

10 - 0740

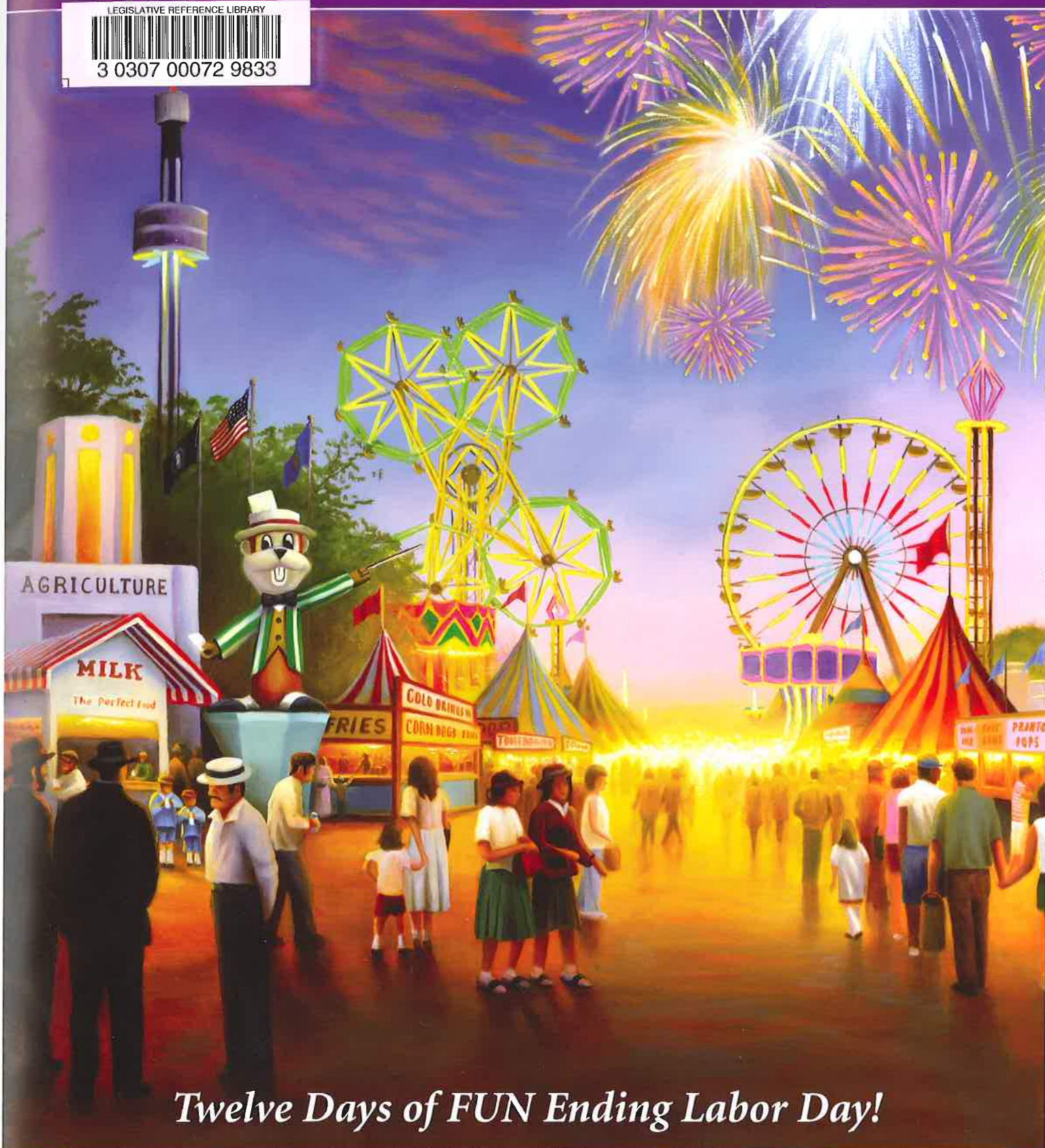
2009

ANNUAL REPORT

LEGISLATIVE REFERENCE LIBRARY



3 0307 00072 9833



Twelve Days of FUN Ending Labor Day!

MINNESOTA STATE FAIR



REPORT OF THE **EXECUTIVE VICE PRESIDENT**

"Remember this fair." I said this daily during the 2009 Great Minnesota Get-Together to our hard-working staff and the dedicated members of our board of managers. It was clear during the first days of the fair that something very amazing was going on, and that's saying a lot for an institution that's provided more than 150 years of "amazing."

The '09 State Fair's program of agriculture, education, entertainment and commerce was current, relevant and as vibrant as ever. The historic State Fairgrounds never looked better and, as a bonus, the 12-day exposition was blessed with great weather. Minnesotans responded in a big way.

If you ask 100 people why they attend the State Fair, you will get many different answers. Sometimes, though, the best answers come from far away. A travel writer from Japan wrote that he came to the Minnesota State Fair "because I wanted to see and touch real life and culture in America." That's the essence of the fair experience: It's real. It's life and it's culture and unlike most of today's digitized virtual reality, you can touch it.

For Minnesotans, our problems are left outside the gates as we reconnect with each other in a colossal celebration of all that is good about our state. The State Fair inspires and renews us unlike anything else.

We will continue to do our utmost to deliver an amazing fair experience for Minnesotans. I'll see you at the 2010 Great Minnesota Get-Together. God bless.



Jerry Hammer
Executive Vice President
Minnesota State Fair

OUR MISSION:

To educate and involve our guests by providing a world-class showcase that is innovative, entertaining and fun.

We strive to:

- Showcase Minnesota's finest agriculture, art and industry
- Present an unparalleled forum for knowledge and ideas
- Provide outstanding customer service
- Offer exceptional value
- Provide a safe, clean environment that is accessible to all
- Create unique experiences

2009 PRICING

Pre-Fair Admission Price

All ages \$9

Regular Admission Price

Adults (13-64) \$11; Seniors (65 & over) \$9;
Kids (5-12) \$8; Children (under 5) FREE

Thrifty Thursday

Adults (13 & over) \$9; Kids (5-12) \$6;
Children (under 5) FREE

Seniors Days

Seniors (65 & over) \$6

Kids Days

Kids (5-12) \$6; Children (under 5) FREE

Ticket Deal Tuesday

Adults (13 & over) \$9; Children (under 5) FREE

Read & Ride Wednesday

Public Library Card holders received a discount
off regular admission when they purchased a
ticket at the gate. Adults (13 & over) \$9;
Seniors (65 & over) \$6; Kids (5-12) \$6;
Children (under 5) FREE

Blue Ribbon Bargain Book

Pre-fair \$4; Fair-time \$5

Mighty Midway & Kidway

Pre-fair: 20-ticket sheet \$10
Fair-time: 50-ticket sheet \$30; 30-ticket sheet \$20;
single ticket 75¢

Parking: \$11 or one \$9 pre-fair admission ticket

TABLE OF CONTENTS

Animals, Agriculture & Competition	3
Contests & Activities	3
New Entertainment, Exhibits & Elements.....	4
Awards & Accolades	5
Grandstand Attendance	6
Free Stages	7

FINANCIAL INFORMATION

Independent Auditor's Report.....	8
Management Discussion and Analysis	10
Statement of Net Assets	12
Statement of Revenue, Expenses and Changes in Net Assets	14
Statement of Cash Flows	16
Footnotes	18
Supporting Schedule, Revenues and Expenses	22
Auditor's Report on Internal Control and Compliance	25
Management's Response.....	28
Meeting Minutes.....	29

TOTAL ATTENDANCE 1,790,497*

THURSDAY, AUG. 27

Thrifty Thursday: 114,439*

High: 78 Low: 58

Precipitation: None

FRIDAY, AUG. 28

Governor's Fire

Prevention Day: 124,991

High: 78 Low: 58

Precipitation: .08 in.

SATURDAY, AUG. 29

4-H Day: 189,077

High: 66 Low: 51

Precipitation: None

SUNDAY, AUG. 30

Fan Central Day: 191,071

High: 68 Low: 49

Precipitation: None

MONDAY, AUG. 31

Seniors, Kids &

Minnesota State Patrol Day:

131,705

High: 70 Low: 51

Precipitation: None

TUESDAY, SEPT. 1

Ticket Deal Tuesday:

129,423*

High: 72 Low: 51

Precipitation: None

WEDNESDAY, SEPT. 2

Read & Ride Day: 110,931

High: 74 Low: 53

Precipitation: None

THURSDAY, SEPT. 3

Seniors Day: 122,732

High: 74 Low: 54

Precipitation: None

FRIDAY, SEPT. 4

MPR Day: 155,805

High: 76 Low: 53

Precipitation: None

SATURDAY, SEPT. 5

FFA Day: 207,075

High: 79 Low: 56

Precipitation: None

SUNDAY, SEPT. 6

State Fair Foundation Day:

186,324

High: 79 Low: 59

Precipitation: None

MONDAY, SEPT. 7

Kids & Last Chance Day:

126,924

High: 79 Low: 58

Precipitation: None

* New attendance record



★ ANIMALS, AGRICULTURE & COMPETITION ★

NEW COMPETITIONS AND CONTESTS



International Cold Climate Wine Competition

This first annual event judged international wines produced from cold-climate grapes. Many local, national and international entries competed for top billing in this competition.

Free Horse Shows

All English and Western Horse Shows and High School Rodeos were free to fair guests. Tommie Turvey, Equine Extremist performed riding and roping stunts during select shows. Attendance at all events was outstanding.

Karo Corn Syrup "Kids Cookie Contest"

Participants were required to create a cookie or bar recipe using Karo Syrup. Entries were judged on taste, ease of preparation and creativity.

"Make it with Malt-O-Meal" Recipe Contest

Participants could use any kind of Malt-O-Meal cold cereal to develop a recipe for anything from main dishes to snacks and desserts. Entries were judged on taste, creativity and recipe convenience.

King Arthur Great Cake Contest

Participants made cakes using King Arthur flour. Entries were judged on taste, presentation and texture.



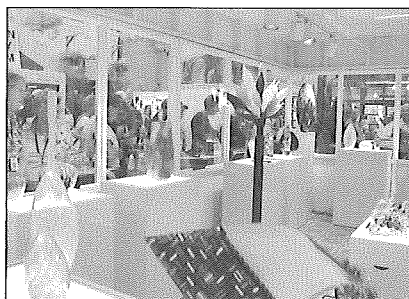
Lindsay Olive Lovers Salad Challenge

Participants were asked to create a salad of any kind that contained Lindsay Olives. Entries ranged from main dish to summer side salads and were judged on creative ingredient combinations, taste, ease of preparation and visual appeal.

FINE ARTS

This year's People's Choice Award went to "Johnny Jumpup," an oil on masonite painting by Anna Morton of Braham. Joseph Ring of Minneapolis won the Kids' Choice Award for his fused glass piece entitled "Etude in Glass 2."

Each year the Minnesota State Fair Fine Arts Show features an invited artist, collection, genre or group. "Emerging: Textile Design in 2 and 3 Dimensions" was the 2009 Fine Arts Show's special exposition. The exhibit focused on original 2-D and 3-D fiber, surface and apparel designs from students in Design, Housing and Apparel at the University of Minnesota's College of Design. The emphasis was on development of original textiles using either traditional or high-tech methods. Examples of the process from research and concept through the development of the final form were included.



CREATIVE ACTIVITIES CENTER DISPLAY

"Reflected Splendor," a collection of over 50 fine art glass renderings by invited Minnesota glass artists was displayed during the run of the fair.

★ CONTESTS & ACTIVITIES ★



37TH ANNUAL STATE FAIR AMATEUR TALENT CONTEST WINNERS

Open Division:

First place: Sedra Bistodeau of Princeton (left)

Second place: "Brohan" of Stillwater

Third place: Aria Stiles of Apple Valley

Teen Division:

First place: Liv Redpath of Edina

Second place: Nathaniel Irvin of Maple Grove

Third place: Kirby Andersen of Eden Prairie

Preteen Division:

First place: Julius Andrews IV of Coon Rapids

Second place: Selena Brills of Blaine

Third place: Matthew Wong of Little Canada

MILK RUN

Kim Magee of Mounds View and Daniel Murray



of Blue Earth were the overall female and male Milk Run winners with times of 17:37 and 16:27 respectively.

HIGH SCHOOL MARCHING BAND COMPETITION

High school marching bands from Minnesota and Wisconsin competed in the State Fair's daily mall parade. Rosemount High School was awarded Class A honors, Waseca took first place in Class B, and Chequamegon School District won in the Class C division.



NEW ENTERTAINMENT, EXHIBITS & ELEMENTS



SIXTH IN A SERIES—COMMEMORATIVE ART

Belle Plaine native Leo Stans created the 2009 State Fair commemorative art using brilliant light and rich color. The original piece celebrated the 100th anniversary of the historic Grandstand while capturing the spirit and excitement of the Great Minnesota Get-Together.

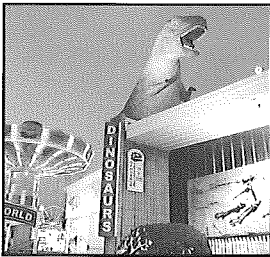
GRANDSTAND 100TH ANNIVERSARY

2009 marked the 100th Anniversary of the Minnesota State Fair Grandstand. Special photographs and literature boards were placed on the exterior of the building, providing insight into entertainment and significant historical events showcased during the past century. In celebration, birthday cake was served the evening of Sept. 6 in Carousel Park.



READ & RIDE DAY

In an effort to offer even more value to guests, library cardholders took advantage of a discount off regular gate admission when they purchased a ticket at the gate on Wednesday, Sept. 2. All-day discounts were offered on Mighty Midway and Kidway rides, games and concessions. Minnesota's public libraries celebrated summer readers at the "Great Minnesota Read-Together" event in Carousel Park. Kids of all ages enjoyed great performers, met an author, saw a race car up close, heard stories, learned to juggle, played games and created stories on-a-stick.

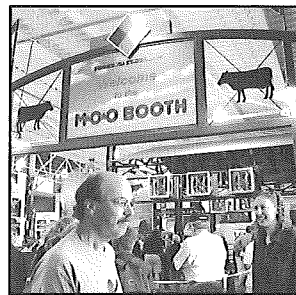
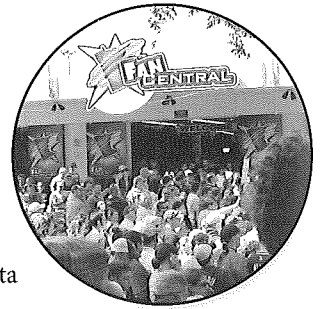


DINOSAUR WORLD

Dinosaur World was an educational exhibit for all ages featuring interactive stations and touchable prehistoric displays including a woolly mammoth, saber-toothed tiger, assorted dinosaur claws, fossils and a dino dig for kids.

NEW FAN CENTRAL EXHIBIT

The all-new FAN Central exhibit featured many of Minnesota's professional sports teams under one roof in the former Modern Living Building. Fair guests had a chance to see their favorite teams, meet and greet players, purchase team merchandise and interact with the following sports teams: Minnesota Timberwolves, Minnesota Wild, Minnesota Vikings, Minnesota Swarm, St. Paul Saints, the Minnesota Vixen—Minnesota Women's Hot Dish Football, Roller Girls and Running Aces.



NEWLY RENOVATED MOO BOOTH

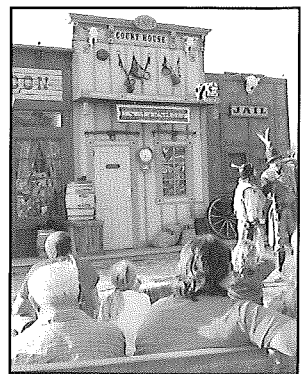
The Minnesota State Fair Moo Booth offered fairgoers a completely redesigned agricultural education experience in 2009. The dairy and beef education exhibit, located in the historic Cattle Barn, opened to fair guests with a ribbon-cutting ceremony at

9 a.m. on the first day of the fair. Visitors followed the farm-to-table process by viewing cattle being milked and cared for, participating in educational demonstrations, seeing today's farm technology in action and more. The Moo Booth also featured a sampling station where fairgoers tried different dairy and beef products throughout the fair's 12 days.

The Land O' Lakes Stage at the Moo Booth was also a new venue to learn about modern agriculture. Daily events included butter carving contests and hand milking demonstrations. Throughout the fair, activities on the Land O' Lakes Stage included the celebrity Butter Carve-O-Rama and Milk Chug-A-Lug contests, and the Minnesota State Fair Agrilympics.

SHENANIGUNS! WILD WEST COMEDY SHOW

Law and disorder prevailed when a Texas town came to life east of Heritage Square. This family-friendly, live-action comedy show featured comic actors, period costuming, a life-sized set and special audio and visual effects. With three free shows daily, ShenaniGuns! became an extremely popular new entertainment destination for fairgoers.

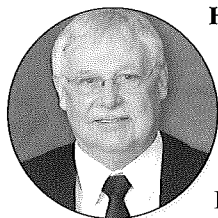


2009 SPONSORS

- | | | | | |
|-----------------------------|-------------------------|--------------------------------------|---------------------------|---|
| • August Schell Brewing Co. | • Crystal Sugar | • John Deere Company | • Minnesota State Lottery | • Thrivent Builds with Habitat for Humanity |
| • Butter Kernel | • Cub Foods | • Kemps | • Qwest | • Thrivent Financial for Lutherans® |
| • Cal Spas of Minnesota | • Ford | • Leinenkugel's | • Select Comfort | • Treasure Island Resort & Casino |
| • Cargill | • Gold'n Plump | • Minnesota Corn Growers Association | • Summit Brewing Co. | • Walmart |
| • Coca-Cola | • Great River Energy | | • TCF National Bank | |
| • Comcast | • Green Mill Restaurant | | | |



AWARDS & ACCOLADES



HONORARY LIFE MEMBER

The Minnesota State Agricultural Society annually elects one individual for honorary life membership. Robert Lake of Aitkin was this year's honoree. Lake joined the State Fair's board of managers in 1995 and served as the District 6 representative until 2008 when he was elected president.

