	279,782	4,146	6,352	7,352	5,872	23,722	$140,517	$2,179,456	$2,155,629
1986	237,314	4,022	6,629	8,430	6,321	25,402	$127,751	$1,664,021	$1,814,850
1987	247,569	4,194	8,731	9,327	6,284	28,536	$151,215	$1,803,674	$1,747,844
1988	248,267	4,622	9,737	9,793	7,592	31,744	$160,336	$1,936,119	$1,957,875
1989	230,566	4,705	9,762	10,991	7,483	32,941	$164,176	$1,951,023	$1,896,224
1990	226,949	4,972	10,019	11,635	7,409	34,035	$167,170	$1,944,498	$2,074,316
1991	240,291	6,408	10,588	10,866	8,179	36,041	$169,217	$2,039,732	$1,697,486
1992	244,236	6,441	9,598	11,382	7,780	35,201	$179,218	$2,071,577	$2,333,713
1993	244,248	5,497	9,632	11,896	7,221	34,246	$147,497	$2,585,799	$2,357,436
1994	250,150	6,391	9,636	11,282	6,134	33,443	$147,381	$2,565,972	$2,497,946
1995	260,041	6,482	10,220	11,925	6,782	35,409	$146,288	$3,070,535	$2,794,103
1996	248,154	6,568	9,382	11,489	6,467	33,896	$143,837	$2,678,819	$2,999,225
1997	233,004	7,104	10,329	11,099	7,036	35,568	$165,747	$2,611,151	$2,673,766
1998	236,140	6,941	11,927	10,863	7,120	36,851	$173,327	$2,900,516	$2,714,889
1999	210,840	7,215	12,718	11,135	7,128	38,196	$180,425	$3,128,884	$3,098,148
2000	206,584	8,371	14,238	11,604	6,592	40,805	$189,324	$3,000,633	$3,047,789
2001	208,601	7,302	14,282	11,576	7,808	40,967	$196,170	$3,269,316	$3,190,199
2002	211,126	7,517	15,604	11,909	7,609	42,639	$186,876	$3,307,393	$2,982,581
2003	217,587	7,251	15,534	12,704	8,002	43,491	$194,262	$3,625,568	$3,694,827
2004	243,024	8,094	17,877	12,475	7,652	46,098	$206,049	$3,554,346	$3,576,068
2005	244,874	7,341	20,168	11,783	7,601	46,893	$213,514	$4,459,492	$3,951,718
2006	247,970	6,580	21,216	11,021	6,771	45,588	$210,690	$3,964,308	$4,205,077
2007	248,501	6,365	21,405	10,669	6,637	44,976	$217,347	$4,455,104	$4,119,248
2008	239,449	5,476	18,271	10,374	6,140	40,261	$226,636	$4,613,393	$4,331,299
2009	296,919	6,087	18,961	10,295	6,420	41,763	$230,126	$5,448,090	$5,016,629
2010	308,641	6,193	22,228	10,039	6,337	44,797	$272,865	$6,539,982	$6,013,375
2011***	0	0	0	0	0	0	$17,370	$1,339,444	$2,623,267
2012	310,839	4,675	26,393	9,409	4,911	45,388	$265,866	$7,593,577	$5,622,864

Income and Expenses include State Premium Appropriations and Bonding Assistance, but no State funded Capital Improvements.
*Other Divisions include Ag Products, Domestic Arts, Needlework, Flowers, Arts & Crafts, Photography, Writing & Education.

MAJOR CAPITAL IMPROVEMENTS
Source of Revenue
(also includes State and Local support of facilities)

The ND State Fair was authorized by the 1965 State Legislature with the 1st Fair held July 17-23 of 1966.

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1969	4-H & FFA BARN	$25,000		
	1/4 Mile Race Track		$20,000	
1971	Horse Barn		$16,000	$39,000
1975	Caretakers House			$27,000
	All Seasons Arena	$500,000	$1,700,000	
1976	FFA Building	$250,000		
	Horse Barn & Stalls	$200,000		
	Paving & Lighting		$94,000	$200,000
	Interest			$28,713
1977	New Shop			$11,000
	Kiddies Barn		$8,000	
	Interest			$29,423
1978	Warehouse		$1,700	$3,000
	Expo Barn & Stalls & Wash	$500,000		
	Trailer Park	$40,000		
	Sewer/Water/Electric System	$60,000		
	3/8 Mile Race Track		$30,000	$25,000
	Security Fencing			$75,000
	Toilets			$27,000
	Interest			$23,779
1979	Grandstand Seats			$35,000
	Jaycees Building		$60,000	
	New Sidewalks			$8,000
	Interest			$16,658
1980	Avenue of Flags		$2,500	$2,500
	Crops & Gardens Bldg			$70,000
	Parking Lot - Land			$95,000
	Interest			$13,976
1981	Fencing			$5,913
	Paving Around Barns			$60,170
	Front Sign			$5,980
	Sewer & Water Drains on Ind. Midway			$4,125
	Parking Barriers & Signs			$3,160
	Expanding Outdoor Horse Arena			$1,000
	Interest			$12,524

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1982	Expanding Outdoor Horse Arena			$1,000
	Landscape Machinery Area South of Com. Bldg.			$3,000
	New Aluminum Seats for Grandstand Bleachers			$40,000
	New Stalls for Goats & Sheep			$7,500
	New Parking Lot Sign			$6,250
	Fencing East Lot			$4,000
	New Stage			$49,000
	1st Phase of Electrical			$6,440
	Renovation	$110,600		
	Steel Post & Chain Fences Around Grounds			$10,038
	Concrete Benches		$650	
	Beer Garden Addition		$6,500	$8,868
	Electrical Service for Oil Show			$1,400
	Construction Parking Lot N of Grounds			$7,300
	Stage			$48,658
	Pave Shuttle Bus Route			$2,004
	Interest			$11,847
1983	Stage Cover		$7,800	$15,800
	Electrical	$39,400		$38,614
	Comfort Station			$73,022
	Signage			$5,652
	Sheriff's Office			$1,029
	Landscaping			$1,094
	Livestock Pens			$3,815
	Interest			$10,007
1984	Parking Lot Landscaping			$23,852
	Trees & Shrubs			$1,999
	Signage			$6,565
	Grandstand Gates & Entries			$2,710
	Ticket Office Addition			$4,194
	Pave Front of Grandstand			$8,800
	Curbs			$2,970
	In-field Transformer			$2,700
	Spotlight Stand			$750
	Commercial Building II			$473,324
	Comfort Station Architect			$960
	Landscaping at Stage II, Remove Road			$6,877
	Interest			$18,601
1985	All Seasons Arena Companion Structure & Office under contract with interest payments pledged as of 1/8/85		$1,486,418	$433,658
	Landscape around Pond			$590
	Paving Front Grandstand			$5,325
	Remodel Picnic Area			$4,459

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1986	Signage			$764
	Trees			$1,080
	Waterline			$8,678
	Beer Gardens			$263,633
	Interest		$25,950	$44,338
	Paving West Arena		$45,000	$22,961
	Sewer Improvement		$166,181	$1,908
	Paving			$13,775
	Beer Gardens Heating			$24,611
	Beer Gardens Fencing			$1,142
	Concessions Area Arena II		$21,210	
	Land			$70,000
	Arches			$6,733
	East Parking Lot Paving			$420
	Trees			$320
	Interest		$88,234	$70,423
1987	Arches		$35,000	$23,673
	Paving by Arch		$9,845	$8,600
	Dairy Barn Lighting			$1,041
	Morton Shop			$9,357
	Stage III			$4,800
	Interest		$78,152	$120,339
1988	Cultural Concessions Area		$8,057	
	Cultural Building			
	Theater/Conference Room/ Kitchen/Equipment/Restrooms		$1,594,660	$1,377,706
	Parking Lot			
	Gym Dandy's Center	$70,000		$330,000
	Dressing Room			$7,920
	Backstage Bathroom			$1,884
	Free Stage			$1,000
	Defaulted Pledges		($357,000)	$357,000
	Pedestrian Control			$3,937
	Restaurant I		$60,119	
	Honeywell Air Cleaners			$1,825
	Interest		$65,595	$86,831
1989	Carnival Bathroom			$14,605
	Commercial III/Sidewalk			$8,424
	Gate Change/Shuttle Route			$10,055
	Dressing Rooms			$2,701
	Pepsi Gate		$15,000	$1,569
	Restaurant II		$106,045	
	Visibility Barrier Fence			$3,135
	State Appropriation	$201,027		($201,027)
	Interest		$73,975	$71,547

