CHAPTER VII


The financing of Winter Shows operations has always been a local grassroots effort; no application has ever been made for a grant of federal funds or state taxpayers' money for building and facility construction. The funding of general operational expenses is developed from rentals for use of the building, from concessioner space rental, gate receipts, food concession profits, and gifts from individuals and businesses. No tax monies of any kind are appropriated directly to the Winter Shows board of managers. A very modest amount is given to the Livestock Association, the Dairymen's Association, and the Red River Valley Development Association, most of which is expended for show premiums paid to exhibitor winners at the Winter Shows. All land purchases and major building projects except the latest addition of balcony space have been largely funded by fund drives within northwestern Minnesota among the agribusinesses and individuals.

The support of time and money given by the community of Crookston and the immediately surrounding area was a major developmental factor for operations at the outset, but could not be continued at that level. Likewise, the support of building projects by the Crookston community has been substantial.

According to accounts in newspapers, correspondence, minutes of meetings, and program books produced annually, the first major fund drive for buildings commenced early in 1918. The Red River Valley Livestock Association was in the process of being incorporated. C.G. Selvig was elected as president of the budding corporation, and he was also president of the general arrangements committee for the planning and conduct of the Winter Shows. A campaign to sell shares at $10 each was organized in the ten counties which supported the Red River Valley Development Association. Additionally, and very interesting, is the fact that there were also $2 memberships sold in the RRV Development Association to individual citizens. This fee intituled them to a button which admitted them to show activities. The latter turned out to be more of a public relations than a fund-raising effort. Fifteen thousand dollars was raised for the first building, the livestock pavilion located adjacent to the old armory in downtown Crookston. It was a two-story building plus a basement measuring 50' x 142'. The plan was to house the Crops Show, a livestock judging arena, a food service section, and livestock.

Demand for livestock housing was greater than anticipated by the space available in the new pavilion; as a result the people proceeded to raise more funds, about $50,000. Not only did every county have a drive to sell shares, but Duluth and St. Paul businesses, and the Minneapolis Journal each provided a couple thousand dollars to add to the project. This additional money provided equipment for the livestock pavilion and made it possible to build Annex A, the second building, 73' wide by 141' long, a two-story livestock housing structure suitable for all classes of livestock.

Livestock breeders found that despite their good planning, some problems were encountered. The beautiful second floor of sturdy wood planking wasn't necessarily impervious to urine trickling on the livestock housed below. Mid course corrections were made.

The first show in the livestock pavilion in 1919 was a time for celebration. The governor of the State, the president of the University, and major agricultural leaders from the Midwest were on hand to celebrate the event. What was planned to handle the largest anticipated crowds was already crowed the first year. Thousands of people came on the train looking for places to stay, places to eat, to see the new facility, to greet friends, and to learn. There was no question about the success, excitement, and the good feeling towards the new home of the Red River Valley Winter Shows!

There is evidence of some in-house disagreements while the RRV Livestock Association was taking title to the buildings. The campaign that sold the shares included men and women representing all facets of production agriculture. The University leadership found themselves refereeing the various demands made by participants of the show during the year 1919. The general arrangements committee changed its name to the Winter Shows Board of Managers in 1920, which, at least in word, identified the multiplicity of interests, including educators, county agents, researchers, businessmen, and farmers. Too, there was a problem of the limited space for the farm equipment demonstrations at the Industrial Show. There was sufficient space in the new armory, but the building served as the largest facility for the educational meetings.

Consequently, the success in fund raising by the cooperating organizations encouraged the leadership to plan Annex B, the third building in as many years for the Industrial Show, today called the Farm Service Show. The structure was 40' x 127' and stands today as the bus repair barn and storage building for the Crookston Public School District.

The campaign for funds began to lag in 1920. The post World War 1 farm depression was fast approaching. The economy was adjusting to the postwar period. One morning a banker from the city of Crookston met C.G. Selvig and was extremely pessimistic.

"We need $23,000 to finish that building, to pay for the land, and to equip it. And with the farm economy in such bad shape, I don't think we're going to get this done. I think we're whipped."

Well, that was a different kind of talk from had being gone on previously, but it was true that raising money for the third building was in trouble. Some money was raised. The sale of shares of stock in the nonprofit RRV Livestock Association was in trouble. The banks got together and said, "Well, we'll loan the money at the least possible rate of interest. Let's go ahead and
build anyway." The building was built and the first Industrial Show in the new building was held in 1921.

By the time the money-raising had been completed in the early 1920's, about $70,000 had been raised for the three buildings, and when all the construction was completed in 1921, several thousand dollars was owed on the project. For several years, new producers at the Livestock Show were required to purchase a membership share or shares, but these didn't amount to the kind of money it takes to build buildings. Only the interest was paid on the borrowed capital for many years. There was a fire loss in the mid-1930's, and additional monies had to be borrowed to make the repair, for the insurance was not adequate. Finally in 1940, the balance against the capital investment in this first set of three Winter Shows buildings was paid off with a burning of the mortgage ceremony held at the annual board meeting.