Prior to his tenure with the State Fair, he served on the Aitkin County Fair Board, as well as the Minnesota Federation of County Fairs in the capacity of director and vice president. Lake was also the director of the Aitkin County Agricultural Society for 26 years. He recently retired from the Aitkin School District where he was a long-time vocational agriculture teacher, FFA advisor and wrestling coach. In 1991, Lake was named "Teacher of the Year" and a "Teacher of Excellence."

BEN C. HALLBERG SCHOLARSHIPS

Presented in memory of Ben C. Hallberg, long-time superintendent of the State Fair Youth Camp—predecessor of 4-H and FFA.

- Karen Anderson, Lester Prairie
- Chelsea Breza-Berndt, Utica
- Emily Heintz, Fulda
- Megan Herberg, St. Peter
- Sarah Jacobs, Rushmore
- April Johnson, Heron Lake
- Simon Kern, Watkins
- Samantha Lahman, Parkers Prairie
- Mercedes Lee, Perley
- Alyssa Nelson, Jackson
- Alisha Nord, Wolverton
- Kate Rentschler, Lakefield
- Kirby Schmidt, Marshall
- Matthew Schmidtbauer, Anoka
- Samantha Selness, Mabel
- Marta Stolen, Le Sueur
- Danielle Storm, Dover
- Ashley Swenson, Nicollet
- Megan Udermann, Sartell
- Emily Van Klompenburg, Montevideo

OUTSTANDING SENIOR CITIZENS

Marge Pribyl of Elysian and Wayne Sandee of Mankato were named Minnesota's 2009 Outstanding Seniors on Seniors Day, Sept. 3 at the Leinie Lodge Bandshell. The Outstanding Seniors program recognizes achievements and community contributions made after reaching age 65, and is sponsored by the Minnesota Board on Aging, the Minnesota Federation of County Fairs and the State Fair.

MSF ALL-STAR MVPS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and outstanding service. Winners for 2009 were Nate Faiad, Employment and

Guest Services; Mike Gaspar, Campgrounds; David Gingold, Sanitation; DeDe Hard, 4-H; and Cassie Plante, Little Farm Hands.

PRINCESS KAY

Elizabeth Olson of Hutchinson was crowned the Midwest Dairy Association's 56th Princess Kay of the Milky Way.

DOUGLAS K. BALDWIN AWARD

A.J. Krieg of Springfield, Minn. was named the 46th recipient of the Douglas K. Baldwin award. A member of the Springfield FFA chapter, he has exhibited market lambs, market swine and breeding swine in the State Fair's FFA livestock show since 2003. In addition, A.J. was treasurer of his local chapter his sophomore year of high school and president his junior and senior years. He was on the general livestock CDE team for four years and was the Star Chapter Farmer for his chapter in 2006, the same

year he received his State Degree. He received his American Degree in 2008. A.J. is currently pursuing a degree in Architecture from the University of Minnesota. He hopes to one day design handicapped accessible features for farm buildings and to set up a yearly program giving a market lamb to a handicapped FFA member to exhibit at the State Fair. The Baldwin award is named in honor of Douglas K. Baldwin who served as the fair's general manager from 1951 to 1963.



50 YEAR AWARD

50 Year Awards are presented to individuals to recognize a half-century of active participation in the State Fair.

- John A. Beulke, Admissions
- Bill Danielson, Concessions (deceased)
- Steven Foss, Dairy & FFA Exhibitor
- Roger L. Larson, Ticket Audit
- Dick Reinhardt, Ticket Audit
- Eugene C. Wenger, Admissions - Grandstand

2009 STATE FAIR BOARD OF MANAGERS

Front row (L-R):

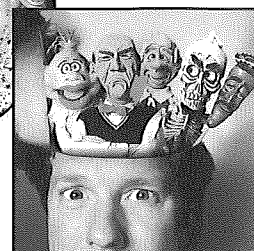
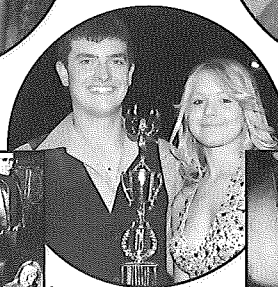
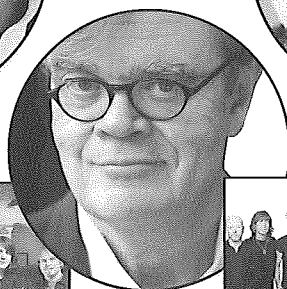
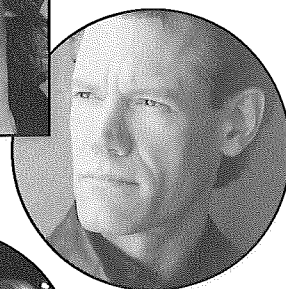
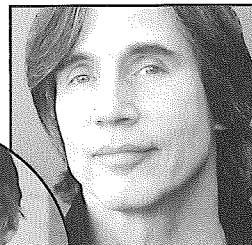
Dennis Baker, Spicer, 7th District Manager;
D.J. Leary, Minneapolis, 5th District Vice-President;
Robert Lake, Aitkin, President;
Joseph Fox, Maplewood, 4th District Vice-



President; **Jim Foss**, Kenyon, 1st District Manager; Back row (L-R): **Gene Gerth**, Princeton, 6th District Manager *; **Ron Oleheiser**, Grand Rapids, 8th District Manager; **Sharon Wessel**, Hamel, 3rd District Manager; **Paul Merkins**, Stewart, 2nd District Manager; **Allen Paulson**, Shevlin, 9th District Manager

* Deceased as of November 22, 2009

★ GRANDSTAND ★



THURSDAY, AUG. 27

BonTaj Roulet: **BONNIE RAITT**
and **TAJ MAHAL**

Performing Alone & Together

7:30 p.m. • \$36.50 • 7,275

FRIDAY, AUG. 28

JASON ALDEAN

with special guest **Eli Young Band**

7:30 p.m. • \$29 • 11,227

SATURDAY, AUG. 29

KID ROCK and **LYNYRD SKYNYRD**

7 p.m. • \$66, \$56, \$41 • 13,262

SUNDAY, AUG. 30

ERIC HUTCHINSON

(Kelly Clarkson Cancelled)

7:30 p.m. • Free • 4,760

MONDAY, AUG. 31

An evening with **JACKSON BROWNE**

8 p.m. • \$38 • 6,579

TUESDAY, SEPT. 1

RANDY TRAVIS

with special guest **Joe Nichols**

7:30 p.m. • \$32 • 4,118

WEDNESDAY, SEPT. 2

O.A.R. with special guests **Slightly**
Stoopid and **Brent Dennen**

6 p.m. • \$27 • 7,565

THURSDAY, SEPT. 3

CASTING CROWNS

with special guest **BarlowGirl**

7:30 p.m. • \$30 • 5,633

FRIDAY, SEPT. 4

A PRAIRIE HOME COMPANION

with **Garrison Keillor**

7:45 p.m. • \$28, \$23 • 7,561

SATURDAY, SEPT. 5

REO SPEEDWAGON and **STYX**

with special guest **38 Special**

7 p.m. • \$34, \$24 • 13,219

SUNDAY, SEPT. 6

MINNESOTA STATE FAIR AMATEUR
TALENT CONTEST FINALS

featuring 2008 winners **Callie Syverson**
and **Brett Anderson**

8 p.m. • No Grandstand Ticket Required • 6,000

MONDAY, SEPT. 7

An evening with **JEFF DUNHAM**

8 p.m. • \$38 • 10,368



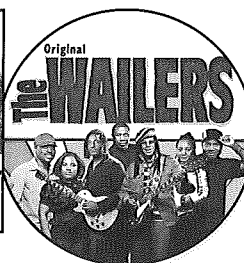
FREE STAGES



THE LEINIE LODGE BANDSHELL TONIGHT!



AUG. 27 & 28:
ABBAMANIA



AUG. 29 & 30:
The Original Wailers



AUG. 31 & SEPT. 1:
Quietdrive



SEPT. 2 & 3:
Trombone Shorty
& Orleans Avenue



SEPT. 4 & 5:
Blood, Sweat & Tears



SEPT. 6 & 7:
Riders In The Sky

■ LEINIE LODGE BANDSHELL

- AUG. 27 & 28: The Haygoods, Joey + Rory, Steve Riley and The Mamou Playboys
- AUG. 29 & 30: Darrell Tate & Powerful Praise, Steve Lippia Simply Sinatra, The Tex Pistols
- AUG. 31 & SEPT. 1: Alpensterne, Aaron Watson, Trailer Choir
- SEPT. 2 & 3: The Gibson Brothers, Five By Design
- SEPT. 4 & 5: Tonic Sol-fa, Sunny Sweeney, Mike Farris & The Roseland Rhythm Revue
- SEPT. 6 & 7: Marcoux Corner, Abalone Dots, Elmwood, Scott Novotny

■ FAMILY FAIR AT BALDWIN PARK

- AUG. 27 & 28: The Wacky Chicken Show
- AUG. 29 & 30: Sheltered Reality
- AUG. 31 & SEPT. 1: KidPower with Rachael
- SEPT. 2 & 3: Hebegebees Family Comedy Music Show
- SEPT. 4 & 5: Star Michaelina
- SEPT. 6 & 7: The Okee Dokee Brothers
- AUG. 27 – SEPT. 7: Monster Shop Bump'n with the BC Characters, Sean Emery

■ RAMBERG SENIOR CENTER

- AUG. 27 & 28: Jim Shannon, Rueben Ristrom & The Bourbon Street Four
- AUG. 29 & 30: Sloughgrass, Christine Rosholt
- AUG. 31 & SEPT. 1: The Gallivanter, Hank Thunander
- SEPT. 2 & 3: Bill Koncar, Rod Cerar Orchestra
- SEPT. 4 & 5: Betty Rydell & Randi Rae, The Marv Nissel Band
- SEPT. 6 & 7: The Smarts, The Mill City Grinders

■ INTERNATIONAL BAZAAR

- AUG. 27 & 28: Katie McMahon, Yawo
- AUG. 29 & 30: Davina & The Vagabonds, Stevie Ray's Comedy Troupe
- AUG. 31 & SEPT. 1: Café Accordion Orchestra, Salsabrosa
- SEPT. 2 & 3: Mariachi Mexico, Native Pride Dancers

- SEPT. 4 & 5: Atahualpa, Innocent

- SEPT. 6 & 7: St. Mary's Balalaika Orchestra, The Sweet Colleens

■ BAZAAR AFTER DARK

- AUG. 27 & 28: Rocket Club
- AUG. 29 & 30: The White Iron Band
- AUG. 31 & SEPT. 1: Slip Twister
- SEPT. 2 & 3: Paul Cebal Tomorrow Sound
- SEPT. 4 & 5: Robby Vee & his Rock-N-Roll Caravan
- SEPT. 6 & 7: E.L.nO.

■ HERITAGE SQUARE

- AUG. 27 & 28: Sawtooth, Monroe Crossing
- AUG. 29 & 30: The Alzen Family Bluegrass Band, The Minnesota State Fiddle Contest
- AUG. 31 & SEPT. 1: Charlie Parr, The Sherwin Linton Show featuring Pam and the Cotton Kings
- SEPT. 2 & 3: The Roe Family Singers, The Barbary Coast Dixieland Show Band
- SEPT. 4 & 5: The Boundary Water Boys, The Minnesota Flatpicking Guitar and Duet Championships
- SEPT. 6 & 7: Tangled Roots, Cactus & The Jolly Brewers

■ HERITAGE AT SUNDOWN

- AUG. 27 & 28: Pert' Near Sandstone
- AUG. 29 & 30: Chuck Mead
- AUG. 31 & SEPT. 1: Billy McLaughlin
- SEPT. 2 & 3: Storyhill
- SEPT. 4 & 5: Deke Dickerson
- SEPT. 6 & 7: The Front Porch Swingin' Liquor Pigs

■ THE X-ZONE

- AUG. 27 – SEPT. 7: 3rd Lair SkatePark, Music Mayhem featuring local "Battle of the Bands" winners

■ THE NORTHWOODS

- AUG. 27 – SEPT. 7: IRONJACK Timber Team, Ron Schara's Minnesota Bound

WARNER COLISEUM

■ ENGLISH HORSE SHOW DATES & TIMES

- WEDNESDAY, AUG. 26: 8 a.m.
- THURSDAY, AUG. 27: 8 a.m., 6:30 p.m.
- FRIDAY, AUG. 28: 1 p.m., 6:30 p.m.
- SATURDAY, AUG. 29: 8 a.m., 6:30 p.m.
- SUNDAY, AUG. 30: 8, 8:30 a.m., noon, 2, 6:30 p.m.
- MONDAY, AUG. 31: 8 a.m., 12:30, 6:30 p.m.
- TUESDAY, SEPT. 1: 6:30 p.m.



■ HIGH SCHOOL RODEO DATES & TIMES

- WEDNESDAY, SEPT. 2: 6:30 p.m.
- THURSDAY, SEPT. 3: 11:30 a.m., 6:30 p.m.
- FRIDAY, SEPT. 4: 6:30 p.m.

■ WESTERN HORSE SHOW DATES & TIMES

- FRIDAY, SEPT. 4: 8 a.m., noon
- SATURDAY, SEPT. 5: 6:30 p.m.
- SUNDAY, SEPT. 6: 8 a.m., 12:30, 6:30 p.m.
- MONDAY, SEPT. 7: 8:30 a.m., 12:30 p.m.



OFFICE OF THE LEGISLATIVE AUDITOR

State of Minnesota • James Nobles, Legislative Auditor

Independent Auditor's Report

Senator Ann H. Rest, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Bob Lake, President
State Agricultural Society Board of Managers

Members of the State Agricultural Society

Mr. Jerry Hammer, Executive Vice President
State Agricultural Society

We have audited the accompanying Statements of Net Assets of the State Agricultural Society as of October 31, 2009 and 2008, and the related Statements of Revenues, Expenses, and Changes in Net Assets, and Statements of Cash Flows for the years then ended. These financial statements, which collectively comprise the society's basic financial statements, are the responsibility of the society's management. Our responsibility is to express an opinion on those financial statements based on our audit. We did not audit the financial statements of the Minnesota State Fair Foundation, a discretely presented component unit of the State Agricultural Society. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Minnesota State Fair Foundation, is based solely on the report of the other auditors.

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. The financial statements of the Minnesota State Fair Foundation were not audited in accordance with *Government Auditing Standards* because it is a nonprofit organization. The audit 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 and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the State Agricultural Society and the Minnesota State Fair Foundation as of October 31, 2009 and 2008, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

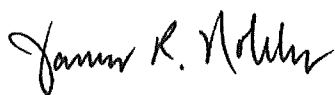
Senator Ann H. Rest, Chair
Members of the Legislative Audit Commission
Mr. Bob Lake, President
Members of the State Agricultural Society
Mr. Jerry Hammer, Executive Vice President
Page 2

As discussed in Note 7 to the financial statements, the State Agricultural Society adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the year ended October 31, 2009. This statement establishes accounting principles for the measurement, recognition, and display of other post employment benefit expenses/expenditures and related liabilities (assets), note disclosures, and required supplementary information.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Management's Discussion and Analysis and the other required supplementary information are not a required part of the society's basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the society's basic financial statements. The accompanying supporting Schedule of Revenue and Expenses is presented for purposes of additional analysis and is not a required part of the society's basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



James R. Nobles
Legislative Auditor



Cecile M. Ferkul, CPA
Deputy Legislative Auditor

March 30, 2010

MINNESOTA STATE FAIR

FINANCIAL INFORMATION

■ Management Discussion and Analysis

The Minnesota State Agricultural Society produces the annual Minnesota State Fair, and manages the State Fairgrounds. The Society is a quasi-state agency, and operates with no public subsidy of any kind, for any purpose. The costs to produce the annual State Fair and all capital and maintenance improvements to the historic State Fairgrounds are financed completely with revenue earned by the Society and State Fair Foundation donations. Following is an analysis of the Society's financial activities and performance during the fiscal years ended October 31, 2009, 2008 and 2007, along with detailed financial statements and supplementary information.

The Minnesota State Fair Foundation was established in 2002 as a tax exempt 501 (c)(3) nonprofit corporation with the exclusive mission of raising funds to significantly assist the Society in improving and maintaining the State Fair buildings, grounds and educational programs. Therefore, comparative Foundation financial statements for fiscal years 2009 and 2008 are presented as a component unit of the Society.

■ Overview of the Financial Statements

The Society's financial statements are accounted for as an enterprise fund, which operates in a manner similar to a private business enterprise. Income and expenses for the year are presented in the Statement of Revenue, Expenses and Changes in Net Assets; this statement serves to determine if the Society has earned an acceptable level of net income. Next, the Statement of Net Assets outlines all of the Society's assets and liabilities, and includes detailed discussion of fixed assets – namely, the State Fairgrounds and its facilities. Finally, the Statement of Cash Flows provides information on cash receipts and payments generated from operations, as well as finance and investment activities that occurred during the year.

■ Income and Expense

The State Fair realized a net operating gain of \$1.4 million in 2009, based upon gross revenues of \$37.6 million and gross expenses of \$36.2 million. The previous year showed a net operating gain of \$863,000 from income of \$36.2 million and expenses of \$35.3 million. The net operating gain in fiscal 2007 was \$2.2 million based on gross revenues of \$36.0 million and gross expenses of \$33.8 million. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space, and the rental of fair facilities for non-fair events.