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1990	Camping			$5,176
	Comm II/Heating & Air			$139,559
	Comm II Restaurant		$86,706	
	Horse Barn			$3,000
	Beer Gardens/Concrete			$443
	Shuttle Route			$1,849
	Coffee Room			$495
	State Appropriation	$210,000		($210,000)
	Interest		$72,821	$247,093
1991	Camping/Elec/Sewer		$7,200	$10,000
	Comm II/Heat, Air, Lights			$5,727
	Horse Barn II/Liner			$1,312
	Cultural Bldg/Arbitration			$13,834
	Ticket Booths			$3,179
	Ticket Office/Electric			$545
	Handicap Access/Grandstand			$3,597
	Land			$5,000
	Surface Drainage/Culverts			$1,400
	Arena I Retrofit		$370,000	
	Interest			$329,883
1992	Expo Barn Concrete		$27,339	
	Fence			$6,293
	Ticket Booths			$3,810
	State Appropriations	$210,000		($210,000)
	Interest			$261,620
1993	Horse Barn Concrete		$74,116	
	City/Arena Maintenance Repairs		$30,000	
	State Appropriations	$210,000		($210,000)
	Interest			$239,414
1994	West Lot		$225,645	$27,626
	Barn Moving		$119,350	
	Grandstand Restrooms			$40,407
	County/Building & Grounds Repair		$57,524	
	City/Arena Maintenance Repairs		$80,000	
	Interest			$303,850
1995	West Lot			$19,550
	Moving Reader Board Sign			$7,350
	East Lot	$30,000	$20,000	$91,261
	City/Arena Maintenance Repairs		$80,000	
	County/Building & Grounds Repair		$67,818	
	State Appropriations	$210,000		($210,000)
	Interest/Debt Service			$186,333

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
1996	Midway Transformer			$1,000
	Midway Parking			$24,709
	Stage Roof			$119,233
	Street Lights			$5,500
	City/Arena Maintenance Repairs		$80,000	
	County/Building & Grounds Repair		$69,849	
	Interest			$179,319
	Flickertail Concrete			$4,358
	Game and Fish		$103,000	
	Pond Fountain			$2,324
	Sprinkler System			$3,828
	City/Arena Maintenance Repairs		$80,000	
	County/Building & Grounds Repair		$68,870	
	State Appropriations	$210,000		($210,000)
	Interest			$171,886
1998	Flat Track - Drag Strip		$290,344	
	County/Building & Grounds Repair		$85,678	
	City/Arena Maintenance Repair		$80,000	
	Arena I Restrooms			$70,000
	Pond Fountain			$674
	Grounds Keeper's Garage			$11,008
	Grounds Keeper's House			$5,230
	Interest			$165,602
	Expansion		$241,881	$4,664
1999	New Asphalt			$112,049
	Fence Relocation North of Fair			$7,782
	North Road Relocation		$50,000	$12,500
	Pavilion Project			$829
	Electrical for Machinery Row			$15,487
	West Lot Camping Improvements			$11,781
	East Lot Fence Remove/Replace			$410
	Industrial Lot Gravel		$51,000	
	Gate Repair/Install Barrier			$835
	City/Arena Maintenance		$80,000	
	County		$91,605	
	City/Magic Place		$6,916,560	
	State Appropriations	$210,000		($210,000)
	Interest			$156,184
2000	City/Magic Place/Renovation		$1,445,519	
	City		$57,566	
	Kiddie barn relocation/parking			$16,683
	Porter land			$6,000
	Porter land fencing			$2,324
	State Fair Park			$33,090
	West lot camping			$9,119
	County		$95,328	
	Interest			$148,137

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
2001	Carnival lot relocation			$93,892
	Super Cross Track		$30,000	
	Super Cross Fence		$15,000	
	Super Cross Water Point		$6,000	
	State Appropriations	$210,000		($210,000)
	City		$95,320	
	County		$180,140	
	Interest			$138,066
2002	Asphalt			$32,210
	Camping Electrical East Lot		$15,030	
	Camping Electrical West Lot		$10,104	
	Office Cupboards			$1,942
	City		$99,681	
	County		$190,367	
	Interest			$135,639
2003	Air Conditioned Jaycees			$7,322
	Air Conditioned Commercial I			$29,268
	City		$100,965	
	County		$195,615	
	East Lot Electrical Upgrade			$9,271
	Gate Arches			$32,498
	Midway Restrooms			$154,621
	Office Cupboards and Desks			$3,519
	State Approriations	$210,000		($210,000)
	Street Light (sand box)			$1,284
	Interest			$83,597
2004	Arena Hallway Flooring			$59,249
	City		$116,240	
	County		$203,393	
	Independent Midway Renovation			$31,412
	Interest			
	Office Cupboards and Desks			$2,176
	Street Light			$2,408
	West Lot Electrical Upgrade			$6,200
	Interest			$79,541
2005	Electrical Upgrades			$11,538
	City		$133,300	
	County		$212,371	
	Gate Arches Lighting			$1,917
	Office Cupboards			$1,230
	State Appropriations	$210,000		($210,000)
	West Lot Electrical Upgrade		$50,311	$23,852
	Interest			$73,073

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
2006	All Seasons Arena Seating Upgrade		$500,395	$200,000
	City		$115,000	
	County		$220,000	
	East Lot RV			$113,261
	West Lot Electrical & Grass Lots			$2,500
	Interest			$65,410
2007	All Seasons Arena Seating Upgrade		$7,511	$26,940
	Asphalt	$28,488		
	City		$169,495	
	County		$236,789	
	Expo Barn Fan			$14,258
	East Lot RV			$4,312
	Interest			$52,365
	State Appropriations	$210,000		($210,000)
2008	Asphalt	$2,157		
	City		$235,828	
	County		$281,032	
	Electrical RV Upgrade			$15,500
	Commercial III Air Conditioner			$36,069
	Grandstand Project	$120,200		
	Interest			$43,586
2009	Arena I Break Room			$10,385
	Ashpalt	$234,356		
	Electrical Upgrade East Lot RV			$39,617
	Electrical Upgrade Carnival RV			$9,737
	Electrical Upgrade South HB II			$15,000
	FFA Air Conditioner			$18,505
	Grandstand Approp 2007-2009	$129,800		$4,046
	Grandstand Approp 2009-2011	$969,986		
	Interest Paid			$34,861
	North Road			$12,500
	Umbrella's Food Court			$19,351
	City		$260,885	
	County		$284,198	
	State Appropriations	$210,000		($210,000)
2010	Industrial Lot Regrade			$18,925
	Umbrella's Food Court			$23,159
	West Lot Comfort Station		$30,500	$156,153
	Carpet-Norsk Room & TJs			$7,370
	Night Deposit Vault			$4,769
	East Lot RV Embankment			$25,000
	Electrical Upgrade Carnival RV			$7,360
	Expo Barn Re-Roof Wings			$34,210
	Food Court Utilities			$33,855

