



October 26, 2012

The Honorable Dave Heineman,  
Governor of Nebraska  
Office of the Governor  
P.O. Box 94848  
Lincoln, NE 68509-4848

Dear Governor Heineman:

On behalf of the Nebraska State Fair Board, it is our pleasure to present to you the enclosed accounting of expenditures in accordance with Article III-24 of the Constitution of the State of Nebraska, specifying the expenditure of funds the Nebraska State Fair has made in the fiscal year ending June 30, 2012. An explanation of the expenditures contained in the report is also enclosed.

All expenditures were designed to improve the quality of the Nebraska State Fair and the experience the fair provides for all Nebraskans.

Should you have any questions or require further information regarding the aforementioned items, please feel free to contact me at 308-382-1620.

As you know, the 2012 Nebraska State Fair was successful by any measure and we will work to ensure the success continues. We look forward to your continued participation at the 2013 Nebraska State Fair.

Sincerely,

Joseph McDermott  
Executive Director

Enclosure

cc: Senator Mike Flood, Speaker of the Legislature  
Patrick J. O'Donnell, Clerk of the Legislature  
Carlos Castillo, D.A.S. Director  
Gerry Oligmueller, State Budget Administrator  
Dave Spatz, State Budget Analyst



## **Expenditures from State Fair Funds Account**

**July 1, 2011 through June 30, 2012**

### **1) New facilities located at Fonner Park**

As required by statute, the Nebraska State Fair Board and other partners were responsible for funding to construct new exhibit buildings at Fonner Park in Grand Island. The State Fair Board's contribution during the period covered by this report is \$1,783,138.21. The Lincoln office of BKD, our auditing firm is presently compiling a report outlining the contributions from all partners for the entire construction period.

The livestock facilities have quickly gained a nation-wide reputation, which should increase livestock numbers for the Fair and result in national livestock shows coming to Grand Island. This will have a significant economic impact on the community.

### **2) Sheep, Swine and Goat pens**

The Board purchased 780 sheep, swine and goat pens for the new sheep barn in Grand Island. The pens in the barns in Lincoln were permanent and as a result could not be transferred to Grand Island. The new pens are portable to allow for maximum flexibility in the new multi-purpose buildings. The pens were purchased from WW Livestock Systems. This funding completes the purchase started in prior periods.

### **3) Grounds / Building signage**

The Board purchased signage for the interior and exterior of the buildings to identify each building and each specific public room within the buildings. In addition, we purchased signage for each entrance to the grounds. The signage will facilitate the orderly movement of both foot and pedestrian traffic during the Fair. In the event additional signage would be needed this will remain as a continuous project.

#### **4) Protective Floor mats for the 4H/FFA Building**

The 4H/FFA building is used by the City of Grand Island for sporting activities from October through June. Portions of the building use rubberized flooring for these activities. During the Nebraska State Fair, display cases, tables, chairs and stages are placed on the flooring. Mats were purchased to protect the rubber flooring during the Nebraska State Fair.

#### **5) Cattle panels – tie out area**

The Board purchased 400 cattle panels for the tie out area located directly behind the cattle barn. These panels were purchased from Behlen Manufacturing. The panels are used to tie cattle to by livestock exhibitors while the barns are being cleaned. This funding completes the purchase started in the prior period.

#### **6) Fair Operations**

Operations were subsidized to improve the overall quality of events produced at the State Fair as well as to improve customer service within those events, resulting in an increase in attendance to 336,987 at the 2012 Nebraska State Fair. Surveys of guests at the 2012 Nebraska State Fair showed 93% were *likely* or *very likely* to enthusiastically recommend the Nebraska State Fair to others.

**State Fair Funds Account  
July 1, 2011 Through June 30, 2012**

Balance of State Fair Funds account on June 30, 2011 \$1,143,511.32

**Contributions**

State Lottery funds	\$3,557,507.00	
Interest earned	\$6,407.98	
City match	<u>\$355,750.00</u>	
<b>Total contributions during the period</b>		<b>\$3,919,664.98</b>

**Expenditures**

**Note Building & Grounds**

1	New facilities located at Fonner Park	\$1,783,138.21	
	<b>Totals - Buildings &amp; Grounds</b>	<u>\$1,783,138.21</u>	

**Equipment**

2	Sheep, Swine and Goat pens	\$25,000.00	
3	Grounds/Building Signage	\$35,236.00	
4	Protective Floor mats for the 4H/FFA Building	\$28,873.00	
5	Cattle panels - tie out area	<u>\$4,200.00</u>	
	<b>Total - Equipment</b>	<u>\$93,309.00</u>	

**Operations**

6	Fair Operations	\$1,021,924.26	
	<b>Total - Operations</b>	<u>\$1,021,924.26</u>	

**Total Expenditures** \$2,898,371.47

**Balance of State Fair Funds account on June 30, 2012** \$2,164,804.83

**Note:** Project\Equipment costs are as of June 30 and not necessarily reflective of final project costs