In a typical year ticket sales represent two-thirds of the State Fair's gross annual income. In 2009, the ticket sales total of \$23.9 million was earned chiefly through sales of outside gate and parking tickets (\$15.8 million), Mighty Midway and Kidway tickets (\$5.5 million), and Grandstand tickets (\$2.6 million).

As with most business enterprises, expenses are very diverse. The State Fair provides extensive services to fair visitors that include police protection (\$1.3 million), sanitation (\$922,000) and Park & Ride buses (\$1.5 million). Other expenses include Grandstand and free entertainment (\$4.2 million), fairgrounds plant operations (\$5.0 million) and maintenance and depreciation of State Fair facilities (\$5.2 million).

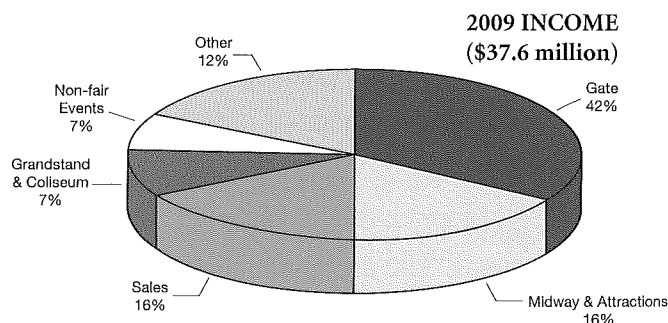
A detailed breakdown of the State Fair's income and expense are included in the Income and Expense Supporting Schedule on pages 22-24.

■ Net Assets

The Condensed Statement of Net Assets provides a quick look at the Society's overall financial position and indicates that the direction of the Society's financial situation is favorable, with net assets increasing \$1.4 million to a total of \$39.5 million during fiscal 2009.

Revenue, Expenses and Changes in Net Assets

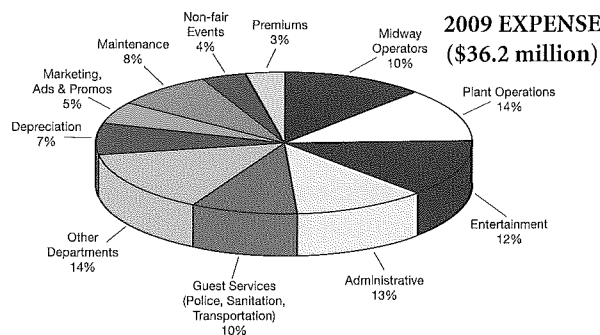
	2009	2008	2007
Ticket Sales	\$23,931,000	\$22,898,000	\$23,480,000
Activities	8,080,000	7,864,000	7,426,000
Other	4,534,000	4,990,000	4,559,000
Non-operating Revenue			
Grant Revenue	<u>1,015,000</u>	<u>412,000</u>	<u>538,000</u>
Total Revenue	37,560,000	36,164,000	36,003,000
Operating Expense			
Activities & Support	22,803,000	22,156,000	17,329,000
General Operations	<u>13,369,000</u>	<u>13,145,000</u>	<u>16,428,000</u>
Total Expense	36,172,000	35,301,000	33,757,000
Changes in Net Assets	1,388,000	863,000	2,246,000
Beginning Net Assets	<u>38,132,000</u>	<u>37,269,000</u>	<u>35,023,000</u>
Ending Net Assets	<u>\$39,520,000</u>	<u>\$38,132,000</u>	<u>\$37,269,000</u>



2009 Income (in millions)

- Gate – \$15.8
- Midway & Attractions – \$6.1
- Sales – \$6.0

- Grandstand & Coliseum – \$2.6
- Non-fair Events – \$2.7
- Other – \$4.4



2009 Expense (in millions)

- Midway Operators – \$3.6
- Plant Operations – \$5.0
- Entertainment – \$4.2
- Administrative – \$4.8

- Guest Services – \$3.8
- (Police, Sanitation, Transportation)
- Other Departments – \$5.1
- Depreciation – \$2.5

- Marketing, Ads & Promos – \$1.9
- Maintenance – \$2.7
- Non-fair Events – \$1.5
- Premiums – \$1.1

Over 84% of the Society's net assets - \$33.0 million – represent the Society's continual investment in capital assets (buildings, equipment and infrastructure) that are absolutely necessary to the Society's ability to present the annual exposition and conduct a busy schedule of non-fair events year-round.

■ Fixed Assets (The State Fairgrounds)

The State Fair's capital assets consist of: 120 fair-owned structures, land and improvements to the land, personal property and infrastructure including an intricate network of electricity, communications, gas, water and sewer distribution systems.

Structures include everything from small permanent information and ticket booths to the Coliseum and the massive Grandstand. Most of the State Fair's significant structures and utilities date back to WPA days in the '30s and very early '40s. Some buildings are even older, such as the Grandstand (1909), Arts Center (1907) and Progress Center (1907).

In 2009, the State Fair invested \$2,501,000 in capital improvements. Projects in the Cattle Barn included \$1,331,000 for the addition of a new Moo Booth exhibit area, \$342,000 to begin the

installation of a fire suppression system, and \$128,000 for window and door replacement. Also, \$278,000 was spent on various improvements in the Warner Coliseum. In 2008, the State Fair invested \$7,965,000 in capital improvements. Projects included \$4,500,000 for the construction of a new Bazaar complex; \$1,350,000 for the re-roofing of the Swine Barn and \$940,000 for the re-roofing of the Cattle Barn, and \$525,000 for electrical system improvements. In 2007, the State Fair invested \$1,865,000 in capital improvements. Projects included \$761,000 for electrical system improvements; \$281,000 for a roof upgrade on the Coliseum; \$217,000 for sewer system improvements and \$430,000 of initial expenditures for the construction of a new Bazaar complex.

Additional information on fixed assets can be found in note 3.

■ Long-Term Obligations

During fiscal 2008, the Society issued a \$4.6 million revenue note to assist in financing the new Bazaar complex and the re-roofing of the Cattle Barn and the Swine Barn. This financing is in addition to the \$11.1 million revenue bond issued in 2003. After principal payments of \$905,000 during 2009, the long term principal balance as of October 31 2009 is \$12,410,000. Additional information on long-term debt can be found in note 4 of the accompanying financial statements.

CONDENSED STATEMENT OF NET ASSETS

	2009	2008	2007
Current & Other Assets	\$9,815,000	\$9,383,000	\$9,978,000
Capital Assets	<u>45,422,000</u>	<u>45,347,000</u>	<u>39,820,000</u>
Total Assets	55,237,000	54,730,000	49,798,000
Long Term Debt	11,850,000	12,410,000	9,175,000
Other Liabilities	<u>3,867,000</u>	<u>4,188,000</u>	<u>3,354,000</u>
Total Liabilities	15,717,000	16,598,000	12,529,000
Invested in Capital Assets, Net of Related Debt	33,012,000	32,032,000	30,215,000
Restricted	2,369,000	2,240,000	1,761,000
Unrestricted	<u>4,139,000</u>	<u>3,860,000</u>	<u>5,293,000</u>
Total Net Assets	<u>\$39,520,000</u>	<u>\$38,132,000</u>	<u>\$37,269,000</u>

■ Minnesota State Fair Statement of Net Assets

For the years ended October 31

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets:		
Cash and cash equivalents - Unrestricted	\$ 3,600,340	\$ 5,505,283
Cash and cash equivalents - Restricted	1,495,939	1,366,126
Accounts receivable	3,298,081	1,148,559
Prepaid expenses	161,902	135,353
Note receivable	84,333	32,000
Accrued interest receivable	10,989	2,484
Total current assets	<u>\$ 8,651,584</u>	<u>\$ 8,189,805</u>
Non-current assets:		
Cash and cash equivalents - Restricted Debt Service Reserve	873,405	873,405
Receivable due from Minnesota State Fair Foundation	289,987	319,787
Capital Assets, Net of related depreciation	45,421,670	45,346,925
Total non-current assets	<u>\$ 46,585,062</u>	<u>\$ 46,540,117</u>
Total assets	<u>\$ 55,236,646</u>	<u>\$ 54,729,922</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 2,195,886	\$ 2,532,591
Accrued salaries	122,404	107,508
Deferred revenue	161,519	229,605
Bond and Note interest payable	70,633	75,023
Bond payable - current	465,000	445,000
Note payable - current	460,000	460,000
Unclaimed property payable	9,621	9,621
Total current liabilities	<u>\$ 3,485,063</u>	<u>\$ 3,859,348</u>
Noncurrent liabilities:		
Bond payable due in more than one year	8,265,000	8,730,000
Note payable due in more than one year	3,220,000	3,680,000
Unamortized bond discount	(174,129)	(186,567)
Unamortized note discount	(41,077)	(46,212)
Compensated absences	597,036	561,057
Other post retirement benefits	364,746	-
Total non-current assets	<u>\$ 12,231,576</u>	<u>\$ 12,738,278</u>
Total liabilities	<u>\$ 15,716,639</u>	<u>\$ 16,597,626</u>
NET ASSETS		
Invested in capital assets, net of related debt	\$ 33,011,671	\$ 32,031,925
Restricted for:		
Debt Service	2,355,444	2,225,764
Capital Improvements	13,900	13,767
Unrestricted assets	4,138,992	3,860,840
Total net assets	<u>\$ 39,520,007</u>	<u>\$ 38,132,296</u>
Total liabilities and net assets	<u>\$ 55,236,646</u>	<u>\$ 54,729,922</u>

The notes to the financial statements are an integral part of this statement.

■ Minnesota State Fair Foundation Statements of Financial Position

For the year ended October 31

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and Cash Equivalents	\$ 172,789	\$ 709,230
Certificate of Deposits	250,000	-
Receivable	-	10,000
Contributions Receivable	753,447	774,284
Prepaid Expenses and Other Assets	2,845	7,538
Promotional Materials	-	2,072
Merchandise Inventory	11,932	14,449
Property and Equipment, Net of Accumulated Depreciation of \$27,993 and \$20,230, Respectively	<u>35,015</u>	<u>41,678</u>
Total assets	<u>\$ 1,226,028</u>	<u>\$ 1,559,251</u>
LIABILITIES AND NET ASSETS (DEFICIT)		
Liabilities		
Accounts Payable	\$ 3,534	\$ 2,334
Accrued Expenses	16,995	9,690
Payable Due to the Minnesota State Agricultural Society	<u>289,987</u>	<u>319,787</u>
Total Liabilities	310,516	331,811
Net Assets (Deficit)		
Unrestricted	56,192	9,472
Temporarily Restricted	<u>859,320</u>	<u>1,217,968</u>
Total Net Assets	<u>915,512</u>	<u>1,227,440</u>
Total Liabilities and Net Assets	<u><u>\$ 1,226,028</u></u>	<u><u>\$ 1,559,251</u></u>

■ Minnesota State Fair Statement of Revenue, Expenses and Changes in Net Assets

For the years ended October 31

	<u>2009</u>	<u>2008</u>
OPERATING REVENUES		
Ticket sales	\$ 23,931,053	\$ 22,897,565
Activities	8,079,833	7,864,190
Other	<u>4,414,407</u>	<u>4,796,757</u>
Total operating revenues	\$ 36,425,293	\$ 35,558,512
OPERATING EXPENSES		
Administrative	\$ 4,831,485	\$ 4,207,309
Activities and Support	17,970,763	17,948,575
Premiums	1,052,923	966,820
Plant Operations	4,974,991	5,014,882
Plant Maintenance	2,736,894	2,589,661
Other	1,539,468	1,701,409
Depreciation	<u>2,477,856</u>	<u>2,349,588</u>
Total operating expenses	\$ 35,584,380	\$ 34,778,244
Net operating revenues (expenses)	\$ 840,913	\$ 780,268
NON OPERATING REVENUES (EXPENSES)		
Interest revenue	\$ 120,286	\$ 194,469
Grant revenue	1,014,533	411,599
Interest expense	(588,020)	(521,047)
Loss on disposal of fixed assets	-	(1,920)
Total non-operating revenues (expenses)	<u>\$ 546,799</u>	<u>\$ 83,101</u>
Change in net assets (deficit)	\$ 1,387,712	\$ 863,369
Total net assets, beginning of year	<u>\$ 38,132,295</u>	<u>\$ 37,268,926</u>
Net assets, end of year	<u>\$ 39,520,007</u>	<u>\$ 38,132,295</u>

The accompanying notes are an integral part of the financial statements.

■ Minnesota State Fair Foundation **Statements of Activities and Changes in Net Assets**

For the Year Ended October 31

	2009			2008		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES						
Contributions	\$101,024	\$715,508	\$816,532	\$184,236	\$589,472	\$773,708
Support from the Minnesota State Agricultural Society	140,776	-	140,776	153,578	-	153,578
In-Kind Contributions	150,162	-	150,162	95,115	-	93,115
Interest	14,131	1,599	15,730	24,027	16,236	40,263
Net assets Released from Restrictions	<u>1,075,755</u>	<u>1,075,755</u>	<u>-</u>	<u>453,275</u>	<u>(453,275)</u>	<u>-</u>
Total	1,481,848	(358,648)	1,123,200	910,231	152,433	1,060,664
Merchandise sales, net	177,107	-	177,107	113,950	-	113,950
Less: Cost of goods sold	(17,957)	-	(17,957)	(10,967)	-	(10,967)
Miscellaneous Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>245</u>	<u>-</u>	<u>245</u>
Net Merchandise Sales	<u>159,150</u>	<u>-</u>	<u>159,150</u>	<u>103,228</u>	<u>-</u>	<u>103,228</u>
Total Revenues	1,640,998	(358,648)	1,282,350	1,013,459	152,433	1,165,892
EXPENSES						
Grants to the Minnesota State Agricultural Society	1,014,533	-	1,014,533	411,599	-	411,599
Payroll	354,757	-	354,757	283,848	-	283,848
Professional Services	34,159	-	34,159	45,691	-	45,691
Production Supplies	77,080	-	77,080	48,243	-	48,243
Postage and Mailing	8,617	-	8,617	5,242	-	5,242
Printing and Advertising	22,463	-	22,463	12,535	-	12,535
Rent	24,955	-	24,955	26,086	-	26,086
Incentives and Recognition	725	-	725	22,840	-	22,840
Office Supplies	3,336	-	3,336	12,454	-	12,454
Interest Expense	15,244	-	15,244	16,796	-	16,796
Loss on Inventory Obsolescence	9,475	-	9,475	12,966	-	12,966
Other	<u>28,934</u>	<u>-</u>	<u>28,934</u>	<u>22,842</u>	<u>-</u>	<u>22,842</u>
Total Expenses	<u>1,594,278</u>	<u>-</u>	<u>1,594,278</u>	<u>921,142</u>	<u>-</u>	<u>921,142</u>
CHANGE IN NET ASSETS (DEFICIT)	46,720	(358,648)	(311,928)	92,317	152,433	244,750
Net assets (Deficit) - Beginning	<u>9,472</u>	<u>1,217,968</u>	<u>1,227,440</u>	<u>(82,845)</u>	<u>1,065,535</u>	<u>982,690</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$56,192</u>	<u>\$859,320</u>	<u>\$915,512</u>	<u>\$9,472</u>	<u>\$1,217,968</u>	<u>\$1,227,440</u>

■ Minnesota State Fair Statement of Cash Flows

For the years ended October 31

Cash flow from operating activities:

Cash received from operations

Ticket Sales

Activities

Other

Cash payment for operating expenses

Administration

Activities

Plant Operations

Other

Net cash provided by operating activities

2009

2008

\$ 21,212,389

8,117,968

4,375,605

(4,365,964)

(18,864,823)

(7,657,470)

(1,305,115)

\$ 1,512,590

\$ 22,928,674

7,794,831

4,810,900

(3,987,640)

(19,509,505)

(7,432,977)

(1,649,801)

\$ 2,954,482

Cash flow from capital and related financing activities

Payments for acquisition and construction of capital assets

Payments for storm damage

Proceeds from revenue note

Proceeds from sale of building

Proceeds from note receivable

Proceeds from insurance

Disposal of fixed assets

Principal payments on revenue bond and revenue note

Interest payments on revenue bond and revenue note

Net cash provided by capital and related financing activities

\$ (3,272,407)

20,332

-

-

(52,333)

511,192

-

(905,000)

(591,729)

\$ (4,289,945)

\$ (7,425,208)

(573,103)

4,600,000

64,000

-

928,285

1,920

(890,000)

(501,969)

\$ (3,796,075)

Cash flow from non-capital financing activities

Proceeds from working capital loan

Principal payments on working capital loan

Proceeds from unclaimed property

Interest payments on working capital loan

Grant revenue

Net cash provided by non-capital financing activities

\$ 500,000

(500,000)

-

(681)

891,127

\$ 890,446

\$ 300,000

(300,000)

9,621

(571)

336,185

\$ 345,235

Cash flow from investing activities

Interest earnings

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents, beginning of year

Cash and cash equivalents, end of year

111,781

(1,775,128)

7,744,812

\$ 5,969,684

191,986

(304,372)

8,049,184

7,744,812

Reconciliation of operating income to net cash provided by operating activities

Operating income

Adjustments to reconcile operating income to net cash provided by operating activities

Depreciation

Other non-cash expenses

Changes in current operating assets and liabilities

Current assets: (increase) decrease

Accounts receivable

Prepaid expenses

Current & Non-current liabilities: increase (decrease)

Accounts payable

Salary payable

Compensated absences

Deferred revenue

Unamortized bond discount

Other post employee benefits

Total adjustments

Net cash provided by operating activities

\$ 840,913

2,477,856

64,406

(2,651,245)

(26,549)

442,100

14,897

35,978

(68,086)

17,574

364,746

\$ 671,677

\$ 1,512,590

\$ 780,268

2,349,588

45,414

(46,065)

19,361

(101,716)

(153,052)

72,500

21,958

(33,774)

-

\$ 2,174,214

\$ 2,954,482

For fiscal year 2009, accounts payable included capitalized expenses of \$163,411.