CONTINUED MAJOR CAPITAL IMPROVEMENTS

YEAR	PROJECT	STATE FUNDS	LOCAL FUNDS	FAIR FUNDS
2010	Regrade West Lot			$10,066
(cont)	Ticket Booth			$7,237
	Asphalt			$102,751
	City		$297,787	
	County		$335,795	
	Interest			$31,999
	Grandstand	$13,003,452		$58,019
2011	Asphalt			$59,157
	Grandstand	$1,026,562		$95,699
	Grounds Keeper House			$45,355
	Industrial Lot Power			$84,155
	Interest			$21,111
	State Fair Center Lobby Piers			$12,623
	Ticket Booth			$6,679
	Umbrella's Food Court			$19,498
	West Lot Comfort Station			$9,987
	West Lot Electric Upgrade			$3,984
	City		$408,188	
	County		$370,424	
2012	Asphalt			$241,083
	Grandstand Concrete			$25,524
	Grandstand Snow Retention System			$63,028
	Grandstand Stage Roof Anchors			$4,224
	Industrial Lot Lights			$36,680
	Industrial Lot Asphalt			$80,200
	Interest			$38,409
	Pond Fence			$16,230
	Re-Seed Grass			$2,600
	Regrade Dirt South of Horse Barn II			$4,000
	RV Booth			$3,961
	Sprinkler System			$14,499
	State Fair Center HVAC Unit			$18,000
	Theater Overhead Door			$7,086
	West Lot Gravel			$29,666
	City		$492,775	
	County		$378,022	
	State Appropriations	$210,000		($210,000)
	Misc. Items Listed			$835,291
	TOTAL =	$20,061,028	$22,953,772	$9,750,982

1966 MAJOR IMPROVEMENTS: Non-specified improvements include the purchase of props, tables, chairs, display curtains, stock panels, tractors, vehicles and other equipment. The remodeling of the plumbing of 3 bathrooms in the Arts & Crafts Building; the remodeling of the grandstand ticket office; the addition of a mens toilet in the Arts & Crafts Building; $8,000 worth of hand dryers; new staging; sodding of boulevards; replanting of grass; remodeling of the beer gardens & 4-H building; ticket booths; installation of new gates, fences & dividers; the demolition of two horse barns, the old hog & sheep barn, two race barns, an old log barn, two houses & the old office. The construction of a show mobile stage; a new underground drainage system; dredging of the pond; construction of a horse arena; cattle tie outs; new parking lot roadway & lights; aluminum benches; more portable bleachers; aluminum picnic tables; re-roofing of the dairy barn; painting of the domestic arts building, beef barn & dairy barn; new soffits on the horse barn; miscellaneous fencing; remodeling the pub bar & diaper stations; painting the grandstand. Over $835,291 worth of additional significant changes & improvements.

***Major improvements do not include general routine maintenance repairs, the purchase of consumable supplies, or replacement of equipment.

Footnote: A small portion of the interest credited to the support of Fair funding from 1976-1984 could possibly be credited to local funds.

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CPAs & BUSINESS ADVISORS

To the Members of the Board of Directors
North Dakota State Fair Association
Minot, North Dakota

We have audited the financial statements of the North Dakota State Fair Association for the year ended September 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 5, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Dakota State Fair Association are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the Allowance for Doubtful Accounts is based on historical loss levels and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the Allowance for Doubtful Accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management, there were no such misstatements in the current year.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 5, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of North Dakota State Fair Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2012

Financial Statements
September 30, 2012 and 2011

North Dakota State Fair Association

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North Dakota State Fair Association

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
North Dakota State Fair Association
Minot, North Dakota

We have audited the accompanying financial statements of the business-type activities of the North Dakota State Fair Association, enterprise fund of the State of North Dakota, as of and for the years ended September 30, 2012 and 2011, which comprise the Association's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the North Dakota State Fair Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the North Dakota State Fair Association are intended to present the financial position, changes in financial position, and cash flows of the State of North Dakota that are attributable to the transactions of the North Dakota State Fair Association. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of September 30, 2012 and 2011 and the changes in financial position and cash flows for the years ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the North Dakota State Fair Association as of September 30, 2012 and 2011, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued a report dated November 5, 2012, on our consideration of North Dakota State Fair Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2012

This section of the Association's annual financial report presents our analysis of the financial performance during the fiscal year that ended September 30, 2012. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- During fiscal year 2012, the Association had a successful Fair.
- During fiscal year 2011, the Association cancelled the Fair due to flooding.
- During fiscal year 2012, the Association's net assets increased by $1,123,046 or 4.36%.
- During fiscal year 2011, the Association's net assets decreased by $2,016,943 or -7.3%.
- During fiscal year 2010, the Association's net assets increased by $14,315,138 or 106.2%.
- In 2012, the Association's operating revenues increased $5,547,354 or 427%, while operating expenses increased $3,192,066 or 84.2%.
- During fiscal year 2011, the Association's operating revenues decreased by $4,662,751 or -78.21%
- During fiscal year 2010, the Association's operating revenues increased $762,639 or 14.6%, while operating expenses increased $678,340 or 11%.
- In fiscal year 2012, fair revenues increased to $6,652,773 or 543% over fiscal year 2011.
- Fair revenues in fiscal year 2011 decreased to $1,034,986 or -82%.
- Fair revenues in fiscal year 2010 increased to $5,728,818 or 17.7% over 2009.
- During fiscal year 2012, the property and equipment additions totaled 1,387,191.
- During fiscal year 2011, the property and equipment additions totaled $335,448.
- During fiscal year 2010, the property and equipment additions totaled $15,877,444.
- Depreciation expense for the current fiscal year 2012 totaled $1,332,486.
- Depreciation expense for fiscal year 2011 totaled $1,317,930.
- Depreciation expense for fiscal year 2010 totaled $1,035,825.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements, and Supplementary Information. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The Financial Statements of the Association report information about the Association using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Balance Sheet includes all of the Association's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Association creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Association and assessing the liquidity and financial flexibility of the Association. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Net Assets. This statement measures the success of the Association's operations over the past year and can be used to determine whether the Association has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Association's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Association

One of the most important questions asked about the Association's finances is "Is the Association as a whole better off or worse off as a result of the year's activities?" The Balance Sheet, and the Statement of Revenues, Expenses and Changes in Net Assets report information about the Association's activities in a way that will help answer this question. These two statements report the net assets of the Association and changes in them. You can think of the Association's net assets-the difference between assets and liabilities-as one way to measure financial health or financial position. Over time, increases or decreases in the Association's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population declines, and competitive forms of entertainment.

Net Assets

To begin our analysis, a summary of the Association's Balance Sheets is presented in the following:

Condensed Balance Sheets
(In Thousands of Dollars)

	2012	2011	2010	Dollar Change	Total Percent Change
Current and other assets	$ 4,637	$ 5,734	$ 5,157	$ (1,097)	-19.13%
Capital assets	23,447	23,405	24,401	42	0.18%
Total assets	$ 28,084	$ 29,139	$ 29,558	$ (1,055)	-3.62%
Long-term debt outstanding	$ -	$ 419	$ 595	$ (419)	-100.00%
Other liabilities	1,184	2,943	1,169	(1,759)	-59.77%
Total liabilities	$ 1,184	$ 3,362	$ 1,764	$ (2,178)	-64.78%
Invested in capital assets, net of related debt	$ 23,447	$ 22,987	$ 23,806	$ 460	2.00%
Restricted	-	470	472	(470)	-100.00%
Unrestricted	3,453	2,320	3,516	1,133	48.84%
Total net assets	$ 26,900	$ 25,777	$ 27,794	$ 1,123	4.36%

As can be seen from the table above, net assets increased over $1 million. The increase is due to the Fair resuming operations this year after last years' Fair being cancelled due to the flooding of the Fairgrounds. Total liabilities decreased $2,178,000 to $1,184,000 due to the payoff of the bond and payment on all flood contracts that were payable at 2011 year end.

Net assets decreased over $2 million in fiscal year 2011 from fiscal year 2010. The decrease was due to the flooding of the ND State Fairgrounds and lost revenue due to the cancellation of the 2011 ND State Fair. Total liabilities increased from $1,764,000 in 2010 to $3,362,000 in 2011 due to flood contracts payable.