The second major financial drive was held in 1959-60. Before the campaign for funds, several meetings were held in the region. The people of the Valley generally encouraged the board of managers, agreeing that a Winter Shows facility was needed. "Tell us what you need; we'll help" was the inspiring answer. The board of managers consulted with fund-raising experts before launching the drive for funds. A goal of $450,000 was set. Every member serving on the board had initially pledged the first dollars.

The campaign in Crookston and immediate surrounding area was conducted next and produced approximately half the total funds raised in cash and pledges. The counties outside of West Polk County kicked off their campaign at Breckenridge in late 1959. Wilkin County was the first to go over the top with its fund drive.

Agri-businesses up and down the Red River Basin were generous. The Minkota Electric Cooperative set aside $15,000 over a three-year period, and Agco, Inc. was the first agri-business organization to pledge one percent of the goal of $450,000. Several agri-business leaders in the Twin Cities raised about $20,000 at two luncheon engagements arranged for the purpose of hearing the story about the Winter Shows project. The outside county campaign continued longer than the board of managers anticipated and really wasn't completed before late 1960. The Board had adopted a policy that they would not proceed with any construction on the building until the financial campaign was well wrapped up. About $330,000 was finally raised by pledges and cash contributions from 3,000 farmers and agri-business people. Their names are all inscribed on a memorial plaque in the south arena of the Winter Shows facilities. Those in charge were able to proceed full speed ahead by 1961, engaging an architect and traveling about the country looking at exposition buildings. Finally the Behlen Manufacturing Company, a manufacturer of farm buildings and large steel buildings, expressed an interest in providing architectural service. In the final analysis they had by far the lowest bid on the building as planned and designed. The board of managers were roundly criticized for letting the contract to a builder outside the confines of the Red River Basin. When, however, the critics understood all the facts, the complaints changed from occasional sniping to compliments for a job well done.

The building was built in 1961 and readied for the 1962 show on land purchased from the University of Minnesota bordering the city of Crookston on the northwest. History has a way of repeating. The board of managers erred on some details. The housing for the Livestock Association was again a problem as it was in 1919. The board of managers had about expended their credit line. The Livestock Association came to the rescue by pledging support to assist the board of managers. This decision resulted in building the west pole barn in 1962 and the connecting barn between the west pole barn and the arena in 1964. Money was borrowed from the Valley Bank in Grand Forks with the personal guarantees of William Strickler and Bernie Youngquist on the note. (It seems the banker needed an expression of faith by those who were quite close to the scene.) The pledges and cash raised by the campaign and the sale of the buildings in downtown Crookston were insufficient to cover the new project. The land and main arena cost about $460,000 and the pole barns about $19,000. The Behlen Manufacturing Company, through their Omaha bank, carried a mortgage on the arena for the balance due. The local banks assumed some small short-term notes for certain equipment, and the Valley Bank at Grand Forks carried the note renewable annually on the livestock pole barns.

The first mortgage and the short-term notes were refinanced in 1965 for $175,000. This financing was worked out at a low rate of interest and distributed among 20 banks in the Red River Valley, including Grand Forks, North Dakota. Some banks, figuring it was another contribution, believed they'd never get their money back. Payments on the interest and principal continued without default yearly, and by the time the new wing was built on the north side, the board of managers was several years ahead of schedule on principal payments.

The third campaign for building needs started with dialogue in 1974. There was a long list of concessioners wanting to buy space at the Winter
The first building completed in 1919 for the Red River Valley Winter Shows. It provided space for a livestock show and sales ring, space for the crops and poultry show, a lunch counter, and some livestock housing. It was used until 1961.

The second building constructed by the Winter Shows downtown, Crookston. It was built in 1919 on North Ash Street and called Annex A and was designed and used as a two-story barn for housing and fitting livestock for the Livestock Show. It served from 1919 to 1962. It was sold to the School District and remodeled for storage of buses.
Shows. The food service facility was less than adequate, and some washroom facilities were needed more centrally located. The Technical College was expressing need for rented space for their light horse management work. Lights needed improvement. Sewer service demanded remodeling to handle the growing crowds. This dialogue continued about a year.