The accompanying notes are an integral part of the financial statements.

■ Minnesota State Fair Foundation Statement of Cash Flows

For the year ended October 31

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (311,928)	\$ 244,750
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,763	7,464
Contribution of Property	(52,000)	(27,500)
Contribution of Merchandise Inventory	(6,746)	(5,189)
Grant of property	52,000	40,000
Inventory Obsolescence Adjustment	9,475	12,966
(Increase) Decrease in Assets:		
Contributions Receivable	30,837	(162,007)
Inventory	1,860	(7,908)
Prepaid Expenses and Other Assets	4,693	(4,790)
Increase (Decrease) in Liabilities:		
Accounts Payable	1,200	(1,911)
Accrued Expenses	7,305	(8,806)
Payables Due to the Minnesota State Agricultural Society	(29,800)	7,773
Net Cash Provided by Operating Activities	(285,341)	94,842
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(1,100)	(24,253)
Purchase of Certificate of Deposits	(250,000)	-
Maturities of Certificates of Deposits	-	360,138
Net Cash Provided by Investing Activities	(251,100)	335,885
INCREASE (DECREASE) IN CASH	(536,441)	430,727
Cash - Beginning of year	709,230	278,503
CASH - END OF YEAR	<u>\$172,789</u>	<u>\$709,230</u>
SUPPLEMENTAL DISCLOSURES OF NON CASH ITEMS		
Gift of Merchandise Inventory	<u>\$6,746</u>	<u>\$5,189</u>
Gift of Property	<u>\$52,000</u>	<u>\$27,500</u>
Transfer of Property to the Minnesota State Agricultural Society	<u>\$52,000</u>	<u>\$40,000</u>

■ Footnotes

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The Minnesota State Agricultural Society is charged with the conduct of the annual State Fair and the management of the State Fairgrounds, as outlined by Chapter 37 of Minnesota Statutes. The financial activities of the Society are accounted for as an enterprise fund which operates in a manner similar to a private business enterprise. Accordingly, the accompanying financial statements are presented on an accrual basis. The Society's accounting practices conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

Private-sector standards of accounting and financial reporting, including Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict GASB guidance.

This report includes the Minnesota State Fair Foundation financial statements. Although a legally separate organization, the foundation is considered a component unit of the Society given its resources entirely, or almost entirely benefit the Society, the Society is entitled to these resources, and the resources are significant to the Society's operations.

Enterprise funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the enterprise fund's principal operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and the depreciation of capital assets. All other revenues and expenses are reported as non-operating items.

Compensated absences consist of employee vacation and sick leave benefits. These benefits are determined based on a formula with a maximum number of hours accumulated and are payable upon death, termination, or retirement. Compensated absences are reported as non-current liabilities.

Costs of newly acquired assets are capitalized and written off as depreciation charges over their estimated useful lives. Purchases over \$2,000 are capitalized. Depreciation is computed by the straight-line method. The provision for depreciation is calculated based on the following lives:

Electrical system	30 years
Fence & Fixtures	20 years
Gas distribution system	30 years
Land improvements	20 to 30 years
Personal Property	5 or 10 years
Sewer system	20 years
Structures	20 to 50 years
Water distribution system	20 to 50 years

Equity is classified as net assets and is presented in three components:

1. Invested in capital assets, net of related debt - consists of capital assets, net of accumulated depreciation and any outstanding debt that is attributable to the purchase, construction or improvement of those assets.
2. Restricted net assets - consists of net assets with constraints or restrictions placed on their use by external groups or through enabling legislation.
3. Unrestricted net assets - consists of all other assets that do not meet the criteria of restricted or invested in capital, net of related debt.

NOTE 2: CASH AND CASH EQUIVALENTS

The Society cash balance is invested in deposit accounts and government obligation funds invested exclusively in short-term government securities that the Society considers to be cash equivalents. Minn.Stat. Sec 118A.03 requires that deposits by municipalities, including public corporations, be secured by depository insurance, or a combination of depository insurance, or a combination of depository insurance and collateral security. The statute further requires that total collateral computed at its fair market value be at least 10 percent more than the amount on deposit in excess of any uninsured portion at the close of the business day. On October 31, 2009, according to the bank records, the Society had short-term investments of \$6,698,265. Of that total, \$6,080,793 was invested in repurchase agreements, \$604,021 was invested in certificates of deposit and \$13,451 was invested in U.S. Treasury and agency obligations. After adjusting the bank balances for outstanding checks, deposits in transit, and other reconciling items totaling \$728,581, cash and cash equivalents totalled \$5,969,684.

Cash and Cash Equivalents of the Minnesota State Agricultural Society for the years ending October 31:

Cash Equivalents - Restricted	2009	2008
Building Account	\$ 449	\$ 448
Debt Service Account	1,482,039	1,352,359
Debt Service Reserve Account	873,405	873,405
Construction Account	<u>13,451</u>	<u>13,319</u>
Total Restricted Cash Equivalents	2,369,344	2,239,531
Cash Equivalents - Unrestricted	<u>3,600,340</u>	<u>5,505,283</u>
Total Cash Equivalents	<u>\$5,969,684</u>	<u>\$7,744,814</u>

Restricted cash equivalents represent funds restricted in application by enabling legislation or by revenue bond sale covenant requirements.

NOTE 3: PROPERTY, STRUCTURES, UTILITIES & EQUIPMENT

Capital assets are recorded at cost and depreciated using the straight-line method over the useful life of the related asset. Costs of improvements and renovations that add to the original value or materially extend the useful life of the related asset, are capitalized and written off as depreciable over their remaining estimated useful life.

	Beginning Balance 11/01/08	Increases	Decreases	Ending Balance 10/31/09
Capital assets, not being depreciated:				
Land	\$2,503,439			\$2,503,439
Capital assets, being depreciated:				
Land				
Improvements	68,679,823	2,558,244	(106,000)	71,132,067
Utility Systems	9,729,491			9,729,491
Personal Property	<u>1,276,643</u>	<u>100,358</u>	<u>(186,550)</u>	<u>1,190,451</u>
Total Capital Assets, being depreciated	79,685,957	2,658,602	(292,550)	82,052,009

Less accumulated depreciation for:

Land				
Improvements	(30,922,545)	(1,997,670)		(32,920,215)
Utility Systems	(5,014,059)	(298,442)		(5,339,501)
Personal Property	(878,868)	(181,744)	186,550	(874,062)
Total accumulated depreciation	(36,842,472)	(2,477,856)	186,550	(39,133,778)
Total capital assets, being depreciated, net	42,843,486	180,746	(106,000)	42,918,231
Total capital assets, net	\$45,346,924	180,746	(106,000)	\$45,421,670

NOTE 4: LONG-TERM OBLIGATIONS

	2009		2008	
	Current	Long-term	Current	Long-Term
Bond Payable	\$465,000	\$8,265,000	\$445,000	\$8,730,000
Note Payable	<u>460,000</u>	<u>3,220,000</u>	<u>460,000</u>	<u>3,680,000</u>
	925,000	11,485,000	905,000	12,410,000
Net Increase (decrease)	\$20,000	\$(925,000)		

During 2003, the Minnesota State Agricultural Society issued State Fair Revenue Bonds, Series 2003 in the amount of \$11,110,000. Proceeds from this bond series were used to provide funds to make capital improvements and major renovations to the Grandstand structure, to fund the Series 2003 debt service reserve requirement and to pay cost of issuance expenses relating to the bonds. The bonds are special, limited obligations of the Society and are not secured by the full faith and credit of the Society. The bonds are payable solely from the revenues of the Fair. A principal payment is made once each year on September 15, commencing September of 2004. Interest payments are made semi-annually on each March 15 and September 15, commencing March 15, 2004. The bond interest rates are 3.000% to 5.125%. The bonds mature September 15, 2023.

Annual debt service requirements to maturity for the State Fair Revenue Bonds are as follows:

	Principal	Interest
2010	465,000	413,017
2011	480,000	394,418
2012	500,000	375,217
2013	520,000	355,218
2014	545,000	333,117
2015-2019	3,115,000	1,260,390
2020-2023	<u>3,105,000</u>	<u>403,873</u>
	<u>\$8,730,000</u>	<u>\$3,535,250</u>

During 2008, the Minnesota State Agricultural Society issued a State Fair Revenue Note, Series 2008 in the amount of \$4,600,000. Proceeds from this note series were used for the reconstruction of the Bazaar Complex and the replacement of the Cattle Barn and Swine Barn roofs. The note is a special, limited obligation of the Society and is not secured by the full faith and credit of the Society. The note is payable solely from the revenues of the Fair. A principal payment is made once each year on September 15, commencing September of 2008. Interest payments are made semi-annually on each March 15 and September 15, commencing September 15, 2008. The note interest rate is fixed at 3.86% and matures September 15, 2017.

Annual debt service requirements to maturity for the State Fair

Revenue Note is as follows:

	Principal	Interest
2010	\$ 460,000	\$ 144,021
2011	460,000	126,018
2012	460,000	108,312
2013	460,000	90,013
2014	460,000	72,010
2015	460,000	54,008
2016	460,000	36,104
2017	<u>460,000</u>	<u>18,003</u>
	<u>\$3,680,000</u>	<u>\$ 648,489</u>

NOTE 5: SHORT TERM OBLIGATIONS

During fiscal year 2009, the Society renewed a working capital line of credit in the amount of \$1.5 million for possible short-term financing of fair operations. A total of \$500,000 was used for short-term financing in April and repaid in May. As of 10/31/09, there was no outstanding balance due on the line of credit.

Beginning Balance 11/1/08	Loan Advances	Loan Payments	Ending Balance 10/31/09
\$-0-	\$500,000	\$(500,000)	\$-0-

NOTE 6: RETIREMENT PLAN

The following pension disclosures are made to comply with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers".

Plan Description

All Society full-time employees must participate and are covered by defined benefit pension plans administered by the Minnesota State Retirement System (MSRS). MSRS administers the State Employees' Retirement Fund (SERF) which is a cost-sharing, multiple-employer retirement plan. The payroll for employees covered by MSRS plans for the year ended October 31, was \$4,271,992 for 2008 and \$4,426,551 for 2009. Total Society payroll was \$8,370,327 for 2008 and \$8,617,856 for 2009. MSRS issues a publicly available financial report that includes financial statement and required supplementary information. That report may be obtained by writing to the MSRS plan administrator at the Minnesota State Retirement System, 60 Empire Drive, Suite 300, Saint Paul, Minnesota 55103-3000.

MSRS provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's average salary from the five highest successive years of covered salary, age and length of service at termination of service. Two methods are used to compute benefits, the Step formula and the Level formula. Under the Step formula, the annual accrual is 1.2 % for the first ten years of service then 1.7% for each year thereafter. The benefit is based on a percentage of a high-five average salary. Under the Level formula, the annual accrual amount is 1.7% for each year of service. For employees hired before July 1, 1989, a full annuity is available when age plus years of service equals 90 for annuities calculated under the Step formula.

There are two types of annuities available to members upon retirement. The single-life annuity is a lifetime annuity that ceases on the death of a member. The optional annuity provides joint and survivor annuity options that reduce monthly annuity payments because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available to members who leave public service, but before retirement benefits begin.

Funding Policy

Minnesota Statutes, Chapter 352 sets the rate for employee and employer contributions. Contributions are made to the fund by employees and the Society based on a percentage of gross salaries. The total required contribution rate at the beginning of the fiscal year was 9.00%; the employee and the employer each having a required contribution rate of 4.50%. Effective July 1, 2009, the total required contribution rates increased to 9.50%; 4.75% for both employee and employer. Employer contributions, which equaled the required contributions for the year were \$179,370 for 2008 and \$196,548 for 2009.

Deferred Compensation

All Society full-time employees are eligible to participate in the Minnesota Deferred Compensation Plan for public employees. Deferred compensation is a voluntary plan that allows employees to place a portion of their earnings into a tax deferred investment program for long-term savings to supplement retirement and other benefits. The deferred compensation plan is administered by the Minnesota State Retirement System.

NOTE 7: OTHER POST EMPLOYEE BENEFITS

The Society provides retirees, who meet certain defined requirements, payments for a portion of medical insurance premiums until they reach the age of 65. This type of benefit is classified as an Other Post Employee Benefit (OPEB) which are required to be accounted for in accordance with Government Accounting Standards Board Statement No. 45.

Therefore, an actuarial valuation of these benefits was conducted in accordance with GASB 45's alternative measurement method for employers with 100 plan members. The obligation for this benefit is reflected here and in the financial statements.

Net OPEB obligation

Annual Required Contribution	\$385,239
Employer Contribution	20,493
Increase in Net OPEB Obligation	364,746
Net OPEB Obligation beginning of year	-
Net OPEB Obligation end of year	364,746

Employee eligibility for this benefit is the earlier of age 60 and 20 years of service or the Rule of 90 (only employees hired before July 1, 1989 are eligible for Rule of 90). Results are based on the October 31, 2009 GASB 45 actuarial valuation. Actuarial assumptions include a 4% discount rate, OPEB benefits were calculated under the Projected Unit Credit cost method and the unfunded actuarial accrued liability (\$2,988,572) is amortized as a level dollar amount over 30 years. The Society is currently proceeding on the pay-as-you-go basis for funding.

The following health trend rates were used in the valuation of post-retirement benefit costs:

<u>Fiscal Year</u>	<u>Trend Rates</u>
2010	10.00%
2011	9.50%
2012	9.00%
2013	8.50%
2014	8.00%
2015	7.50%
2016	7.00%
2017	6.50%
2018	6.00%
2109	5.50%
2120 & later	5.00%

NOTE 8: RESTRICTED NET ASSETS

These represent funds that are reported separately, due to restrictions in place required by bond obligations or enabling legislation, that mandate

how these funds are applied by the Society. These assets are for debt service payments and capital improvements.

NOTE 9: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables: Accounts receivable balances for the years ended October 31

	2009	2008
Tickets	\$ 2,726,918	\$ 8,254
Activities	265,583	303,718
Insurance Receivable	-	531,524
MSFF Receivable	289,986	319,787
Other	305,580	305,063
Receivables, net	<u>\$ 3,588,067</u>	<u>\$ 1,468,346</u>

Payables: Accounts payable balances for the years ended October 31

	2009	2008
Administration	\$ 314,023	\$ 226,732
Activities	608,273	461,836
Plant Operations	605,638	595,805
Capitalized	163,412	942,216
Other	504,540	306,002
Total Payable	<u>\$ 2,195,886</u>	<u>\$ 2,532,591</u>

NOTE 10: FOUNDATION

The Minnesota State Fair Foundation is a supporting organization of the Minnesota State Agricultural Society. The Foundation is a tax-exempt not-for-profit corporation, established in August 2002 following the passage of enabling legislation signed into law by the governor, and governed by a board of directors. The Foundation was established to secure and provide funding and gifts-in-kind all of a nature acceptable to the Fair to be used in the preservation, restoration and improvement of the Minnesota State Fairgrounds, and to support State Fair educational, agricultural, and scientific programs. The Foundation is supported primarily from public and private contributions, merchandise sales, in-kind contributions and volunteer time.

The following are significant notes to the Minnesota State Fair Foundation financial statements:

Financial Statement Presentation

Net assets, revenues, expenses, gain and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted

Resources over which the Board of Directors has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose.

Temporarily Restricted

Those resources subject to donor imposed restrictions which will be satisfied by actions of the Foundation or passage of time.

Permanently Restricted

Those resources subject to a donor imposed restriction that they be maintained permanently by the Foundation. The donors of these resources permitted the Foundation to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or temporarily restricted purposes.

Contributions Receivable

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those

amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in the contribution revenue. Conditional pledges are not included as support until such time as the conditions are substantially met. The Foundation currently does not have conditional pledges.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in the temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Unconditional contribution pledges are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received.

Conditional contributions are recognized when the conditions on which they depend are substantially met. Gifts and bequests are recognized when it has been determined that there is a legal right to the gift or bequest and the actual amount has been determined.

Foundation financial statements can be obtained by writing to Minnesota State Fair Foundation, 1265 N. Snelling Avenue, Saint Paul, Minnesota 55108.

NOTE 11: RELATED PARTY TRANSACTIONS

In accordance with an agreement between the Foundation and the Fair, the Fair has provided the following:

- Full use and occupancy of a fairgrounds building rent-free, including telephone and computer services.
- Payroll and limited staff support services.

At the year ended October 31, 2009, the Foundation has \$289,986 of outstanding payables due to the Fair for payroll and other compensation-related expenses. The 2008 year-end outstanding payable balance totaled \$319,787. The Fair contributed payroll expenses of \$140,766 during fiscal 2009 and \$135,152 during fiscal 2008.

The employees of the Fair have made significant contributions of their time to the Foundation's activities. These uncompensated services are included in the agreement between the Fair and the Foundation. Additionally, volunteers have donated time to the Foundation in various capacities. No amounts have been included in the statements for donated services, since the services do not meet established criteria for recognition. These criteria require the donated services create or enhance nonfinancial assets, require specialized skills which would be purchased if not donated, and have an objective basis for measurement.

Grants to the Minnesota State Agricultural Society

During the year ended October 31, 2009, the Foundation granted \$625,000 for expenses incurred for the construction of the new Moo Booth display in the Cattle Barn; improvements to the Warner Coliseum valued at \$211,500; a structure valued at \$52,000; benches and recognition bricks valued at \$36,500, and other miscellaneous gifts valued at \$89,500, for a total of \$1,014,500 during fiscal 2009.