Condensed Statements of Revenues, Expenses and Changes in Net Assets
(In Thousands of Dollars)

	2012	2011	2010	Dollar Change	Total Percent Change
Operating Revenues					
Fair proceeds and other revenue	$ 6,653	$ 1,035	$ 5,728	$ 5,618	542.80%
Arena revenue	177	255	210	(78)	-30.59%
Other revenue	16	9	23	7	77.78%
	6,846	1,299	5,961	5,547	427.02%
Nonoperating Revenues					
Local grants	1,171	779	634	392	50.32%
Interest and investment income	3	6	8	(3)	-50.00%
(Loss)/Gain on sale of fixed assets	(1)	-	(54)	(1)	0.00%
	1,173	785	588	388	49.43%
Total Revenue	8,019	2,084	6,549	5,935	284.79%
Operating Expenses					
General expenses	3,860	1,163	4,076	2,697	231.90%
Depreciation expense	1,332	1,318	1,036	14	1.06%
Salaries, wages and vacation pay	1,524	1,310	1,291	214	16.34%
Premiums, trophies and awards	266	17	273	249	1464.71%
	6,982	3,808	6,676	3,174	83.35%
Non Operating Expenses					
Interest expense	38	21	29	17	80.95%
Bond issuance costs	1	3	3	(2)	-66.67%
Amortization	1	9	9	(8)	-88.89%
	40	33	41	7	21.21%
Total Expenses	7,022	3,841	6,717	3,181	82.82%
Extraordinary Items					
FEMA grants	1,424	2,569	-	(1,145)	100%
Flood expenditures	(1,768)	(2,846)	-	1,078	100%
Transfers -					
State Appropriations	470	17	14,483	453	2664.71%
Change in Net Assets	1,123	(2,017)	14,315	3,140	
Net Assets, Beginning of Year	25,777	27,794	13,479	(2,017)	
Net Assets, End of Year	$ 26,900	$ 25,777	$ 27,794	$ 1,123	4.36%

While the Balance Sheet shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Assets, provides answers as to the nature and source of these changes. As can be seen above, there is an increase in net assets due to revenues from the 2012 ND State Fair, flooding in 2011 caused the cancellation of the 2011 ND State Fair.

Capital Assets

As of September 30, 2012 and September 30, 2011, the Association had invested more than $41 million in infrastructure including land, buildings, improvements and equipment. Approximately 96 percent of that total is related to land and structures. Maintenance and upkeep of those structures and improvements is a continual ongoing process for the Association. Annual yearly costs for building and grounds upkeep exceed $665 thousand, excluding payroll costs for Association employees engaged in repair and upkeep procedures.

Current year additions to the capital asset category totaled approximately $1,387,191. See footnote 4 for additional details.

Long-Term Bond Debt

At year end, the Association had no long or short-term bond debt down from $420 thousand in the prior year. The decrease is due to the payoff of the debt. See footnote 5 for additional details. In fiscal year 2011, the Association had $420 thousand in long and short-term bond debt down from $605 thousand in fiscal year 2010 for a decrease of 30.6 percent.

Economic Factors and Next Year's Operations

The North Dakota State Fair Association is in the entertainment business, and as such is dependent upon many factors affecting the entertainment spending decisions of its customers. Factors such as condition of the agriculture economy, oil industry, Minot Air Force Base, Canadian exchange rates, weather, and competing entertainment providers such as casinos can all have significant impact on turnout for the annual State Fair. Fair attendance figures increased the past year because of the strong local economy.

Contacting the Association's Financial Manager

This financial report is designed to provide our state citizens, customers, and creditors with a general overview of the Association's finances and to demonstrate the Association's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the North Dakota State Fair Association office at P.O. Box 1796, Minot, ND 58702-1796.

North Dakota State Fair Association

Balance Sheets

September 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 4,237,422	$ 2,541,701
Accounts receivable, net of allowance for uncollectible accounts (2012 and 2011 - $50,000)	28,741	114,275
FEMA receivable - due from Federal Government	330,801	2,569,030
Prepaid items	39,760	38,702
Total current assets	4,636,724	5,263,708
Noncurrent Assets		
Restricted cash and cash equivalents	-	250,871
Restricted investment, at fair value	-	219,055
Unamortized bond issuance costs	-	556
Capital assets		
Land	390,816	390,816
Infrastructure	3,776,156	3,613,281
Buildings	35,741,352	34,728,112
Equipment	1,859,469	1,758,107
Less accumulated depreciation	(18,320,511)	(17,085,115)
Total noncurrent assets	23,447,282	23,875,683
Total assets	$ 28,084,006	$ 29,139,391

See Notes to Financial Statements

	2012	2011
Liabilities and Net Assets		
Current Liabilities		
Trade accounts payable	$ 113,101	$ 20,990
Flood contracts payable	-	1,798,685
Accrued interest payable	36,006	6,440
Current portion of accrued employee leave	45,000	30,000
Current portion of flood loan payable	964,830	-
Bonds payable, net of unamortized discount (2011 - $1,461)	-	418,539
Total current liabilities	1,158,937	2,274,654
Noncurrent Liabilities		
Accrued employee leave, net of current portion	24,856	31,777
Flood loan payable	-	1,055,793
Total noncurrent liabilities	24,856	1,087,570
Total liabilities	1,183,793	3,362,224
Net Assets		
Invested in capital assets, net of related debt	23,447,282	22,986,662
Restricted for debt service	-	469,926
Unrestricted	3,452,931	2,320,579
Total net assets	26,900,213	25,777,167
Total liabilities and net assets	$ 28,084,006	$ 29,139,391

North Dakota State Fair Association

Statements of Revenues, Expenses and Changes in Net Assets
Years Ended September 30, 2012 and 2011

	2012	2011
Operating Revenues		
Fair proceeds and other revenue	$ 6,652,773	$ 1,035,336
Arena revenue	177,423	254,612
Other revenue	16,008	8,902
Total operating revenues	6,846,204	1,298,850
Operating Expenses		
General expenses	3,860,393	1,146,129
Depreciation expense	1,332,486	1,317,930
Salaries, wages and vacation pay	1,524,491	1,309,721
Premiums, trophies and awards	265,868	17,392
Total operating expenses	6,983,238	3,791,172
Operating Loss	(137,034)	(2,492,322)
Nonoperating Revenues (Expenses)		
Local grants	1,170,797	778,609
Interest and investment income	3,232	8,440
Net decrease in fair value of investments	-	(1,930)
Loss on disposal of fixed assets	(535)	-
Interest expense	(38,409)	(21,111)
Bond issuance costs	(555)	(3,335)
Amortization of bond discount	(1,461)	(8,754)
Total nonoperating revenues	1,133,069	751,919
Gain (Loss) Before Extraordinary Items & Transfers	996,035	(1,740,403)
Extraordinary Items		
FEMA grants	1,424,750	2,569,030
Flood expenditures	(1,767,739)	(2,862,940)
Transfers - State Appropriations	470,000	17,370
Change in Net Assets	1,123,046	(2,016,943)
Net Assets, Beginning of Year	25,777,167	27,794,110
Net Assets, End of Year	$ 26,900,213	$ 25,777,167

See Notes to Financial Statements

North Dakota State Fair Association

Statements of Cash Flows

Years Ended September 30, 2012 and 2011

	2012	2011
Operating Activities		
Cash received from customers	$ 6,931,738	$ 1,197,581
Cash payments for goods and services	(4,035,208)	(2,267,105)
Cash payments to employees	(1,516,412)	(1,302,410)
Net Cash from (used for) Operating Activities	1,380,118	(2,371,934)
Non-Capital Financing Activities		
Local grants received	1,170,797	778,609
State appropriations received	470,000	17,370
Net Cash from Non-Capital Financing Activities	1,640,797	795,979
Capital and Related Financing Activities		
Payments for capital acquisitions	(1,375,103)	(322,442)
State appropriations received		1,026,562
FEMA flood assistance received	3,662,981	-
Proceeds from issuance of flood loan	3,572,018	1,073,698
Payments on flood loan	(3,662,981)	(17,905)
Payments for flood expenditures	(3,566,424)	(1,047,333)
Principal payments on bonds	(420,000)	(185,000)
Interest paid	(8,843)	(23,886)
Net Cash from (used for) Capital and Related Financing Activities	(1,798,352)	503,694
Investing Activities		
Receipts of interest and dividends	3,232	8,440
Purchase of US Treasury Notes	-	(221,000)
Proceeds from the sale of US Treasury Notes	219,055	221,000
Net Cash from Investing Activities	222,287	8,440
Net Change in Cash and Cash Equivalents	1,444,850	(1,063,821)
Cash and Cash Equivalents, Beginning of Year	2,792,572	3,856,393
Cash and Cash Equivalents, End of Year	$ 4,237,422	$ 2,792,572