The board of managers engaged an architect in 1975 to study these needs. The board studied the architectural report at some length and began to talk to contractors who could build a Behlen-type addition. Another financial fund campaign was needed. The board decided this time to run the campaign themselves. First, a limited number of board members went out into the area and came back with a mixed bag of support. Some citizens wondered if the operations of the Winter Shows couldn’t carry this building project. Generally, however, people supported the need for space and encouraged the board to move ahead. A campaign was organized and conducted. The board of managers again pledged monetary support as individuals. The campaign did not go out and contact individuals but instead spread the cost over the entire region by requesting funds from regional farm cooperatives and other area agribusiness firms. A $230,000 goal was set for the fund. One-hundred ninety-two thousand dollars was pledged and paid in cash during the drive. The balance was to be met from earnings of the show. The Horse Breeders Association asked for $15,000 additional dollars to buy horse stalls, which they agreed to pay for over time by renting the stalls. The architect prepared final prints and specifications. A contract was let in 1976 for a 120' wide, 275' long Behlen-type addition on the north side. It was built and ready for the 1977 show.

No fund campaigns have been run since. Considerable capital improvement has been made in food service facilities, better lighting, and revamping the public address system. In addition, several hundred feet of balcony space for concessioners were provided after an MIDA bond refinancing was arranged to take care of remodeling costs and refinancing the balance due on the north area. The MIDA bond again was actually accomplished through the support and cooperation of the citizens of Crookston and arranged by the First National Bank, Crookston, and the legal counsel to the RRV Winter Shows. The money again came from the various banks in the Red River Valley loaned under a floating interest rate for a 20-year period.

INCOME SOURCES AND EXPENDITURE POLICIES

The income to support the operations of the Red River Valley Winter Shows comes entirely from concessioners’ fees, gate receipts, profits on food sales, and gifts from individuals. And that really has been the story of its income sources since the Industrial Show was part of the scene beginning about 1921. A current financial report is available at the Winter Shows office. The board is conservative on spending. At the present time the board of managers is saddled with what is a reasonably heavy debt service with the industrial bond as well as with a short-term note which has been assumed for some needed facility improvement. The amount of money available for good, strong program development is short. The expenses of the show are watched carefully. The managers serve without pay. Meeting costs of mileage and lunches are reimbursable. Hundreds of volunteers who work out in the counties give their time and effort without pay and largely without expenses. A manager now has been hired, along with office personnel, to provide caretaking and leg work and to manage a good crew of part-time labor to launch and conduct the show each year. The major part of the building is now over 20 years old and maintenance costs are increasing. Money for program development is too short.

LAND ACQUISITION

Through gifts and very helpful volunteers, the four lots downtown in Block 20 of the original townsite of Crookston where the old armory is located didn’t cost the Winter Shows committee much cash. When the second set of buildings was built in 1961, 20 acres of land was purchased from the University of Minnesota for the going rate of top farm land. A few years later an additional ten acres were bought for the same purpose. By special agreement with the city and state, the board of managers did sell five acres of that land for use by the Minnesota National Guard on which to build a new armory, with the proviso that the Winter Shows board of managers would have access to that armory for the Winter Shows each year.

SUSTAINING FUND

This is a special debt service fund which was instituted in the middle 1960’s. To meet some necessary refinancing of the mortgage on the main arena, it was necessary to demonstrate to the financial institutions that citizens were willing to contribute personal funds over and beyond what could be earned from Winter Shows operations. A campaign to set up the fund was in two parts. Carl Ash and Harold Thomforde headed the campaign in the city of Crookston and the immediate surrounding area for establishing an annual sustaining fund membership in the Red River Valley Winter Shows. William Strickler was chairman of the campaign for the region outside of Crookston. This idea has proved to be a good one because by merely sending out a letter in late November each year, the sustaining fund members send in their $10 to

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$25 contribution, a total fund now exceeding $10,000 a year. A sustain-
ing fund membership card mailed to each member, along with a brochure explaining what has been done with the money each year. Each also re-

ceives yearly a financial statement of operations of the board. The members-

ship ticket is good for attendance on one day at the Winter Shows. To date,

the sustaining fund membership has paid off in excess of $150,000 on the
capital fund indebtedness of the Winter Shows. The fund will be needed for some time.

LIVESTOCK BARN

The Red River Valley Livestock Associa-
tion in a meeting held October 12, 1961, moved to help underwrite the cost of a 60' x 180' pole barn to be located west of the arena. A temporary alleyway was provided by the board of managers between the pole barn and the arena for two years. In 1964, the Livestock Association again moved to help underwrite the costs of an 80' wide by 134' long pole barn connecting the first pole barn with the arena building. Input by the RRV Livestock Association was $3,000 plus $1,000 a year to help on the mortgage payment. The board of managers did retire the balance of nearly $20,000 on the two pole barns from Winter Shows operations in five years and relieved the Livestock Association of any more payments.