During the year ended October 31, 2008, the Foundation granted \$250,000 for expenses incurred for improvements to the Warner Coliseum; improvements to the CHS Miracle of Birth Center and

J.V. Bailey House valued at \$64,764; benches and recognition bricks valued at \$30,992; structures valued at \$30,000 and other miscellaneous gifts valued at \$35,843, for a total of \$411,599 during fiscal 2008.

NOTE 12: RISK MANAGEMENT AND ACCOUNTING FOR INSURANCE RECOVERIES

The Minnesota State Agricultural Society (Fair) is exposed to various risks of loss related to torts; to theft of, damage to, or destruction of assets; to errors and omissions; and to employer obligations. The Fair manages these risks through the State of Minnesota Risk Management Fund, a self-insurance fund, and other insurance and self-insurance mechanisms.

State Risk Management Fund

State agencies, including the Fair, may elect to and pay a premium to participate in the Risk Management Fund, which offers auto, liability, property and related coverage. The property coverage offers the Fair a range of deductibles from \$1,000 through \$250,000 per loss. The fund covers the balance of the claim up to \$1,500,000. The reinsurance program provides coverage up to \$1,000,000,000. Once annual aggregate losses paid by the Risk Management Fund reach \$4,000,000 in any one fiscal year, the reinsured will provide coverage in excess of a \$25,000 maintenance deductible for each claim.

On August 11, 2007, two weeks before the start of the 2007 State Fair exposition, several areas of the fairgrounds sustained considerable amounts of storm damage. Total storm related accrued expenses of \$883,707 were incurred through October 31, 2007, and another \$573,103 of storm expenses were realized in fiscal 2008, for a total of \$1,456,810 of storm related expenses. Insurance recovery reimbursement proceeds are expected to offset storm damage expenses. Insurance proceeds totaling \$928,285 were received during fiscal 2008, leaving a receivable balance of \$531,525 as of 10/31/08. In fiscal 2009 the Fair received \$511,192 from insurance and expensed the remaining \$20,332 not covered by insurance. As of 10/31/09, no further storm related expenses or receivables have been incurred. In accordance with GASB 42, the storm damage expenses are to be netted against insurance recoveries.

REQUIRED SUPPLEMENTARY INFORMATION

Actuarial Measures of Other Postemployment Benefits Funding Progress

The State Agricultural Society offers other postemployment benefits to employees and their dependents through a single-employer defined benefit health care plan.

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date (1)	2009	10/31/09
Actuarial Value of Plan Assets	2009	\$ -
Actuarial Accrued Liability	2009	\$2,988,572
Total Unfunded Actuarial Liability	2009	\$2,988,572
Funded Ratio (2)	2009	0%
Annual Covered Payroll	2009	\$4,284,124
Ratio of Unfunded Actuarial Liability to Annual Covered Payroll	2009	69.76%

(1) The October 31, 2009, Annual Valuation Report is the most recently issued report available.

(2) Actuarial value of assets as a percent of actuarial accrued liability.

■ Minnesota State Fair Supporting Schedule – Revenues and Expenses

For the years ended October 31

2009

2008

OPERATING REVENUE

Ticket sales:

Carnival	\$5,499,906	\$5,661,107
Coliseum	-	103,562
Grandstand	2,615,060	2,618,227
Outside gate	14,583,308	13,433,622
Parking	1,232,779	1,081,047

Total ticket sales

23,931,053 **22,897,565**

Activities:

Box office	510,260	474,622
Campgrounds	103,633	105,164
Carnival	85,004	103,890
Competition	271,282	238,126
Entertainment	37,400	36,647
Fine Arts	52,032	
Forage	19,257	18,211
4-H Auction	341,240	328,295
Public Safety	10,187	12,980
Sales	6,649,538	6,546,255

Total activities

8,079,833 **7,864,190**

Other:

Beef Expo	96,256	87,189
Licensee Utilities	236,910	235,641
Miscellaneous	59,759	71,830
Non-fair events	2,608,836	2,891,653
Sale of bulk milk	6,412	11,092
Sale of market animals	67,938	72,773
Sponsorships	795,200	835,150
Telephone	87,114	120,509
Utility Assessments	455,982	470,920

Total other

4,414,407 **4,796,757**

Total operating revenue

36,425,293 **35,558,512**

OPERATING EXPENSES

For the years ended October 31

2009

2008

Administrative:

Administrative Services	400,588	440,262
Annual meeting	30,768	16,051
Bad debt	1,344	2,072
Computer	338,773	262,101
Dues and subscriptions	18,609	15,245
Insurance	244,377	220,429
Legal services	105,064	59,348
Legislative audit	64,915	59,820
Managerial services	409,196	378,175
Medical insurance	1,102,345	728,737
Paid leave	647,857	638,244
Postage and mailing service	103,982	96,274
Printing and supplies	86,104	77,471
Retirement fund	211,760	197,229
Social security	638,767	611,030
Telephone	212,410	201,395
Travel expense	68,079	78,708
Unemployment compensation	65,862	52,659
Workers compensation	80,685	72,059

Total administrative

4,831,485 **4,207,309**

Activities and Support:

Admissions	172,582	171,178
------------	---------	---------

Advertising	898,073	876,245
Bee culture	9,744	8,590
Beef Expo	66,893	62,184
Box office	245,830	236,259
Campground	60,778	59,107
Carnival	4,120,840	4,313,885
Cattle	141,543	106,070
Christmas trees	4,840	5,377
Competition	525,700	456,971
Creative activities	76,531	72,081
Dairy products	1,613	2,270
Dog trials	3,027	2,848
Education	28,524	27,679
Farm crops	24,769	23,911
Finance	297,090	270,765
Fine arts	37,873	34,196
Flower and agriculture shows	48,300	45,050
Flowers	10,684	9,488
Forage	71,067	57,794
4-H Club	225,354	237,428
Free entertainment	1,141,423	1,171,202
Fruit	16,555	12,233
FFA	88,999	96,800
Gate tickets	266,311	241,068
Goats	4,877	6,421
Goats - Boer	1,812	-
Grandstand - concerts	3,075,246	3,076,321
Heritage exhibits	11,432	9,586
Horse and rodeo	192,068	224,591
Llamas	2,675	2,531
Marketing	670,973	591,272
Park & Ride	1,547,743	1,593,017
Parking	174,687	166,143
Poultry	14,198	13,700
Public safety	1,342,267	1,187,292
Sales	1,033,604	1,140,983
Sanitation	922,072	963,051
Senior citizens	11,036	12,413
Sheep	7,608	7,780
Swine	16,392	13,596
Ticket audit	7,708	9,165
Ticket promotion	279,067	255,855
Trams	35,000	34,485
Transportation	27,242	29,712
Vegetables	8,113	9,982
Total activities and support	17,970,763	17,948,575
Premiums:		
Bee culture	3,822	3,186
Beef Expo	20,402	19,449
Cattle	107,995	99,590
Christmas trees	2,645	2,465
Creative activities	15,047	15,254
Dairy products	1,125	1,125
Dog trials	1,110	1,110
Education	11,899	11,145
Farm crops	16,494	16,336
Fine arts	10,900	10,250
Fine arts sales	52,032	-
Flowers	2,377	2,445
4-H Auction	340,340	328,295
4-H Club	72,858	69,184
Fruit	2,333	2,361
FFA	82,373	76,927
Goats - Dairy	15,274	14,555

Goats - Boer	694	-
Horse	92,185	87,205
Llama	3,410	3,875
Poultry	10,099	9,896
Rural youth scholarships	20,000	20,000
Sale of bulk milk	6,412	11,076
Sale of market animals	67,948	72,772
Sheep	35,499	33,897
Swine	38,205	35,191
Talent contest	14,620	14,620
Vegetables	4,825	4,611
Total premiums	1,052,923	966,820
Other:		
Miscellaneous	61,083	21,694
Non-fair events	1,428,430	1,631,022
Veterinarian service	49,955	48,693
Total other	1,539,468	1,701,409
Plant operations:		
Architectural and engineering	107,213	87,458
Fire and police service	267,954	204,347
Fuel, oil and gasoline	85,449	137,366
Greenhouse	199,954	253,654
Operations	519,056	513,222
Property tax and assessments	8,233	7,446
Salaries and contract services	1,309,739	1,361,495
Set-up and take-down	1,577,021	1,483,788
Signs	75,283	67,189
Supplies	89,239	95,541
Utilities	522,049	560,483
Water and sewer	213,801	242,893
Total plant operations	4,974,991	5,014,882
Plant maintenance:		
Electric system	436,744	320,815
Fence and fixtures	97,878	178,206
Gas system	-	1,967
Land	197,950	88,037
Personal property	220,576	247,542
Sewer system	17,625	57,767
Streets and sidewalks	378,978	339,318
Structures	1,171,087	1,095,653
Vehicles	185,095	186,893
Water system	30,961	73,463
Total plant maintenance	2,736,894	2,589,661
Depreciation:		
Electric system	141,399	146,535
Fence and fixtures	44,178	44,170
Gas system	627	627
Land improvement	129,741	134,113
Personal property	181,744	192,696
Sewer system	138,750	139,049
Structures	1,823,751	1,674,732
Water system	17,666	17,666
Total depreciation	2,477,856	2,349,588
TOTAL OPERATING EXPENSE	35,584,380	34,778,244
Net operating revenue	840,913	780,268
NON-OPERATING INCOME (EXPENSES)		
Interest revenue	120,286	194,469
Grant revenue	1,014,533	411,599
Interest expense	(588,020)	(521,047)
Loss on disposal of fixed assets	-	(1,920)
CHANGE IN NET ASSETS (DEFICIT)	<u>\$1,387,712</u>	<u>\$863,369</u>

Report Summary

Conclusion

The State Agricultural Society's financial statements for the two years ended October 31, 2009, were fairly presented in all material respects. However, the society had some weaknesses in internal control over financial reporting and business operations, as noted below.

The society resolved a prior audit finding by fully funding its debt service reserve account, as required by a bond covenant.¹

Findings

- The State Agricultural Society's staff did not consistently perform an independent review of payroll transactions to mitigate the risk associated with incompatible payroll duties. (Finding 1, page 3)
- The State Agricultural Society did not have a written contract for towing services and had not established formal policies and procedures for service contracts. (Finding 2, page 3)

Audit Scope and Objectives

We audited the State Agricultural Society's basic financial statements for the two years ended October 31, 2009, and reviewed controls over financial operations and compliance with finance-related legal provisions. We also determined the status of a prior audit finding that the society had under-funded its debt service account in fiscal year 2008, which resulted in noncompliance with a bond covenant.

¹ Minnesota Office of the Legislative Auditor, Financial Audit Division Report 09-21, *State Agricultural Society Financial Statement Audit, Two Years Ended October 31, 2008*, issued June 4, 2009.

Findings and Recommendations

The State Agricultural Society's staff did not consistently perform an independent review of payroll transactions to mitigate the risk associated with incompatible payroll duties.

Finding 1

During fiscal year 2009, staff had not performed an independent review of payroll reports for five of six pay periods we tested. The society required the review as a mitigating control to ensure the propriety of payroll transactions it processed. The review alleviated the risk caused by a lack of segregation of duties in the payroll process. One employee was responsible for processing payroll, including the employee's own transactions, and for recording human resources data in the payroll system. Society payroll amounted to approximately \$9 million or about 25 percent of total expenses for fiscal year 2009.

Segregation of incompatible duties is an important, fundamental internal control to prevent an employee from initiating, processing, and approving transactions without involvement of other staff. Without proper segregation, an employee could manipulate payroll transactions to benefit themselves or others without detection. Although eliminating the incompatible access would be the strongest control, a well-designed mitigating control can be effective to reduce the risk of error or fraud.

Recommendation

- *The society should ensure that staff independent of the payroll process periodically review payroll reports to ensure the propriety of payroll transactions. Alternatively, it should segregate incompatible duties in its payroll process.*

The State Agricultural Society did not have a written contract for towing services and had not established formal policies and procedures for service contracts.

Finding 2

The society did not execute a written contract for towing services provided by a vendor during fair time. The most recent contract with the vendor expired in 2005. Although the society initiated renewal of the contract in the summer of 2005 and the vendor provided a list of rates for towing services, the society never executed a written contract. In fiscal year 2009, the society paid approximately \$19,000 to the vendor for towing services. Senior management indicated the society should have executed a contract for the towing services. A written contract could have protected the society from liability due to possible damages

incurred as a result of the towing services provided on fair property by including a liability clause in the contract and by requiring evidence of insurance from the vendor.

The society did not have written guidelines for staff to follow when developing contracts. State statutes exempt the society from having to advertise for or publicly request bids for contract services.² However, good business practices would expect management to specify when a contract is required for services, the duration of the contract, and the types of bidding procedures to be followed to provide assurance the society obtains the required services at the best possible value.

Recommendation

- *The society should:*
 - *Execute a written contract for the towing services provided during the fair.*
 - *Develop and ensure compliance with policies and procedures for contractual services that address dollar thresholds for when contracts should be executed, when bids or solicitations should be obtained, the duration of contracts, and vendor insurance considerations.*

² *Minnesota Statutes 2009, 37.19.*



THE GREAT MINNESOTA GET-TOGETHER
TWELVE DAYS OF **FUN** ENDING LABOR DAY

James R. Nobles
Office of the Legislative Auditor
Room 140 Centennial Building
658 Cedar St.
St. Paul, MN 55155

June 1, 2010

Dear Mr. Nobles,

Response to finding one: The Society has begun the process of further segregating duties relating to the payroll process, and has increased the frequency of periodic payroll reviews.

Response to finding two: The Society has carefully reviewed the 209 agreements processed through our contracts management department for the '09 State Fair and we have found no other issues. The Society does, in fact, follow good business practices with long-standing policies and procedures for service contracts including duration of agreements and bidding procedures. These policies and procedures will be documented in writing.

Our thanks to you, Jim Riebe and the audit team for your help.

Sincerely,

Jerry Hammer
Executive Vice President

MINNESOTA STATE AGRICULTURAL SOCIETY ANNUAL MEETING

January 16-17-18, 2009

Sheraton Bloomington Hotel, Bloomington

The 150th annual meeting of the Society, held in conjunction with the annual conventions of the Minnesota Federation of County Fairs and the Midwest Showmen's Association, opened Friday Jan. 16 at the Sheraton Bloomington Hotel in Bloomington, Minn.

MEETING OF THE BOARD OF MANAGERS

10:15 a.m. Friday Jan. 16, 2009

Members present: Bob Lake, president; Joe Fox, vice president; D.J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also present: Karen Frost; Brian Hudalla; Steve Pooch; Jim Sinclair; Marshall Jacobson; Renee Pearson; Cheryl Huber; Mary Miller; Steve Grans; Sean Casey; Wally LeVesseur; Mary Pittelko.

President Lake called the meeting to order at 10:15 a.m.

Mr. Hammer and Mr. Jacobson reviewed income and expense reports for fiscal '08, along with detailed background information on Society cash flow.

Mr. Hammer then reviewed major capital projects completed during the past 10 years. Mr. Hudalla presented recommended improvements and maintenance projects to be considered for '09, followed by a presentation by Mr. Hammer on the recommended '09 operating budget and its relationship to the improvements and maintenance budget. Finally, Mr. Hammer presented several income scenarios based on various gate admission price schedules.

Following discussion, the meeting adjourned at 11:26 a.m. on a motion by Mr. Fox, seconded by Mr. Baker and carried (Aye-7; Nay-0).

MEETING OF THE SALES COMMITTEE

2:30 p.m. Friday Jan. 16, 2009

Members present: Joe Fox, chairman; D.J. Leary; Denny Baker; Jim Foss; Gene Gerth; Al Paulson; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio.

Also present: Karen Frost; Brian Hudalla; Marshall Jacobson; Renee Pearson; Cheryl Huber; Mary Miller; Sean Casey; Steve Grans; Wally LeVesseur; Tiffany Bauer; Maria McCullough.

Chairman Fox called the meeting to order at 2:38 p.m.

The report of sales revenue for '08, presented to the board at their Nov. 14, 2008, meeting, was approved as presented on a motion by Mr. Leary, seconded by Mr. Baker and carried (Aye-6; Nay-0).

Mr. Sinclair presented the following list of attractions for the '09 fair along with proposed percentage of revenue license fees:

CONCESSIONAIRE	ATTRACTION	2008%	2009%
Big Adventures, Inc.	<u>Turbo Bungy</u>	25%	25%
D.M.C., Inc.	Skyride	22.5%	25%
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	25%	25%
Giant Ride, Inc.	Giant Slide	30%	30%
Grandstand Artist Merchandise Sales	Artist CD's/DVD's Other Merchandise	10% 20%	10% 20%
Hot Shot Thrill Rides	<u>Sling Shot</u>	25%	25%
K & M Recreation, Inc.	Haunted House	30%	30%
Mighty Midway and Kidway (Approved at 11/14/08 Mtg.)	Kidway Rides and Shows Midway Rides and Shows Games of Skill	43% 43% 22%	43% 41% 23%
River Raft Ride, Inc.	Raft Ride & Pirate Tag	22.5%	25%
Skyfair, Inc.	SkyGlider	30%	30%
Skyscraper Two, Ltd.	<u>Skyscraper</u>	25%	25%
Spineless Wonders	Butterfly House	20%	20%

Tinsley Amusements, Inc.	Carousel	40%	40%
Ventnor Place, Inc.	Space Tower	25%	25%
Ye Old Mill Amusements, Inc.	Canal Boat Ride	25%	25%

Underlined attractions are located in Adventure Park

The percentage fees above represent the fees payable to the Minnesota State Fair on receipts from ticket sales associated with operation of the preceding attractions. Percentages are applied as follows; state sales tax (7.125%) is deducted from gross receipts and reconciliation between the Minnesota State Fair and concessionaires is made on the net of tax balance.