See Notes to Financial Statements

	2012	2011
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating loss	$ (137,034)	$ (2,509,244)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation	1,332,486	1,317,930
Changes in operating assets and liabilities		
Customer receivables	85,534	(101,269)
Prepaid expenses	(1,058)	(2,560)
Trade accounts payable	92,111	(1,084,102)
Accrued leave	8,079	7,311
Net Cash from Operating Activities	$ 1,380,118	$ (2,371,934)
Summary of Cash and Cash Equivalents		
Unrestricted cash in banks	$ 4,237,422	$ 2,541,701
Restricted cash in banks	-	250,871
	$ 4,237,422	$ 2,792,572
Supplemental Disclosure of Noncash Capital Financing Activities		
Value received for trade of capital assets	$ 12,089	$ -
Noncash Investing Activity		
Change in FMV of investments	$ -	$ (1,930)

	2009-2011 Appropriation	7/1/2009 9/30/2009 Expenditures	10/1/2009-9/30/2010 Expenditures	10/1/2010-6/30/2011 Expenditures	2011-2013 Appropriation	7/1/2011-9/30/2011 Expenditures	10/1/2011-9/30/2012 Expenditures	Unexpended Appropriations at 9/30/2012
Debt Service	$ 210,000	$ -	$ 190,000	$ 20,000	$ 210,000	$ -	$ 210,000	$ -
Grandstand	15,000,000	970,366	14,029,634		-	-		-
Premiums	487,150	236,698	250,452	-	520,000	17,392	260,000	242,608
	$ 15,697,150	$ 1,207,064	$ 14,470,086	$ 20,000	$ 730,000	$ 17,392	$ 470,000	$ 242,608

The following schedule shows the appropriated and non-appropriated portion of premiums, operating expenses, interest expense and bond principal payments for the two-year period ended September 30, 2012. Non-appropriated expenditures are made in accordance with NDCC 4-02.1-15.

	FY 2012 Appropriated	FY 2012 Non-appropriated	FY 2011 Appropriated	FY 2011 Non-appropriated	Fiscal Years 2011-2012 Total
Premiums	$ 260,000	$ 5,868	$ 17,392	$ -	$ 283,260
Operating expenses	-	6,717,370	-	3,790,702	10,508,072
Interest expenses	-	38,409	-	21,111	59,520
Principal payments on bonds	210,000	210,000	20,000	165,000	605,000
	$ 470,000	$ 6,971,647	$ 37,392	$ 3,976,813	$ 11,455,852

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

The North Dakota State Fair Association is an Enterprise Fund of the State of North Dakota. The purpose of the State Fair Association is to conduct an annual exhibition of the state's resources and products in order to promote the state.

The accompanying financial statements of the North Dakota State Fair Association follow the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing generally accepted accounting principles for governmental entities. In addition, the Association follows all nonconflicting pronouncements of the Financial Accounting Standards Board (FASB) issued and effective subsequent to November 30, 1989.

The accounting policies of the North Dakota State Fair Association conform to generally accepted accounting principles as applicable to local governmental units. The following is a summary of the more significant policies:

Reporting Entity

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

Revenue Recognition

Revenue is recognized on the accrual basis for financial reporting.

Infrastructure, Buildings, and Equipment

Infrastructure, buildings and equipment are stated at cost except for donated assets which are reported at fair value on the date received. Expenditures exceeding $5,000 for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance, repairs and improvements less than $5,000 are currently charged to expense.

Depreciation is provided for over the estimated useful lives of the individual assets using the straight-line method. The estimated useful lives used in the computation of depreciation are as follows:

Infrastructure	5-25 years
Buildings	20-40 years
Equipment	3-15 years

Pension Costs

Pension costs are funded as they accrue.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Association considers all Treasury bills, commercial paper, certificates of deposit and money market funds which have an original maturity of three months or less to be cash equivalents.

Restricted Cash and Investments

As of September 30, 2011, the North Dakota State Fair had a bond that required certain reservations of the Association's assets. The Association had a reserved investment account in the amount of $219,055, and an Emergency Reserve Cash Account in the amount of $250,871. The bond was paid in full during 2012.

Accounts Receivable

Accounts receivable are carried at original invoice amount less a reserve estimate made for doubtful accounts. Management's estimate of the allowance for doubtful accounts is based on historical loss levels and an analysis of the collectability of individual accounts. Accounts receivable are due within 30 days after which they are charged interest at 18% annually.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements.

Bond Issuance Costs and Bond Discounts

Bond issuance costs and bond discounts are amortized over the life of the bonds using the straight-line method.

Operating Revenues

For purposes of differentiating operating revenues from no operating revenues, the Association considers support received from the City of Minot and Ward County to be non-operating revenues. The stated purpose of the support from the mentioned entities is to help offset the operating expenses related to non-Fair and arena ice activities. Expenses related to the maintenance and operations of these facilities are classified as operating expenses.

Restricted Resources

It is the Association's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

Compensated Absences

Employees accrue annual leave at a rate of eight hours per month for the first three years of continuous service. The accrual rate is increased to ten hours per month after three years, twelve hours per month after seven years, fourteen hours per month after thirteen years, and sixteen hours per month after eighteen years of service. The maximum amount of leave that may be carried forward each year is 240 hours. All unpaid leave is payable upon termination.

Permanent employees also earn sick leave at a rate of eight hours per month. Sick leave is being carried over from year to year. If an employee leaves after ten continuous years of service, the employee will be paid for ten percent of any unused accumulated sick leave.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense for the years ended September 30, 2012 and 2011, is $275,442 and $208,978, respectively.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Note 2 - Cash

Custodial Credit Risk

State law generally requires that all state funds be deposited in the Bank of North Dakota. NDCC 21-04-02 provides that public funds belonging to or in the custody of the state shall be deposited in the Bank of North Dakota. Also, NDCC 6-09-07 states, "all state funds... must be deposited in the Bank of North Dakota" or must be deposited in accordance with constitutional and statutory provisions.

Note 3 - Investments

As of September 30, 2012 and 2011, the Association has the following investments:

Investment	Maturity	2012 Fair Value	2011 Fair Value
U.S. Treasury note	10/21/10	$ -	$ 219,055

State law generally requires that all state funds be deposited in the Bank of North Dakota. NDCC 21-04-02 provides that public funds belonging to or in the custody of the state shall be deposited in the Bank of North Dakota. The North Dakota State Fair Association only invests in investments offered by the State Treasurer.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The Association does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

Note 4 - Capital Assets

The components and changes in components of capital assets at September 30, 2012 and 2011 are as follows:

	Balance 09/30/11	Additions/ Depreciation Expense	Deletions	Balance 09/30/12
Capital Assets Not Being Depreciated				
Land	$ 390,816	$ -	$ -	$ 390,816
Capital Assets Being Depreciated				
Infrastructure	3,613,281	170,935	(8,060)	3,776,156
Buildings	34,728,112	1,019,369	(6,129)	35,741,352
Equipment	1,758,107	196,887	(95,525)	1,859,469
	40,490,316	1,387,191	(109,714)	41,767,793
Less accumulated depreciation				
Infrastructure	(2,545,912)	(123,576)	8,060	(2,661,428)
Buildings	(13,005,752)	(1,148,695)	5,594	(14,148,853)
Equipment	(1,533,451)	(60,215)	83,436	(1,510,230)
	(17,085,115)	(1,332,486)	97,090	(18,320,511)
Net	$ 23,405,201	$ 54,705	$ (12,624)	$ 23,447,282