AGASSIZ RIDERS HORSE BARN

The Agassiz Riders, a saddle club from the Crookston area, wished to build a horse barn and permission to do so was given by the board of managers. This was a temporary ar-

rangement for the saddle club, and when they moved out in the mid-1970's, the building which had deter-

iorated was dismantled. A new stable was built in cooperation with the

University of Minnesota for their light horse management work and financed by rental payments by the University.

THE RED RIVER VALLEY WINTER SHOWS FOUNDATION, INC.

The most recent management ven-
ture of the Winter Shows has been to establish a companion organization for the purpose of receiving gifts from the public as well as to assist with special financial projects, leaving the Winter Shows board more free for planning and operating the show year in and year out. The first project of the Foundation was to set up a permanent program fund of a minimum of $100,000, the income from which the board of managers would use annually for high-quality programming. The heart of the Red River Valley Winter Shows mission is education and communication, and today more than ever it operates as a cooperative and complementary educational and communication agency, emphasizing those matters which aren't normally covered by other agencies.

Top notch seminars, youth work, women's programs, cultural events, all of these have never had the kind of support that the board of managers would like to give for program expen-

ses. The Foundation is in the final stages of requesting their tax exempt and nonprofit status from the Internal Revenue Service. The board of man-

agers has personally pledged more than $10,000. The Winter Shows Cor-

potation has pledged $10,000 over a five-year period to give a total of just over $20,000 toward the $100,000 goal. There is now about $6,000 cash in the permanent endowment fund. A campaign with regional co-ops and foundations will be conducted when the tax exempt and nonprofit status numbers are received.

ACCOUNTING POLICIES

The Red River Valley Winter Shows board of managers is an agglomerate of many interests working together each year to put on the mid-winter ten-
day agricultural exposition. The books have been audited by certified ac-
countants regularly. The board has computerized the financial records so that each month it has a report that is
up to the minute for the needs of cost control and budget management.

There are three divisions which run all of their expenditures through the Winter Shows accounts: the Women's Division, the Poultry Show, and the Crops Show. However, there are other segments of the show which, in addition to providing support, backup, and assistance to the Winter Shows board of managers, have their own financial records, including income and expenses, for a portion of specific operations connected with the Red River Valley Winter Shows.

The Red River Valley Horse Breeders Association takes in a considerable amount of money at registration time and pays this out for judges, show premiums, printing, and other expenses. The horse breeders' financial matters have grown to a point where a more businesslike handling of funds is now being installed.

The Red River Valley Dairymen's Association is the oldest commodity group which receives a small stipend from the state legislature, currently about $1500 annually, which they use for promotional and developmental work with the dairy industry at the Red River Valley Winter Shows.

The Red River Valley Livestock Breeders Association, which was organized back in 1917, has experienced various ways of providing income through the years. They have done about everything from selling shares to selling memberships, and holding special sales, the income from which has been given to help make payments on mortgages. The organization was one of the first groups to which the state legislature appropriated modest funds to be used for the promotion of purebred livestock in the Red River Basin. Currently this amount is about $6300 per year. This is expended entirely by the Red River Valley Livestock Breeders Association for premiums at the Livestock Show and is subject to auditing by the state auditor.

The Red River Valley Development Association, started in 1914, is an organization made up of one member from each of the 14 counties with the exception of the two largest counties, Ottertail and Polk, which each has two members on the board. This board's major responsibility is to expend annually the modest funds appropriated by each county board of commissioners for use at the Red River Valley Winter Shows. Currently, the funds are spent for the Crops Show, the Valley Farmer and Homemaker Honors Banquet, the King Agassiz project, an appropriation for the Winter Shows operations, for the Builder of the Valley award, and for modest directors' expenses and clerical expenses including mail and printing. This budget runs about $13,000 a year.

The Red River Valley Farmers and Homemakers Association is the oldest commodity group which receives a small stipend from the state legislature, currently about $5000 annually, which they use for promotional and developmental work with the dairy industry at the Red River Valley Winter Shows.

Fiscal Policies and Volunteer Organizations

There isn't any question about the volunteer nature of the leadership effort in the planning and the operations of the Red River Valley Winter Shows. At best it is loosely organized, and at times in its history this fact has made problems for the board. Any successful ongoing agency serving an area as large as is served by the Red River Valley Winter Shows is bound to be subjected to the criticism and mistrust by individuals wondering about the management of an annual budget now reaching $485,000. The Winter Shows has been able to solve the serious misunderstanding throughout the 75-year history because responsible fiscal policies are reviewed regularly. The close proximity to the professional leadership volunteered by the University of Minnesota has been a stabilizing factor in the settlement of issues over the years.

There is a real plus side to the loose organization, however, and that is that it does allow for the rather free development of individual and group ideas to float to the surface as planning and operations go forth year after year. This is even more effective where the leading cooperative agencies have modest budgets exclusive of that of the RRV Winter Shows Board of Managers, Inc.

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