After discussion, the ticketed attraction percentages were approved on a motion by Mr. Baker, seconded by Mr. Paulson and carried (Aye-6; Nay-0).

Mr. Sinclair presented the following list of recommended ticket prices for ticketed attractions:

CONCESSIONAIRE	ATTRACTION	2009 TICKET PRICE(S)
Big Adventures, Inc.	<u>Turbo Bungy</u>	\$5.00
D.M.C., Inc.	Skyride	\$3.00 one-way \$5.00 round trip
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	\$5.00
Giant Ride, Inc.	Giant Slide	\$2.00
Hot Shot Thrill Rides, Inc.	<u>Sling Shot</u>	\$25.00
K & M Recreation, Inc.	Haunted House	\$3.50
Mighty Midway and Kidway	Rides, Shows and Games of Skill (Advance Purchase)	\$.75 single \$20.00 for 30 tickets (\$.667 per) \$30.00 for 50 tickets (\$.600 per) \$10.00 for 20 tickets (\$.500 per)
River Raft Ride, Inc.	Raft Ride Pirate Tag	\$3.50 \$2.50
Skyfair, Inc.	SkyGlider	\$3.00 one way \$5.00 round trip
Skyscraper Two, Ltd.	<u>Skyscraper</u>	\$25.00
Spinless Wonders	Butterfly House	\$3.00
Tinsley Amusements, Inc.	Carousel	\$2.00
Ventnor Place, Inc.	Space Tower	\$3.00
Ye Old Mill Amusements, Inc.	Canal Boat Ride	\$3.00 **

** = Save \$.50 from opening until noon on Thurs., 8/27 (Thrifty Thursday), Mon., 8/31 (Seniors & Kids Day), Thurs., 9/3 (Seniors Day) and Mon., Labor Day, 9/7 (Kids and Last Chance Day).

Underlined attractions are located in Adventure Park and operate on a central ticket system.

After review and discussion, the ticket prices were approved as presented on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-6; Nay-0).

The following list of concessionaires recommended for '09 State Fair beer and wine sales licenses was presented by Mr. Sinclair:

Andrus Concessions, Inc. (Robert and Joseph Andrus)	Block 42	Arcade Building, Spaces 11-15 Brewed Malt Beverages
Ballpark Café, Inc. (Daniel and David Theisen)	Block 35	Crossroads, Space G, outside court Brewed Malt Beverages
Tres-C, Inc. dba Café Caribe (Joel and Mary Chesin)	Block 42	Arcade Building, Spaces 1-10 Brewed Malt Beverages
Chicago Dogs, Inc. (Bruce and Anne Chesin)	Block 35	Crossroads, Space L, east Brewed Malt Beverages

Crocker's Spaghetti Village (James W. Crocker)	Block 31	Lots 16-18 Brewed Malt Beverages
Coasters, Inc. (Paul and Diana Hohenwald)	Block 42	Arcade Building, Spaces 23-32 Brewed Malt Beverages
Werner's Frontier, Inc. (Richard C. Werner)	Block 42	Arcade Building, Spaces 16-22 Brewed Malt Beverages
Baxter BBQ, Inc. dba Famous Dave's (Randy Jernberg)	Block 28	Building 289A Brewed Malt Beverages
Giggles' Campfire Grill (Timothy Weiss)	Block 19	Lots 1 and 2 Brewed Malt Beverages
H.M.H. of Saint Paul, Inc. dba International Grill (Henry and Ellen Hanten)	Block 47	Bazaar, Space A Brewed Malt Beverages
Hildebrand Concessions, Inc. (Janice Hildebrand)	Block 28	Grandstand Seating Area Brewed Malt Beverages
Kirschner's Beer Stube (Robert J. Kirschner)	Block 45 Block 34	Ag-Hort Building - Space H Bandshell Brewed Malt Beverages
Lancer Management Services, Inc. (Glenn Baron)	Block 50	Coliseum, Spaces 113/159, 200/250, 212/213 & 268 Brewed Malt Beverages
Mintahoe, Inc. (Kelvin Lee)	Block 45	Agriculture/Horticulture Building Hall. Minnesota Produced Wine Only
Midway Men's Club (Albert Petschl)	Block 30	Lot S Brewed Malt Beverages
MJ Financial Group, Inc. dba Ragin Cajun (Marjorie Ann Jacob)	Block 35	Crossroads, Space H, west Brewed Malt Beverages
T. W. Concessions (Jerry Woldorsky)	Block 27	Heritage Square, Space Q Brewed Malt Beverages
Three Amigos, Inc. dba Tejas (Wayne Kostroski and Mark Haugen)	Block 35	Crossroads, Space K, north Brewed Malt Beverages

After review, the concessionaires were approved for beer and wine licenses on a motion by Mr. Foss, seconded by Mr. Gerth and carried (Aye-6; Nay-0).

Mr. Sinclair presented the following list of recommended multiple-site commercial exhibits and concessions for licensing at the '09 State Fair:

CONCESSION-EXHIBIT NAME	DESCRIPTION	SITES
Cenaiko Enterprises, Inc.	Chamios, Shami Mops, E-Z Can Openers	2
Compmark I Corporation	Space Pix Computer Portrait Products	2
Delrick Enterprises	Apples & Beverages	2
Edward and Sally Nuebel	Fish & Chips-Nut Products	2
Gary Crutchfield Concessions	Cheese on a Stick	2
Gary Larson	Popcorn, Caramel Corn & Caramel Apples	2
George Funk - Moon Beam Coffee	Leather Crafts-Coffee	2
Giant Ride, Inc.	Giant Slide-Cheese on a Stick	2
Gregory B. Kusick	Cotton Candy	2
Holly's Hobby	Hand Crafts	2
Icee USA Corp.	Icee Frozen Beverages	2
James & Ethel Peters	Hot Dogs-Polish Sausage	2

Jerry Woldorsky	Buffalo Burgers and Beer	2
Kirschners Beer Stube	Hamburgers, Hot Dogs, Chicken, Snacks, Beer	2
Larry Abdo-Gopher State Ice Co.	Pocket Pies-Ice (Ice = wholesale permit only)	2
MRK - Marquette Financial Group	Financial Services	2
Mark Andrew	French Fries - S'Mores	2
Midwest Dairy Association	Ice Cream, Milk and Dairy Foods	2
Minn. Honey Producers	Honey, Honey Ice Cream & Candy	2
Minne-Kabob Foods	Kabobs	2
National Service Company	Jewelry Cleaner	2
Netterfield's Lemonade & Popcorn	Popcorn, Caramel Corn, Sausage, Corn Dogs, Burgers	2
Nomar, Inc.	Hokey Sweepers, Dusters, Brooms & Massage Pillows	2
Orange Treet Sales	Orange Treat Drink- Smoothies & Dairy Bar	2
Standi Toys	Die-Cast Metal Toys	2
Groscurth Concessions	Corn Dogs and Beverages	2
Tina Isaac	Sandwiches - Coffee	2
Watkins, Inc.	Watkins Products	2
Wozniak Concessions, Inc.	French Fries	2
Gregory J. Tetrault	Ice Cream, Sno Cones, Caramel Apples, Beverages	3
John Tysseling	Fried Mushrooms-Turkey Drumsticks-Apple Fritters	3
Kathy Yahr	Cotton Candy	3
Leah H. O'Neil	Hot Dogs on a Stick	3
Lynn Davis	Ice Cream, Sno Cones, Caramel Apples, Beverages	3
Maxine W. Davis	Ice Cream, Sno Cones, Caramel Apples, Baked Potatoes	3
Minnetonka Moccasin Company	Footwear	3
Robert Crocker	Root Beer	3
Wee Dazzle	Novelties, Souvenirs & Toys	3
Eugene R. LaVaque	Sno Cones	4
Hannasch, Inc.	Sno Cones	4
James Hartley	Cotton Candy	4
Schroder Concessions, Inc.	Popcorn, Caramel Corn, Caramel Apples, Cheese Curds	4
Syndicate Sales Corp.	Vegetable Cutters, Knives, Salsa Maker, PVA Mops	4
Lancer Management Services, Inc.	Food, Beverages & Beer (Coliseum)	4
Hildebrand Concessions, Inc.	Food, Beverages & Beer (Grandstand)	5
Coca Cola	Coca Cola Soft Drinks & Merchandise	5
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

After discussion, multiple site commercial exhibit and concession licenses were approved on a motion by Mr. Baker, seconded by Mr. Gerth and carried (Aye-6; Nay-0).

Mr. Sinclair reported as follows on the status of multiple-site exhibits and concessions:

**MINNESOTA STATE FAIR
EXHIBIT AND LICENSE LICENSE COMPARISON
1985 - 1990 - 2006 - 2007 - 2008**

Number Of Individual Locations	Held By The Following Number Of Persons				
	1985	1990	2006	2007	2008
1	865	995	1085	1075	1053
2	55	51	30	28	27
3	24	20	11	10	9
4	10	15	6	6	6
5	4	4	2	2	2
6	4	1			
7	3	0			
8	0	0	1	1	1
9	1	0			
12	0	0			
13	0	0			
17	0	0			
21	0	1			
26	1				
33	1				
Total Number Of Locations Available	1220	1264	1220	1203	1176
Number Of Persons Holding Locations	968	1087	1164	1153	1105
Percentage Of Persons Holding Single Locations	71%	79%	89%	89%	90%
Percentage Of Persons Holding Three (3) Or Fewer Locations	98%	98%	97%	97%	99%
Number Of Locations Held By Minnesota Residents	890	894	895	907	846
Percentage Of Locations Held By Minnesota Residents	73%	71%	73%	75%	72%
Number Of States, Canadian Provinces and Foreign Countries Holding Locations			43	43	45

**MINNESOTA STATE FAIR
FOOD AND BEVERAGE LICENSE COMPARISON
1975 - 1985 - 2006 - 2007 - 2008**

Number Of Individual Locations	Held By The Following Number Of Persons				
	1975	1985	2006	2007	2008
1	95	147	208	209	214
2	20	29	20	20	19
3	4	14	9	8	7
4	5	6	5	5	5
5	3	2	2	2	2
6	0	2			
7	0	0			

9	1	1			
12	1	0			
13	2	0			
14	2				
26	1	1			
32	1				
Total Number Of Locations Available	315	328	305	303	303
Number Of Persons Holding Locations	135	202	243	245	249
Percentage Of Persons Holding Single Locations	30%	45%	68%	69%	71%
Percentage Of Persons Holding Three (3) Or Fewer Locations	88%	94%	97%	97%	97%
Number Of Locations Held By Minnesota Residents	158	292	243	245	243
Percentage Of Locations Held By Minnesota Residents	50%	89%	80%	81%	80%
Number of States and Canadian Provinces Holding Locations			20	17	19

Following discussion, the reports were accepted on a motion by Mr. Baker, seconded by Mr. Paulson and carried (Aye-6; Nay-0).

The meeting was adjourned at 3:10 p.m. on a motion by Mr. Leary, seconded by Mr. Baker and carried (Aye-6; Nay-0).

**MEETING OF THE BOARD OF MANAGERS
3:20 p.m. Friday Jan. 16, 2009**

Members Present: Bob Lake, president; Joe Fox, vice president; D.J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

President Lake called the meeting to order at 3:20 p.m. and declared the meeting in executive session. Mr. Hammer reported on staff salary levels and organization, then excused himself after which the board conducted a formal review of Hammer's performance. Meeting adjourned at 4:15 p.m.

**MEETING OF THE PLANNING COMMITTEE
10:15 a.m. Saturday Jan. 17, 2009**

Present: Sharon Wessel, chairman; Joe Fox; D.J. Leary; Denny Baker; Jim Foss; Gene Gerth; Al Paulson; Bob Lake, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Jim Sinclair, ex officio.

Also present: Karen Frost; Marshall Jacobson; Renee Pearson; Sean Casey; Chris Leach; Myron Clasemann; Steve Grans; Brienna Schuette; Danyl Vavreck; Kay Cady; Ana Heath; and Clarice Schmidt.

Chairman Wessel called the meeting to order at 10:15 a.m.

Mr. Hudalla provided a detailed report of recommended improvements and maintenance projects for '09 totaling \$4.2 million. Following is a summary of the complete project list, including projects previously approved at the Nov. 14, 2008, meeting of the board:

2008 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

A. Structure Improvements:	\$1,104,000
B. Land Improvements:	
BI. Fencing & Fixtures	50,000
BII. Land	0
BIII. Sewer System	0
BIV. Streets & Sidewalks	0
BV. Water Distribution System	0
BVI. Gas Distribution System	0

BVII. Land Purchases	0	
TOTAL Land Improvements		<u>\$50,000</u>
C. Personal Property		<u>\$73,000</u>
D. Electric Plant:		<u>\$50,000</u>
TOTAL Improvements		<u>\$1,577,000</u>
E. Structure Maintenance:		<u>\$961,800</u>
F. Land Maintenance:		
FI. Fencing & Fixtures	<u>124,000</u>	
FII. Land	<u>170,000</u>	
FIII. Sewer System	<u>36,000</u>	
FIV. Streets & Sidewalks	<u>397,000</u>	
FV. Water Distribution System	<u>95,000</u>	
FVI. Gas Distribution System	<u>2,500</u>	
TOTAL Land Maintenance		<u>\$824,500</u>
G. Personal Property Maintenance:		<u>\$270,200</u>
H. Vehicle Maintenance:		<u>\$208,000</u>
I. Electric Plant Maintenance:		<u>\$392,900</u>
TOTAL Maintenance		<u>\$2,657,400</u>
TOTAL Maintenance & Improvements		<u>\$4,234,400</u>

Following review and discussion, Mr. Baker moved, Mr. Fox seconded and motion carried that the improvements and maintenance budget be approved by the committee as presented and recommended to the full board for approval (Aye-6; Nay-0). Included in the motion was staff authority to adjust, shift, add or cancel specific line items as appropriate to accommodate changes that occur throughout the budget year.

The meeting was adjourned at 10:44 a.m. on a motion by Mr. Baker and seconded by Mr. Gerth and carried (Aye-6; Nay-0).

SOCIETY DISTRICT CAUCUSES **1:45 p.m. Saturday Jan. 17, 2009**

Society delegates from the second, seventh, eighth and ninth districts met in caucus to certify nominees for election to the Society's board of managers during the Society's general business session on Sunday Jan. 18. Selected were Paul Merkins of Stewart (second district), Denny Baker of Spicer (seventh district), Ron Olcheiser of Grand Rapids (eighth district) and Al Paulson of Shevlin (ninth district).

GENERAL BUSINESS SESSION OF THE SOCIETY **8 a.m. Sunday Jan. 18, 2009**

Minnesota State Agricultural Society delegates, staff and friends of the Society met for breakfast and convened in general session at 8:30 a.m. when President Lake opened the meeting and asked Secretary Jerry Hammer for his report. Mr. Hammer's report was accepted by the membership.

Gale C. Frost, founder and curator of the State Fair History Museum for 30 years, was inducted posthumously into the State Fair Hall of Fame.

President Lake called for a report of the resolutions committee. Committee Chairman Bill Minnehan of Dakota County presented the following resolutions for consideration by the Society:

1. Resolved, that the Minnesota State Agricultural Society expresses its gratitude to the 1,693,533 visitors who, even in uncertain times, attended the 2008 Minnesota State Fair, making it the fourth best attended fair in history. Furthermore, we acknowledge that the fair's existence is dependent on retaining those visitors and their loyalty. Therefore, we pledge to present the finest exposition in North America by showcasing Minnesota's finest agriculture; presenting an unparalleled forum for knowledge and ideas; offering exceptional value; creating unique experiences; providing outstanding customer service; and making our event accessible to all.

2. Resolved, that the Society honors the traditions deeply rooted in attending and contributing to this educational and culturally rich event, and in doing so confirms its mission to educate and involve guests by providing a world-class showcase that is innovative, entertaining and fun.

3. Resolved, that we recognize with great appreciation all who contributed to the success of the 2008 Great Minnesota Get-Together, including staff, volunteers, the board of managers, exhibitors, vendors, entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of FFA and 4-H.

4. Resolved, that the Society's affiliations and strong relationships with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association and Midwest Showmen's Association are valuable in furthering the fair industry statewide and nationally.

5. Resolved, we recognize with great regret the loss and offer our sincere condolences to the friends and families of Society members and State Fair friends including: Gary Cranston, long-time concessionaire; Robert Crump, Fine Arts Department employee and former superintendent; Patricia Kennedy Crump, Fine Arts Department employee and former superintendent; Maynard Harms, former Scott County Fair secretary-manager; Arthur W. Jacobson, concessionaire; Lee R. Johnson, concessionaire; Greg B. Kusick, concessionaire; John E. Libby, former State Fair general manager (1962-1976) and State Fair Hall of Fame member; Dr. Robert D. "Doc" Lindell, former fair-time employee; Dr. Walter Mackey, long-time official veterinarian; Harveydale Maruska, former State Fair board member; Harriett Maruska, wife of Harveydale Maruska; Fred C. O'Neil, long-time concessionaire; Eleanor Paulmann, wife of former State Fair board member John Paulmann; Daniel Roland, son of State Fair employee Steve Roland; Everist Speltz, long-time English Horse Show announcer; Melvyn "Muggs" Townsend, long-time concessionaire; Ronald Vannelli, parking superintendent and 50-Year Award recipient; and Chauncey Wargin, State Fair board member 8th district.

6. Resolved, that the Society on behalf of generations of Minnesotans, acknowledge with deep gratitude the vision of the Society's founders including those in state government, who wisely structured this organization as autonomous, and therefore not subject to the type of financial ills which currently plague state government.