	Balance 09/30/10	Additions/ Depreciation Expense	Deletions	Balance 09/30/11
Capital Assets Not Being Depreciated				
Land	$ 390,816	$ -	$ -	$ 390,816
Capital Assets Being Depreciated				
Infrastructure	3,465,985	147,296	-	3,613,281
Buildings	34,598,087	130,025	-	34,728,112
Equipment	1,721,183	58,127	(21,203)	1,758,107
	40,176,071	335,448	(21,203)	40,490,316
Less accumulated depreciation				
Infrastructure	(2,424,868)	(121,044)	-	(2,545,912)
Buildings	(11,868,850)	(1,136,902)	-	(13,005,752)
Equipment	(1,481,664)	(59,983)	8,196	(1,533,451)
	(15,775,382)	(1,317,929)	8,196	(17,085,115)
Net	$ 24,400,689	$ (982,481)	$ (13,007)	$ 23,405,201

Note 5 - Long – Term Debt

Changes in Bonds Payable, Flood Loan Payable and Accrued Employee Leave

The following is a summary of changes in bonds payable, flood loan payable and accrued employee leave for the year ended September 30, 2012 and 2011:

	Balance 09/30/11	Additions	Retirements	Balance 09/30/12	Current Portion
Bonds Payable	$ 420,000	$ -	$ (420,000)	$ -	$ -
Flood Loan	1,055,793	3,572,018	(3,662,981)	964,830	964,830
Accrued Employee Leave	61,777	50,889	(42,810)	69,856	45,000
	$ 1,537,570	$ 3,622,907	$ (4,125,791)	$ 1,034,686	$ 1,009,830

	Balance 09/30/10	Additions	Retirements	Balance 09/30/11	Current Portion
Bonds Payable	$ 605,000	$ -	$ (185,000)	$ 420,000	$ 420,000
Flood Loan	-	1,073,698	(17,905)	1,055,793	-
Accrued Employee Leave	54,466	34,821	(27,510)	61,777	30,000
	$ 659,466	$ 1,108,519	$ (230,415)	$ 1,537,570	$ 450,000

Maturities of Bonds & Loan Payable

Maturities of principal and interest on the flood loan are as follows:

Year Ended September 30,	Principal	Interest	Total
2013	$ 964,830	$ 52,243	$ 1,017,073

The following summarizes the Association's debt outstanding as of September 30, 2012 and 2011:

Description and Due Date	Interest Rate	Original Issue Amount
Refunding Revenue Bonds Series 2001 12/01/02 - 12/01/11	3.5 - 4.6	$ 2,205,000
Flood Loan through the Bank of North Dakota 08/10/11 - 06/30/13	1.25% over 30-day LIBOR Floor rate of 2.26%	Maximum $6,000,000

Refunding Revenue Bonds Series 2001

Interest on the 2001 Series Bonds is payable semi-annually on June 1 and December 1 of each year. The bonds maturing on December 1, 2011 are not subject to optional redemption prior to maturity except under extraordinary circumstances. The bonds are presented on the balance sheet net of unamortized discount of $1,461 for the year ended September 30, 2011. The bonds are secured by the Association's net revenues, designated appropriations from the North Dakota Legislature, a Reserve Account in the amount of $219,926, and by an Emergency Reserve Account in the amount of $250,000. During 2012 the bonds were paid in full.

Bank of North Dakota Flood Loan

On August 10, 2011, the Bank of North Dakota approved a loan for a non-revolving line of credit for the North Dakota State Fair Association, with funds up to $6,000,000 available. The purpose of the unsecured loan is to cover expenses associated with 2011 flooding. All principal and interest are due at the maturity date of June 30, 2013. The interest rate is 1.25% over the 30-day LIBOR, with a floor rate of 2.26%, at September 30, 2012 and 2011 the interest rate was at 2.25% and 2.26%, respectively.

Note 6 - Appropriations

The North Dakota State Fair Association receives premium appropriations from the State of North Dakota. These premium appropriations are restricted for the purpose of providing premiums to fair exhibition winners. Premium appropriations for the years ended September 30, 2012 and 2011, were $260,000 and $17,370, respectively.

The North Dakota State Fair Association receives debt service appropriations from the State of North Dakota. These amounts are restricted for the purpose of bond payments. Debt service appropriations for September 30, 2012 and 2011 totaled $210,000 and $0, respectively.

Note 7 - Pensions

The North Dakota State Fair Association participates in the North Dakota Public Employees' Retirement System (NDPERS) administered by the State of North Dakota. The following is a brief description of the plan.

Description of Plan

NDPERS is a cost-sharing multiple-employer defined benefit pension plan covering substantially all classified employees of the North Dakota State Fair Association. The plan provides retirement, disability and death benefits. If an active employee dies with less than five years of credited service, a death benefit equal to the value of the employee's accumulated contributions, plus interest, is paid to the employee's beneficiary. If the employee has earned more than five years of credited service, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the employee's accrued normal retirement benefit, or 60 monthly payments equal to the employee's accrued normal retirement benefit calculated as if the employee were age 65 the day before death occurred (or, effective August 1, 1995, monthly payments in an amount equal to the employees' accrued 100% joint and survivor retirement benefit if the member had reached normal retirement age prior to date of death). If the surviving spouse dies before the employee's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible employees, who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits that are equal to 25% of their final average salary with a minimum benefit of $100. To qualify under this section, the employee must meet the criteria established by the Retirement Board for being considered totally disabled.

Employees are entitled to unreduced monthly pension benefits equal to 2.0% of their final average salary for each year of service beginning when the sum of age and years of credited service equal or exceed 85, or at normal retirement age (65). The plan permits early retirement at ages 55-64, with five or more years of service. NDPERS issues a publicly available financial report that includes financial statements and the required supplementary information for NDPERS. That report may be obtained by writing to NDPERS; 400 E. Broadway, Suite 505; P.O. Box 1214; Bismarck, ND 58502-1214.

Funding Policy

NDPERS is funded by employee contributions (set by statute) of 5% of regular compensation. During the 1983-1985 biennium the State implemented the employer pickup provision of the IRS code whereby a portion or all of the required employee contributions are made by the employer. The ND State Fair Assn is paying the full employee contribution of 4%. Employer contributions of 5.12 percent of covered compensation are set by statute. Therefore, the ND State Fair Assn is paying a total contribution of 9.12% out of ND State Fair Assn operating funds. The required contributions are determined using an entry age normal actuarial funding method. The North Dakota Retirement Board was created by the State legislature and is the governing authority of NDPERS. Benefit and contribution provisions are administered in accordance with Chapter 54-52 of the North Dakota Century Code. The North Dakota State Fair Association's required and actual contributions to NDPERS for the fiscal years ending September 30, 2012, 2011, and 2010, were $73,367, $61,952, and $61,335, respectively.

Note 8 - Lease Agreements

The North Dakota State Fair Association, as lessor, has entered into lease agreements with local organizations for the use of Association buildings. The lessees have use of the facilities for established months of each year and the Association has use of the facilities for the period which coincides with fair time.

Lease terms are as follows:

	Term and Expiration Date	Annual Rental
Gymagic Gymnastics Agreement	5 years through September 2017,	$ 25,200
All Seasons Arena Ice Contract	Annual with renewal option	105,900
Norsk Hostfest Contract	1 year through September 2012	156,400
Minot Curling Club Contract	5 years through April 2017	6,000

The leases are accounted for as operating leases. The Gymagic Gymnastics and the Minot Curling Club leases are noncancelable. The Minot Curling Club Contract increases to $7,200 annually in fiscal year 2015. The All Seasons Arena Ice Contract and Norsk Hostfest contracts are cancelable in the event the facilities specified within the contracts are destroyed.

The minimum aggregate lease revenue over the next five years is as follows:

Years Ended September 30,	Amount
2013	$ 137,100
2014	31,200
2015	32,400
2016	32,400
2017	32,400
	$ 265,500

Note 9 - Risk Management

The North Dakota State Fair Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are funds/pools established by the State for risk management issues:

The 1995 Legislative Session established the Risk Management Fund (RMF), an internal service fund, to provide a self-insurance vehicle for funding the liability exposures of State agencies resulting from the elimination of the State's sovereign immunity. The RMF manages the tort liability of the State, its agencies' employees and the University System. All State agencies participate in the RMF and their fund contribution was determined using a projected cost allocation approach. The statutory liability of the State is limited to a total of $250,000 per person and $1,000,000 per occurrence.

In 1986 State agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for over 2,000 State agencies and political subdivisions. The North Dakota State Fair Association pays an annual premium to NDIRF for its general liability, auto, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of one million dollars per occurrence.

The Association also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The agency pays an annual premium to the Fire and Tornado Fund to cover property damage to building and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of one million dollars per occurrence during a 12 month period. The State Bonding Fund currently provides the agency with blanket fidelity bond coverage in the amount of $2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The agency participates in the North Dakota Workforce Safety and Insurance Fund (WSI), an Enterprise Fund of the State of North Dakota. The WSI is a state insurance fund and a "no fault" insurance system covering the State's employers and employees financed by premiums assessed to employers. The premiums are available for the payment of claims to employees injured in the course of employment.

There have been no significant reductions in insurance coverage from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past two fiscal years.

Note 10 - Commitments

The North Dakota State Fair Association entered into a lease and concessions arrangement with M & S Concessions. The lessee is responsible to provide for its own concession equipment. In the event that the lease is not renewed or terminated, the Association is committed to purchase the equipment and improvements installed by the lessee at a price equal to "depreciated value." Depreciated value means the original cost of the equipment or improvements, less 10% per year from the date of installation to the date of termination. Estimated depreciated value at September 30, 2012 is approximately $260,844.

Note 11 - Extraordinary Items – Flooding

During the month of June 2011, flooding from the Souris River directly impacted the North Dakota State Fair Association causing significant damage to the buildings and other properties. Costs are expected to be partially recovered from federal assistance programs. Included in the financial statements for the year ended September 30, 2012 and 2011 are $1,767,739 and $2,862,940 in expenditures incurred or payable, respectively, and $1,424,750 and $2,569,030 in federal grants revenues or receivables, respectively, from the Federal Emergency Management Agency.

Federal Awards
September 30, 2012

North Dakota State Fair Association

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Auditor's Reports

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* 1

Report on Compliance with Requirements Applicable That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 3

Schedule of Findings and Questioned Costs 5
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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*

The Board of Directors
North Dakota State Fair Association
Minot, North Dakota

We have audited the financial statements of the North Dakota State Fair Association, as of and for the year ended September 30, 2012, and have issued our report thereon dated November 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the North Dakota State Fair Association is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered North Dakota State Fair Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Dakota State Fair Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of North Dakota State Fair Association's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting as described in the accompanying schedule of findings and questioned costs as 12-1; that we consider to be a significant deficiency in internal control over financial reporting. 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Dakota State Fair Association's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The North Dakota State Fair Association's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the North Dakota State Fair Association's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Legislative Audit and Fiscal Review Committee, management, federal awarding agencies, and other state officials and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2012

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance with Requirements Applicable That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

The Board of Trustees
North Dakota State Fair Association
Minot, North Dakota

Compliance

We have audited the North Dakota State Fair Association's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012. The North Dakota State Fair Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the North Dakota State Fair Association's management. Our responsibility is to express an opinion on the North Dakota State Fair Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the North Dakota State Fair Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the North Dakota State Fair Association's compliance with those requirements.

In our opinion, the North Dakota State Fair Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control over Compliance

Management of the North Dakota State Fair Association is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the North Dakota State Fair Association's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the North Dakota State Fair Association's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities of the North Dakota State Fair Association, enterprise fund of the State of North Dakota, as of and for the year ended September 30, 2012, and have issued our report thereon dated November 5, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the North Dakota State Fair Association's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2012

A. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency	Yes
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weakness identified	No
Significant deficiency	None
Type of auditors' report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	No

Identification of major programs:

Name of Federal Program	CFDA number
FEMA	97.036

Dollar threshold used to distinguish between Type A and Type B programs	$300,000
Auditee qualified as low-risk auditee	No

B. Findings - Financial Statement Audit

12-1 Segregation of Duties – Significant Deficiency

Criteria: A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition: The Association has a lack of segregation of duties in certain areas due to a limited staff.

Cause: The control deficiency could result in the improper recording of a transaction.

Effect: Inadequate segregation of duties could adversely affect the Association's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned function.

Recommendation: While we recognize that your office staff may not be large enough to permit complete segregation of duties in all respects for an effective system of internal control, all accounting functions should be reviewed to determine if additional segregation is feasible and to improve efficiency and effectiveness of financial management of the Association.

Management's Response: At the present time the North Dakota State Fair has segregated the duties of all key accounting personnel in the most efficient manner possible, given its limited staff. Due to cost constraints, there will be no further administrative employees added.

C. Findings - Major Federal Award Program Audit

None

North Dakota State Fair Association

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

Federal Grantor Program Title	Federal Award Identifying Number	Federal CFDA Number	Expenditures
Department of Homeland Security			
North Dakota Department of Emergency Management			
Disaster Grants - Public Assistance	FEMA-1981-DR-ND	97.036	$ 1,374,136
Total Expenditures of Federal Awards			$ 1,374,136

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of North Dakota State Fair Association and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Attachment 2.
SB 2009 A.
March 8, 2013

4-H premium at work

By: Florence Mayer March 2013

I am a member of the Integrity 4-H club of Morton County. The 4-H motto is to "make the best, better". Today I'd like to tell you about an opportunity I had to make my best better, because of the premium money I earned at the ND State Fair.

This past year I entered 37 projects at the ND State Fair.
I earned; 33 blue ribbons and 4 red ribbons.
Of the 33 blue ribbons I was awarded:

- 1 Grand Champion Award,
- 2 Reserve Champion Awards,
- 3 Awards of Excellence,
- A Citizenship Ribbon & a Traveling Banner Award for promoting 4-H.

After the State Fair I received a premium money check for $122 for my efforts. I was excited about my success and started thinking about my options for what to do with this premium money.

I researched the banking industry, investing & spoke to many business professionals concerning cds, savings accounts, interest rates & investing. I wanted this premium money to grow.

One businessman I spoke to instructed me to invest in our local utility company, so I could drive down Century Avenue & say I own part of that particular glass palace. Another informed me he would be so happy if I put my money in his bank. After one year of having my money inaccessible I would have enough interest earned to purchase a postage stamp.

Neither of these options appealed to me. I earned this money by making my best better & decided I should put my hard earned premium money to use by continuing to make my best better. I started assessing my interests and skills based on the success I had at the ND State Fair. After pondering several ideas, I came up with a business plan focused baking and I was on my way to becoming an entrepreneur.

My entrepreneurship project is called "Lovin' from My Oven". My goals were to:
~completely fund the project myself using premium money.
~earn back the cost of business expenses.
~make enough of a profit to establish a scholarship fund for other youth to apply for funds to allow them to focus on community service.

This project required me to research

food safety,
food sanitation,
accounting,
marketing,
money management
and a healthy amount of time management.

I called local health departments, explained my mission & obtained permission under the name of 4-H to develop my project. I had an 8 week window to operate my entrepreneurship project. I started by putting out a tray of baked goods with a pamphlet & a jar stating the suggested donation of $1 per serving would be appreciated.

When people started to ask about placing orders for the upcoming holidays I was thrilled. I started handing out specific holiday fliers and putting together a portfolio. I received a greater response then I had imagined.

At the end of the 8 week business, I had met all of my goals. I think every 4-H member should have an opportunity to do good for their community. From the premium money I earned through 4-H and a little hard work and determination I have established a scholarship fund through Morton County for other 4-H members who want to give back to their community through service projects.

I know ND State Fair premium money has made a big difference in the opportunities I have had. It rewards the efforts to make my best better.

I believe ND 4-H members are ready to step up and make a difference in our communities. Premium money facilitates this desire and makes opportunities for youth through the financial rewards of their work. Thank you for helping us along on our journey of responsibility and making ND a better place.

Lovin' From My Oven: Order Form

Name_____

Telephone _____

*To place order call 255-1747

Delivery Date:

(1 week in advance please.)