7. Whereas, the Minnesota State Fair is an essential part of our state's social fabric, uniting country and city for more than 150 years at one of the most beloved events in the world, and

Whereas, the State Fair brilliantly fulfills its mission by providing unparalleled educational opportunity and a world-famous forum for knowledge and ideas for all citizens, worthy of its title as the Great Minnesota Get-Together, and

Whereas, the State Fair has an annual economic impact of nearly \$200 million in the Twin Cities alone, plus additional unmeasured economic impact throughout the state, and

Whereas, legislation that has been introduced to allow schools to open prior to Labor Day would deprive tens of thousands of Minnesotans of the opportunity to attend the Great Minnesota Get-Together on school days, and

Whereas, this legislation, if enacted, would deprive many young people of important and much-needed work experience at the State Fair which is even more vital during difficult economic times, and

Whereas, early school openings would deprive thousands of 4-H and FFA members from experiencing this unique annual opportunity to gain valuable education and life experiences at the State Fair, while advancing the fair's historical foundation of agriculture, and

Whereas, Minnesota and this great nation continue to be buried by the worst economic catastrophe in more than 75 years, and

Whereas, early school openings would create a major loss of attendance and a corresponding decline in the fundamental economics needed to present a State Fair that is loyal to its traditions and correspondingly loved by the people of this state, and

Whereas, the loss of State Fair attendance would further damage Minnesota's already shaky economy, affecting large numbers of Twin Cities businesses that suffer economic set-backs when State Fair attendance is driven down, and

Whereas, keeping the present law preventing school from starting before Labor Day costs taxpayers nothing, while a change in law allowing schools to open early would have a significant negative impact on Minnesota's tourism, hospitality and resort industries by eliminating Labor Day weekend as the state's final family outing of summer and resulting in a major loss of the revenue the industries provide to the state in its uphill struggle to produce a balanced budget.

Now therefore be it resolved, that the membership of the Minnesota State Agricultural Society strongly urges all state lawmakers—rural and urban—to support current State Law that requires Minnesota's schools to open no earlier than the traditional end of summer on Labor Day, ensuring that children and

families from throughout the state can fully participate in the historic, educational and culturally rich Minnesota State Fair.

8. Resolved, that the Society extend its thanks and appreciation to all who contributed to the success of its 150th annual meeting.

The resolutions were adopted as read.

President Lake called for a report of the credentials committee by Committee Chairman Jerry Quaal of Wright County. The committee report was presented as follows and adopted as read:

Credential blanks submitted to the State Agricultural Society seeking the accreditation of County Agricultural Societies and Statewide Associations have been inspected by the full committee.

All credentials have been found to be in order with the following exceptions:

Minnesota Farmers Union did not file with the Secretary of State by 12/20/08.

Minnesota Horse Breeders did not file with the Secretary of State by 12/20/08.

Minnesota Turkey Growers Association did not file with the Secretary of State by 12/20/08.

Minnesota Guernsey Breeders Association was not received to the Secretary of State by 12/20/08.

Members of the Credentials Committee by their signature herewith offered do attest to the action noted above on the 18th day of January, 2009.

Following the committee reports, President Lake turned the chair over to Vice President Fox to conduct an election for Society President for the term of one year. President Lake was re-elected and resumed chairing the meeting.

President Lake then proceeded to conduct elections as follows: Joe Fox of Maplewood was re-elected to a two-year term as fourth district vice president; Paul Merkins of Stewart was elected to serve the one-year balance of an unexpired three-year term as second district manager; Denny Baker of Spicer was re-elected to a three-year term as seventh district manager; Ron Oleheiser of Grand Rapids was elected to serve the one-year balance of an unexpired three-year term as eighth district manager; Al Paulson of Shevlin was re-elected to a three-year term as ninth district manager; and Jim Grass of Owatonna was elected to honorary life membership in the Society.

There being no further business to be brought before the Society, President Lake declared the 150th annual meeting of the State Agricultural Society adjourned.

MEETING OF THE BOARD OF MANAGERS

10:25 a.m. Sunday Jan. 18, 2009

Present: Bob Lake, president; Joe Fox, vice president; D.J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also present: Karen Frost; Brian Hudalla; Steve Pooch; Jim Sinclair; Marshall Jacobson; Cheryl Huber; Renee Pearson; Mary Miller; Sean Casey; Steve Grans; Pam Mix; Pam Simon; Mary Pittelko; Chris Leach; Brienna Schuette; Wally LeVesseur; Danyl Vavreck; Tiffany Bauer; Theresa Weinfurter; Susan Lynskey; Nikki Hines; Kay Cady; Ana Heath; and Kent Harbison.

President Lake called the meeting to order at 10:25 a.m.

Oaths of office were administered to newly-elected members of the board as follows: Bob Lake of Aitkin, president (one-year term); Joe Fox of Maplewood, fourth district vice president (two-year term); Paul Merkins of Stewart, second district manager (one-year balance of unexpired three-year term); Denny Baker of Spicer, seventh district manager (three-year term); Ron Oleheiser of Grand Rapids, eighth district manager (one-year balance of unexpired three-year term); and Al Paulson of Shevlin, ninth district manager (three-year term).

On a motion by Mr. Leary, seconded by Mr. Baker and carried, Jerry Hammer of St. Paul was appointed to a one-year term as executive vice president of the Society at the salary specified by the board (Aye-9; Nay-0).

Minutes of the Agricultural Society board meeting conducted Nov. 14, 2008, were approved on a motion by Mr. Baker, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Nov. 14, 2008, through Jan. 15, 2009, were approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for December 2008 as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending December 31, 2008

OPERATING ACCOUNT ACTIVITY:

Cash Balance-Nov. 30, 2008		\$556,275
Add: Cash Deposits	\$819,052	
Less: Payroll Ending Dec. 12	(176,996),	
Payroll Ending Dec. 24	(170,833)	
Cash Disbursements	(971,797)	(500,574)
Cash Balance-Dec. 31, 2008		\$55,701

MONEY MARKET ACCOUNT ACTIVITY:

Balance-Nov. 30, 2008		\$2,867,573
Add: Interest Earned		3,989
Less: Securities Redeemed		(425,000)
Balance-Dec. 31, 2008		\$2,446,562

BUILDING FUND ACTIVITY:

Balance-Nov. 30, 2008		\$448
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Dec. 31, 2008		\$448

CONSTRUCTION FUND ACTIVITY:

Balance-Nov. 30, 2008		\$13,319
Add: Interest Earned		54
Balance-Dec. 31, 2008		\$13,373

CASH BALANCES FOR MONTH ENDING DECEMBER 31:

	2007	2008
General Fund	\$3,621,196	\$55,701
Petty Cash	5,600	5,600
Money Market Account	-	2,446,562
Building Fund	447	448
Construction Fund	12,968	13,373
Total Cash Balances	\$3,640,211	\$2,521,684

After review, the statement was approved as submitted on a motion by Mr. Fox, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Mr. Jacobson presented recommendations for the Society's designated depository, signature authorization and security funds transfer. After discussion, Bremer Bank was designated as the depository for the Society's operating account, payroll accounts and premium fund account on a motion by Mr. Baker, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

The following signatory authority was approved in a motion by Mr. Foss, seconded by Mr. Gerth and carried (Aye-9; Nay-0): Operating account – Gerald Hammer, Marshall Jacobson, Karen Frost and Steve Pooch (any combination of two signatures) with "Hammer/Jacobson" signature authorized for operating account; Regular and fair-period payroll account – Gerald Hammer, Karen Frost or Steve Pooch (one signature) with "Hammer" signature imprint authorized for payroll accounts; Premium account – Gerald Hammer, Karen Frost or Jim Sinclair (one signature) with "Hammer" signature imprint authorized for premium account.

Security fund transfer resolution – Gerald Hammer or Marshall Jacobson was approved on a motion by Mr. Fox, seconded by Mr. Baker and carried (Aye-9; Nay-0).

The following standing committee appointments for 2009 were reviewed by President Lake:

Finance Committee - Baker, chairman; Fox; Gerth; Oleheiser; Paulson; Wessel; Lake, ex officio; Hammer, ex officio; Jacobson, ex officio.

Governmental Affairs Committee - Baker, chairman; Foss; Fox; Gerth; Leary; Paulson; Lake, ex officio; Hammer, ex officio; Frost, ex officio; Miller, ex officio.

Honors Committee - Baker (one year); Blakey (two years); Fox (two years); Frost (two years); Hudalla (one year); Lake, ex officio; Hammer, ex officio; Pearson, ex officio.

Life Member Advisory Committee - Steltz, chairman; Schmidt, vice chairman; Grass; Hagen; Keenan; Korff; Maruska; Ojakangas; Prokosch; Reinhardt;

Roehlke; Simons; Wenzel; Lake, ex officio; Hammer, ex officio; Huber, ex officio.

Operations Committee - Paulson, chairman; Foss; Gerth; Leary; Merkins; Wessel; Lake, ex officio; Hammer, ex officio; Hudalla, ex officio.

Planning Committee - Wessel, chairman; Baker; Foss; Fox; Gerth; Leary; Merkins; Oleheiser; Paulson; Lake, ex officio; Hammer, ex officio; Hudalla, ex officio; Pooch, ex officio; Sinclair, ex officio.

Public Affairs Committee - Leary, chairman; Baker; Foss; Fox; Oleheiser; Wessel; Lake, ex officio; Hammer, ex officio; Frost, ex officio; Pearson, ex officio.

Rules & Premium List Committee - Foss, chairman; Gerth; Leary; Merkins; Paulson; Wessel; Lake, ex officio; Hammer, ex officio; Pooch, ex officio; Fickett, ex officio; LeFebvre, ex officio; Goodrich, ex officio.

Sales Committee - Fox, chairman; Baker; Foss; Gerth; Leary; Merkins; Oleheiser; Paulson; Wessel; Lake, ex officio; Hammer, ex officio; Sinclair, ex officio; Larson, ex officio; Simon, ex officio.

The committee appointments were approved on a motion by Mr. Gerth, seconded by Mr. Fox and carried (Aye-9; Nay-0).

President Lake presented the following board liaison and department superintendent appointments for 2009:

Administration - Wessel

Employment Office - Leary (Rita Witting, superintendent)
Seniors - Oleheiser (Marge Krueger, superintendent)

Competition - Foss

Bee Culture - Leary (Winnie Johnson, superintendent)
Beef Cattle - Fox (Chuck Schwartau, superintendent)
Christmas Trees - Leary (Greg Ustruck, superintendent)
Creative Activities - Paulson (Curt Pederson, superintendent)
Dairy Cattle - Foss (Larry Tande, superintendent)
Dairy & Boer Goats - Paulson (Kevin LeVoor & Heidi Greniger, superintendents)
Dairy Products - Wessel (Gene Watnaas, superintendent)
Dog Trials - Fox (JoAnna Yund, superintendent)
Education - Baker (Burt Khandel, superintendent)
English Horses - Merkins (Gary Florke, superintendent)
Farm Crops - Leary (Ron Kelsey, superintendent)
Fine Arts - Foss (Bob Meyer, superintendent)
Flowers - Leary (Phyllis Andrews, superintendent)
4-H - Leary (Brad Rugg, superintendent)
Fruits - Leary (Louis Quast, superintendent)
FFA - Fox (Duane Hutton, superintendent)
Llamas - Oleheiser (Jen Rouillard, superintendent)
Milking Parlor - Gerth (Doris Mold, superintendent)
Miracle of Birth Center - Baker (Jim Ertl, superintendent)
Poultry - Wessel (John Thomforde, superintendent)
Sheep - Gerth (Gordy Toenges, superintendent)
Swine - Baker (Jerry Hawton, superintendent)
Vegetables - Leary (Phil Klint, superintendent)
Western Horses - Merkins (Gloria Enger, superintendent)

Entertainment - Wessel

Grandstand Production - Leary (Brutus Schwirtz, superintendent)
Heritage Exhibits - Gerth (Jan Bankey, superintendent)

Finance - Merkins

Fair-time Payroll - Fox (Jenny Marshall, superintendent)
Ticket Audit - Baker (Dick Reinhardt, superintendent)
Ticket Sales - Oleheiser (Ken Wagner, superintendent)

Marketing - Paulson

Operations - Leary

Admissions - Foss (Dave Woodis, superintendent)
Park & Ride - Baker (Dick Anderson, superintendent)
Parking - Foss (Jim Benz, superintendent)
Public Safety - Paulson (Art Blakey, superintendent)
Sanitation - Baker (Brad Vier, superintendent)

Sales - Fox

Attraction Ticket Takers - Gerth (Jerri Longlet & Richard Carlson, co-supts.)

After review, the appointments were approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

President Lake declared the board meeting in recess for committee meetings.

OPERATIONS COMMITTEE MEETING

Present: Al Paulson, chairman; Jim Foss; Gene Gerth; D.J. Leary; Paul Merkins; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio.

Chairman Paulson called the meeting to order.

Mr. Hammer presented the following gate admission policy for the '09 State Fair for consideration:

"Entry into the Minnesota State Fair shall be contingent solely upon the presentation and surrender of a valid ticket of admission in accordance with the most current schedule of gate prices as established by the board of managers."

The policy was adopted as presented on a motion by Mr. Gerth, seconded by Ms. Wessel and carried (Aye-5; Nay-0).

Consideration of the outside gate admission fee schedule for the '09 State Fair was referred to the full board without recommendation on a motion by Mr. Leary, seconded by Mr. Foss and carried (Aye-5; Nay-0).

Mr. Hammer was granted authority to implement flexible pricing schedules and seating configurations for Grandstand and Coliseum events, taking into account the costs of production, potential revenue from other sources and weather insurance premiums on a motion by Mr. Foss, seconded by Mr. Gerth and carried (Aye-4; Nay-0; Leary abstained).

The operations committee meeting was adjourned on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-5; Nay-0).

PUBLIC AFFAIRS COMMITTEE MEETING

Present: D.J. Leary, chairman; Denny Baker; Jim Foss; Joe Fox; Ron Oleheiser; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio; Karen Frost, ex officio; Renee Pearson, ex officio.

Chairman Leary called the meeting to order.

Ms. Schuette and Ms. Frost reviewed details of proposed advertising and marketing budgets for '09. After discussion, the budgets were approved as presented on a motion by Mr. Leary, seconded by Mr. Baker and carried (Aye-5; Nay-0).

The committee discussed the outlook for the '09 legislative session. No action required.

The meeting was adjourned on a motion by Mr. Baker, seconded by Mr. Fox and carried (Aye-5; Nay-0).

RULES & PREMIUM LIST COMMITTEE MEETING

Present: Jim Foss, chairman; Gene Gerth; D.J. Leary; Paul Merkins; Al Paulson; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio; Steve Pooch, ex officio.

Chairman Foss called the meeting to order.

Mr. Pooch reported on competitive events during the '08 State Fair and provided an overall outlook for '09 including new contests. Following Mr. Pooch's report, authority was granted to Mr. Hammer's delegate to make adjustments in rules, release dates and premium allocations for competitive departments in accordance with guidelines established by the Society's 2009 budget on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-5; Nay-0).

The rules & premium list committee adjourned on a motion by Mr. Leary, seconded by Mr. Paulson and carried (Aye-5; Nay-0).

FINANCE COMMITTEE MEETING

Present: Denny Baker, chairman; Joe Fox; Gene Gerth; Ron Oleheiser; Al Paulson; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio; Marshall Jacobson, ex officio.

Chairman Baker called the meeting to order.

Mr. Hammer presented the improvements, maintenance and operating budgets as reviewed, discussed and approved by the planning committee Jan. 17. After discussion, the budgets were approved by the finance committee on a motion by

Mr. Fox, seconded by Mr. Paulson and carried (Aye-5; Nay-0).

Mr. Jacobson reviewed activity of Grandstand renovation and livestock roof replacement bond accounts. After discussion, the report was approved on a motion by Mr. Paulson, seconded by Mr. Gerth and carried (Aye-5; Nay-0).

The committee meeting was adjourned on a motion by Mr. Paulson, seconded by Mr. Gerth and carried (Aye-5; Nay-0).

President Lake reconvened the meeting of the full board.

Action taken by the operations committee was approved on a motion by Mr. Foss, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. Leary moved, Mr. Baker seconded and motion carried for the full board to consider the outside gate admission fee schedule for the '09 State Fair (Aye-9; Nay-0).

After discussion, Mr. Baker moved, Mr. Fox seconded and motion carried to adopt the following gate admission fee schedule for the '09 State Fair (Aye-9; Nay-0):

Adults (13-64)	\$11
Seniors (65 and over)	\$9
Children (5-12)	\$8
Kids under 5	Free
Seniors & Kids Days promotions	\$6
Thrifty Thursday Adults & Seniors	\$9
Thrifty Thursday Children	\$6
Tuesday promotion (13 & over)	\$9
All-ages pre-fair discount	\$9

Mr. Fox moved, Mr. Paulson seconded and motion carried to adopt a parking fee of \$11 per vehicle, or a \$9 advance sale admission ticket (Aye-9; Nay-0).

Action taken earlier by the public affairs committee was approved on a motion by Mr. Gerth, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Rules & premium committee action taken earlier was approved on a motion by Mr. Foss, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Action taken earlier by the finance committee was approved on a motion by Mr. Baker, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Action taken Jan. 16 by the sales committee was approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Ms. Wessel moved, Mr. Paulson seconded and motion carried that action taken Jan. 17 by the planning committee be approved (Aye-9; Nay-0).

New rates for non-fair events services provided by electricians and plumbers were set at \$85 per hour on a motion by Mr. Fox, seconded by Mr. Baker and carried (Aye-9; Nay-0).