_____

Selection:

____Snicker-doodle Cookie $6.00
____Ginger-Spice Cookie $6.00
____Choc-Chip Oatmeal $6.00
____Chocolate Crinkle Cookie $6.00
____Monster Cookie $6.00
____PB Kissed Cookie $6.00
____Raisin Cookie $6.00
____Brownies $6.00
____Coffee Break Platter Inquiry
____Pumpkin Pie $10.00
____Apple Pie $12.00
____Pecan Pie $12.00
____Choc. Mint Bundt Cake $10.00
____Cinnamon Roll 1/2 dozen $6.00
____Cranberry Walnut Bread $6.00
____Garlic Herb Bread $6.00
____Multi Grain Bread $6.00
____Dill Bread $6.00
____Country White Bread $5.00

____# of Items Total Cost $_____

Cash or Check (Check #_____)

Make Checks Payable to Florence Mayer

About the Baker & Lovin' From My Oven

Florence Mayer is an active 14 year old girl who enjoys learning, spending time with her family, playing the piano & violin, riding her horse Penny, baking & sewing.

She is active in 4-H. This past year she earned 57 Blue Ribbons & a combination of 13 Grand or Reserve Champion Awards.

"Lovin' From My Oven" is an Educational Project on Entrepreneurship through Morton County 4-H. Her goal is to learn the business of owning/running a bakery & all the details that go with it. (Health regulations, Money Management, Marketing, Product Perfection, Customer satisfaction...)

Florence is independently funding her project. Her goal is to earn back the cost of ingredients & establish a 4-H scholarship fund for kids who would like to do service projects to help others in our community.

Thank you for your patronage, for supporting a youth to learn new skills, gain knowledge & inspire other children by making community service projects affordable. Thank you!

Lovin' From My Oven

Quality Baked Goods

2012-2013

Attachment 2. B.
SB 2009
March 8, 2013

Florence Mayer

Lovin' From My Oven: Holiday Selections

Cookie & Sweets Selections

okies.....$ 6.00/dozen
Snicker-doodle Cookie
Ginger-Spice Cookie
Chocolate Chip Oatmeal Cookie
Chocolate Crinkle Cookie
Monster Cookie
Peanut Butter Kissed Cookie
Old Fashioned Raisin Cookie

wnies.....$ 6.00/dozen
Wonderful cake-like chocolate
rownies with frosting!

ffee Break Platters" available
ly for the office. Cookies are
vidually packaged. Price varies, de-
ling on size of platter. Check blank on
Order form and we will return a call
uestions & information. Thanks.

Pie & Roll Selections

Pumpkin Pie.....$ 10.00
9 1/2 inch Pie, Traditional Holiday Pie

Apple Pie.....$ 12.00
9 1/2 inch pie, Tender & flaky crust filled with fresh apple filling.

Pecan Pie.....$ 12.00
9 1/2 inch pie. A Southern Tradition. Very rich.

Cinnamon Rolls.....$ 6.00/half dozen
A half dozen pan of cinnamon rolls drizzled with a sweet vanilla icing.

Mint Chocolate Cake..... $10.00
Moist Chocolate bundt cake with a smooth mint. flavor. Serves 16.

*Pies are made fresh & should be eaten fresh. We recommend pies to be consumed within 48 hours of delivery.

Bread Selections

Cranberry Walnut Bread.....$ 6.00
Fantastic served warm or toasted. This generous loaf will delight all for brunch or breakfast.

Garlic Herb Bread.....$ 6.00
Beautifully-Braided Loaf with a rich Savory flavor.

Multi Grain Bread.....$ 6.00
7 wonderfully nutty grains fill this moist round loaf.

Dill Bread.....$ 6.00
Round Artesian loaf, full-flavor. Fantastic fresh, with soup, grilled or toasted.

Country White Bread .....$ 5.00
A traditional home-made country white bread.

As always *Lovin' From My Oven* baked goods are made from scratch with fresh, whole ingredients. They are NOT low fat.
its are present in the kitchen where goodies are made. Sincerely, Florence Mayer

Attachment 1.
March 26, 2013
SB 2009

SB2009 - North Dakota State Fair
Summary of Premiums Paid

	Total Premiums Paid	General Fund Appropriation	State Fair Funds Used
2003-2005 Biennium	$400,301	$391,750	$8,551
2005-2007 Biennium	$424,204	$405,000	$19,204
2007-2009 Biennium	$443,983	$442,150	$1,833
2009-2011 Biennium	$502,990	$487,150	$15,840
2011-2013 Biennium	$283,236	$520,000	2011 State Fair cancelled due to flood. $236,764 turned back to State.

State Fair dollars are also used to cover the costs of running each of the shows where premiums are paid.

Prepared by the Legislative Council staff for
Representative Delzer
March 15, 2013

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after "association" insert "; to provide space for highway patrol training"

Page 1, after line 24, insert:

"**SECTION 3. EMERGENCY VEHICLE OPERATIONS COURSE.** The state fair association shall allow the highway patrol to use parking lot space on the state fairgrounds for an emergency vehicle operations course and shall provide temporary classroom space as needed for related training courses, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - State Fair Association - House Action

This amendment adds a section to allow the Highway Patrol to use space on the state fairgrounds for an emergency vehicle operations course and related training.

13.8159.02002
Title.

Fiscal No. 2

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment Division
March 26, 2013

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, replace lines 11 through 13 with:

"Capital assets	$210,000	$2,290,000	$2,500,000
Premiums	520,000	26,000	546,000
Total general fund	$730,000	$2,316,000	$3,046,000"

Page 1, replace lines 19 and 20 with:

"Repair flood damage	$0	$2,500,000
Total general fund	$0	$2,500,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - State Fair Association - House Action

	Executive Budget	Senate Version	House Changes	House Version
Capital assets	$3,500,000	$3,500,000	($1,000,000)	$2,500,000
Premiums	546,000	546,000		546,000
Total all funds	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
Less estimated income	0	0	0	0
General fund	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
FTE	0.00	0.00	0.00	0.00

Department No. 665 - State Fair Association - Detail of House Changes

	Reduces Funding for Flood Damage Repair[1]	Total House Changes
Capital assets	($1,000,000)	($1,000,000)
Premiums		
Total all funds	($1,000,000)	($1,000,000)
Less estimated income	0	0
General fund	($1,000,000)	($1,000,000)
FTE	0.00	0.00

[1]This amendment reduces funding for flood damage repair by $1 million from $3.5 million to $2.5 million. The executive recommendation provided $3.5 million.

TEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Funding Summary

	Executive Budget	Senate Version	House Changes	House Version
State Fair Association				
Capital assets	$3,500,000	$3,500,000	($1,000,000)	$2,500,000
Premiums	546,000	546,000		546,000
Total all funds	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
Less estimated income	0	0	0	0
General fund	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
FTE	0.00	0.00	0.00	0.00
Bill Total				
Total all funds	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
Less estimated income	0	0	0	0
General fund	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
FTE	0.00	0.00	0.00	0.00

Senate Bill No. 2009 - State Fair Association - Senate Action

The amendment makes the capital assets line item, which includes funding for repairing flood damage, an emergency measure.

Senate Bill No. 2009 - State Fair Association - House Action

	Executive Budget	Senate Version	House Changes	House Version
Capital assets	$3,500,000	$3,500,000	($1,000,000)	$2,500,000
Premiums	546,000	546,000		546,000
Total all funds	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
Less estimated income	0	0	0	0
General fund	$4,046,000	$4,046,000	($1,000,000)	$3,046,000
FTE	0.00	0.00	0.00	0.00

Department 665 - State Fair Association - Detail of House Changes

	Reduces Funding for Flood Damage Repair[1]	Total House Changes
Capital assets	(1,000,000)	(1,000,000)
Premiums		
Total all funds	($1,000,000)	($1,000,000)
Less estimated income	0	0
General fund	($1,000,000)	($1,000,000)
FTE	0.00	0.00

[1] This amendment reduces funding for flood damage repair by $1 million from $3.5 million to $2.5 million. The executive recommendation provided $3.5 million.

This amendment also adds a new section to allow the Highway Patrol to use space on the state fairgrounds for an emergency vehicle operations course and related training.