Mr. Hudalla reviewed the Society's current agreements with five building trades contractors providing a variety services. After discussion, Toltz King Duvall & Anderson of St. Paul were approved for architectural and engineering services (Feb. 1 2009 through Jan. 31, 2012); Collins Electric of St. Paul were approved for electric plant services (Feb. 1 2009 through Jan. 31 2012); and Maertens - Brenny Construction of Minneapolis were approved for carpentry and construction services (May 1 2009 through April 30 2012) on a motion by Mr. Foss, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Mr. Hammer was authorized to set staff salaries according to classifications and ranges established by the Society board.

Ms. Vavreck reported on the Life Member Advisory Committee meeting conducted earlier that morning. Information only; no action required.

Ms. Pearson reported on the status of Grandstand bookings and provided an update on the current state of the live entertainment industry. Information only; no action required.

On behalf of the entire board, Mr. Baker and Mr. Leary thanked the staff for their hard work throughout the year, and Mr. Leary commended the fair for hosting the memorial event in December for former fair manager and State Fair Hall of Fame member John Libby.

The next meeting of the Society's board of managers was set for 9 a.m. Friday March 20.

The meeting adjourned at 12 noon on a motion by Mr. Fox, seconded by Mr. Baker and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES Jan. 19 through March 20, 2009

January

21 - Miller, Huber and Mix attended a seminar on the Employee Free Choice Act sponsored by the Fredrickson & Byron law firm. Pooch and Cady met with the Minnesota Beef Council to discuss Moo Booth funding.

23 - Vavreck met with Coca-Cola representatives regarding ongoing State Fair sponsorships.

23 - Feb. 1 - The St. Paul Winter Carnival snow sculpture contest was presented at the Kidway lot.

27 - Vavreck met with representatives of Ford Motor Company regarding sponsorships.

28 - Vavreck met with Green Mill staff about sponsorships.

29 - Vavreck met with Xcel Energy regarding sponsorship of the Eco Experience.

30 - Pooch and Butler met with officials of the Minnesota High School Rodeo to finalize details for their participation in the '09 State Fair.

February

2 - Larson and Simon met with China Town concessionaires regarding changes to their operation.

3 - Pooch and Butler met with Western Saddle Clubs Association officials to discuss the '09 State Fair horse show. Vavreck met with Medica regarding sponsorships.

5 - Hudalla attended a hearing of the Minnesota House of Representatives K-12 education policy and oversight committee where a bill advanced that would allow Minnesota schools to open prior to Labor Day. Vavreck met with representatives of the August Schell Brewing Company regarding multi-year sponsorship.

8-12 - Hammer and Sinclair attended meetings of the International Association of Fairs & Expositions, Outdoor Amusement Business Association, National Independent Concessionaires Association and International Independent Showmen's Association, and visited the Florida State Fair in Tampa, Fla.

11 - Mix attended a meeting of the St. Paul Human Resources Association.

19 - Sinclair, Larson and Hines met with Tom Thumb Donut concessionaires regarding their operation at the '09 fair.

20 - The Minnesota Section 5AA high school girls hockey tournament was held at the Warner Coliseum.

23 - Concessions and exhibits staff attended the annual Upper Midwest Food Show in Minneapolis.

24 - Full-time staff attended an employment law Right-To-Know training session at the Libby Conference Center. Vavreck met with representatives of Southwest Airlines regarding sponsorships.

25 - Huber conducted and Miller and Mix participated in a Manpower web seminar titled "What's New & What's Next In Employment Law." Sinclair and Larson met with concessionaire Jim Crocker regarding future operation of the Spaghetti Village concession.

26 - Foss and Hammer participated in a meeting of the State Fair Foundation's finance committee at the J. V. Bailey House.

27 - Pooch and Butler met with representatives of various English horse show breeds to discuss changes and updates for the '09 competition.

28 - March 6 - Boys high school hockey tournaments for Minnesota sections 3AA, 4AA and 5AA were held at the Warner Coliseum.

March

2 - Staff of the Office of the Legislative Auditor conducted a formal audit entrance conference with Hammer and Jacobson; field work began later that day.

4 - Vavreck met with representatives of WCCO Radio regarding broadcast activities at the '09 fair.

5 - Simon and Doyle met with 2009 State Fair Eco Experience exhibitors. Sinclair and Hines met with Skyride owner Don McClure regarding his '09 fair operations.

6 - LeFebvre and Cady attended the annual meeting of the Minnesota Purebred Dairy Cattle Association.

7-11 - Vavreck attended the annual IEG Sponsorship Conference in Chicago.

9 - Fox, Leary and Hammer attended a hearing of the Minnesota House of Representatives finance committee, where a bill repealing the post Labor Day school start law was heard. Huber and members of the Minnesota Federation of County Fairs and Midwest Showmen's boards met with staff of the Bloomington Sheraton to review the joint '09 conventions of the Society, Federation and Showmen.

10 - A meeting of full-time staff members was held at the Libby Conference Center. Mix attended the Ramsey County Job Security Employers Committee meeting.

11 - Mix attended a meeting of the St. Paul Human Resources Association.

16 - Vavreck met with Leinenkugel Brewing regarding sponsorships.

13-15 - The Minnesota Deer Classic & Outdoor Expo was presented at the Warner Coliseum..

16 - Huber met with IAFE committee chairpersons in Seattle, Wash., to finalize arrangements for the upcoming IAFE Spring Management Conference, hosted by the Western Washington Fair in Puyallup.

19 - Fox and Hammer participated in a meeting of the State Fair Foundation's strategic planning committee at the J.V. Bailey House.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Friday March 20, 2009

Libby Conference Center, State Fairgrounds

Members present: Bob Lake, president; Joe Fox, vice president; D. J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also present: Steve Pooch; Jim Sinclair; Marshall Jacobson; Renee Pearson; Brian Hudalla; Mark Goodrich; Cheryl Huber; Mar y Miller; Sean Casey; Swan Melstrom; Chris Leach; Pam Simon; Mary Pittelko; Steve Grans; Gail Anderson; Wally LeVesseur; Carol Doyle; Tiffany Bauer; Nikki Hines; Susan Lynskey; Brooke Dillon; Kay Cady; Ana Heath; Jennine Duda; Joe Bagnoli.

President Lake called the meeting to order at 10:02 a.m.

Minutes from the Society board meetings, committee meetings and general business session conducted Jan. 16 through 18, 2009, were approved on a motion by Mr. Baker, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Minutes covering interim activities from Jan. 19 through March 19 were approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for February 2009 as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending February, 2009

OPERATING ACCOUNT ACTIVITY:

Cash Balance-Jan. 31, 2009		\$7,995
Add: Cash Deposits	\$773,246	
Less: Payroll Ending Feb. 6	(174,716)	
Payroll Ending Feb. 20	(176,863)	
Cash Disbursements	(412,122)	9,545
Cash Balance-Feb. 28, 2009		\$17,540

MONEY MARKET ACCOUNT ACTIVITY:

Balance-Jan. 31, 2009	\$1,748,899
Add: Interest Earned	1,483
Less: Securities Redeemed	(680,000)
Balance-Feb. 29, 2009	\$1,070,382

BUILDING FUND ACTIVITY:

Balance-Jan. 31, 2009	\$448
Add: Interest Earned	
Securities Purchased	
Less: Securities Redeemed	
Balance-Feb. 29, 2009	\$448

CONSTRUCTION FUND ACTIVITY:

Balance-Jan. 31, 2009	\$13,394
Add: Interest Earned	15
Balance-Feb. 28, 2009	\$13,409

CASH BALANCES FOR MONTH ENDING FEBRUARY 28:

	2008	2009
General Fund	\$1,415,350	\$17,540
Petty Cash	12,600	15,600
Money Market Account	-	1,070,382
Building Fund	447	448
Construction Fund	13,072	13,409
Total Cash Balances	\$1,441,469	\$1,117,379

After discussion, the financial report was approved as submitted on a motion by Mr. Baker, seconded by Mr. Foss and carried (Aye-9; Nay-0).

Ms. Pearson introduced Eve Stubens, Susan Brown and Mike Swanson of the State Fair Advertising Coalition; they offered a presentation on audience research, the emerging new media landscape and the fair's advertising strategy for '09. Information only; no action required.

Joe Bagnoli of the McGrann Shea law firm reported on the '09 session of the Minnesota Legislature and action affecting the State Fair. Information only; no action required.

President Lake declared the board meeting in recess at 11:28 a.m. for a meeting of the sales committee.

MEETING OF THE SALES COMMITTEE

Members present: Joe Fox, chairman; Denny Baker; Jim Foss; Gene Gerth; D. J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Pam Simon, ex officio.

Chairman Fox called the sales committee meeting to order at 11:29 a.m.

Mr. Sinclair presented a request by River Raft Ride, Inc., to reduce the percentage fee payable for the '09 State Fair from 25 percent to 22.5 percent; the request was made to partially facilitate replacement of boat bases. After discussion, the request was approved on a motion by Mr. Baker, seconded by Ms. Wessel and carried (Aye-7; Nay-1 (Leary)).

Mr. Sinclair notified the committee that Ye Old Mill Amusements, Inc. will discontinue the 50-cent morning discount on Thrifty Thursday, Kids and Seniors Days that was approved by the board in January. The change was noted and approved on a motion by Mr. Gerth, seconded by Mr. Foss and carried (Aye-8; Nay-0).

Mr. Sinclair presented information on KMB Performance Inc. to provide a go cart attraction for a license fee of 25 percent and ticket prices of \$6 for driver and \$4 for passenger. After discussion, the operator, percentage fee and ticket price were approved on a motion by Mr. Baker, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

Mr. Sinclair presented background information on the concession structure located at 1703 Carnes Ave. - owned and operated by John Schumacher's New Prague Hotel since 1998. After discussion, Mr. Baker moved, Ms. Wessel seconded and motion carried to purchase the structure (no equipment) from Mr. Schumacher for the appraised value of \$106,000 with the primary intent to re-sell the structure to a new owner-operator as soon as is practical and the secondary intent to lease the structure to a concessionaire (Aye-8; Nay-0).

Mr. Sinclair presented a request by D.M.C. Inc. (Sky Ride) to permanently reduce their percentage fee paid to the fair from 25 percent to 23 percent. After review and discussion, the request was denied on a motion by Mr. Gerth, seconded by Mr. Baker and carried (Aye-8; Nay-0).

Mr. Sinclair provided an update on concessionaire Jim Crocker's closing of the Spaghetti Village restaurant operation and the ownership status of the concession structure at 1367 Cosgrove St. Information only; no action required.

Mr. Leary moved, Mr. Paulson seconded and motion carried to adjourn the sales committee meeting at 11:55 a.m. (Aye-8; Nay-0).

Reconvened meeting of the board

President Lake reconvened the meeting of the board at noon.

Mr. Fox moved, Mr. Merkins seconded and motion carried to approve the action taken by the sales committee (Aye-9; Nay-0).

Mr. Hammer and Mr. Hudalla provided an update on the Moo Booth and Milking Parlor project including detailed cost estimates for design, construction and exhibit production. After discussion, the report was approved on a motion by Mr. Baker, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Hudalla reported on the status of negotiations with the University of Minnesota regarding their use of State Fair lots for parking during football games at the new on-campus stadium. Information only; no action required.

Mr. Pooch provided an update on competitive events in education, agriculture and creative arts set for the '09 State Fair. Information only; no action required.

Ms. Pearson offered a report on acts and attractions booked for the '09 State Fair's Grandstand and free stage lineups. Information only; no action required.

Ms. Bauer reported on the non-fair events schedule for '09, highlighting several of the major events set for the coming year. Information only; no action required.

Ms. Cady and Mr. Foss updated the board on activities of the State Fair Foundation. Information only; no action required.

On a motion by Mr. Leary, seconded by Mr. Fox and carried (Aye-9; Nay-0), the following resolution was adopted:

"RESOLVED: It is with great sadness and a deep sense of loss that the Minnesota State Fair acknowledges the passing of our good friend Don McNeely. We are extremely grateful for his many contributions and his devotion to the State Fair and we are privileged to have him as our friend."

The board discussed the makeup of Society membership and determined to take a proactive approach in recruiting new organizations to join and participate in Society activities. No action required.

Mr. Hammer offered a report on the status of federal stimulus funding and possible application of the state's new Clean Water, Land and Legacy Amendment to State Fair projects. Information only; no action required.

President Lake declared the meeting in executive session at 1:10 p.m.

On a motion by Mr. Foss, seconded by Mr. Fox and carried, the executive session was adjourned at 1:35 p.m.

The meeting of the board was adjourned at 1:36 p.m. on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES March 20 to June 6, 2009

March

21-22 - The Minnesota Weapons Collectors Association presented their annual winter show at the Warner Coliseum.

23 - A review of the staff's deferred compensation program was presented by Linda LaVoy of the Minnesota Deferred Compensation Plan.

24 - Sinclair, Vavreck, Schuette and McGough met with representatives of KS95-FM Radio to discuss their activities at Carousel Park during the '09 State Fair.

26 - The State Fair Foundation board met at the J. V. Bailey House.

26-29 - Hammer and Pearson attended and offered presentations at the annual meeting of the Mid-West Fairs Association in Austin, Texas.

27 - Huber and Lynskey participated in a vendor show presented by the Minnesota Employees Recreation and Services Council. Hammer and Sinclair participated in a conference call of the IAFE executive committee.

28-29 - The Gopher State Timing Association's Rod & Custom Spectacular was conducted at the Warner Coliseum.

31 - April 2 - The IAFE Zone 4 spring meeting in Grand Rapids was attended by board members Lake, Fox, Baker, Foss, Gerth, Merkins, Oleheiser, Paulson and Wessel and staff members Hammer, Hudalla, Butler, Casey, Hines, Leach, LeFebvre, Lynskey, Schuette, Simon and Weinfurter. Pooch met with Boer goats superintendent Gretchen Sankovitz to review rules and procedures for the 2009 inaugural Boer goat show.

April

2-5 - The St. Paul Osman Temple Shrine Circus was presented at the Warner Coliseum.

5 - Pearson attended a meeting of the International Entertainment Buyers Association at Las Vegas, Nev.

6 - Sinclair, Hudalla and Foundation staff Cady and Heath met with representatives of City Desk Studio to discuss their idea for a skyway over Como Avenue.

7 - Hammer and Jacobson attended a meeting of the Minnesota House of

Representatives tax committee where Hammer testified in support of a bill that extends the Society's bonding authority for capital projects.

9 - Hammer participated in a meeting of the State Fair Foundation's development committee at the J. V. Bailey House.

10 - Frost and McGough met with Jane Leonard to discuss a statewide initiative for sharing successful community programs; awards would be presented at the State Fair.

14 - Hammer and Jacobson attended a meeting of the Minnesota Senate tax committee where Hammer testified in support of a bill that extends the Society's bonding authority for capital projects.

17-19 - The Munchkin Markets Children's Consignment Sale was held at the Merchandise Mart. The Super Golf Sale, presented by Blue Star Productions, was held at the Dairy Building.

17-20 - Hammer, Sinclair, Hudalla, Huber and Larson attended the IAFE Spring Management Conference in Seattle, Wash., and visited the Puyallup Spring Fair; Larson was recognized as a Certified Fair Executive during the conference.

18-19 - Prime Promotions Antique Spectacular & Flea Market was held at the Grandstand and Infield. The Minneapolis - St. Paul Spring Military Relics Show was conducted at the Progress Center. The Minnesota Weapons Collectors Spring Show & Sale was held at the Education Building.

21 - Frost and Cady met with local author Debra Frasier regarding possible programming for the '10 State Fair.

22 - Sinclair, Leach, Bauer and McCullough met with representatives of the University of Minnesota and the City of Falcon Heights to review the U's use of State Fair parking lots for Golden Gopher football games beginning this fall.

24 - Pooch and LeFebvre participated in a meeting regarding the 4-H dairy showcase.

24-26 - The Minnesota Horse Expo was presented at the Warner Coliseum and livestock complex. The ACS Spring Home Show was held at the Grandstand.

26 - The Midwest Comic Book Association's Spring Comic Book Convention was held at the Progress Center. The First Fifty Auto Club's Parts Sale & Swap Meet was conducted on the north parking lots.

28 - Pooch and LeFebvre attended the annual Minnesota FFA Convention at the University of Minnesota and distributed registration materials for the '09 State Fair FFA competition.

30 - Hammer participated in a meeting of the State Fair Foundation's corporate governance committee at the J. V. Bailey House. Sinclair and Hines met with Bob Kohnen of K & M Recreation to discuss Haunted House operations during the '09 fair.

May

1-3 - The Sahara Sands Spring Classic Horse Show was presented at the Warner Coliseum and livestock area.

2 - The St. Paul Craftstravaganza, presented by Andy and Jenna Krueger, was held at the Fine Arts Center.

2-3 - The Living Green Expo was presented at the Grandstand and the surrounding plaza.

3 - Gopher State Buick's Spring Extravaganza Car Show & Swap Meet was presented on Machinery Hill. The Northland Toy, Doll & Advertising Show was held at the Progress Center.

5 - Pooch and State Fair Foundation representatives Kay Cady and Dave Johnson met with representatives of Land O' Lakes to discuss the Moo Booth project.

6 - A meeting of all full-time staff was conducted at the Libby Conference Center.

7 - McGough and Frost met with Tony Bol at Minnesota Public Radio regarding possible partnership.

7-10 - The FASH Spring Horse Show was presented at the Warner Coliseum and livestock complex.

8-9 - Mid-America Auctions conducted the Minnesota Antique Motorcycle Auction at the Progress Center.

8-10 - The Friends School of Minnesota Plant Sale was conducted at the Grandstand

11 - Hammer attended a presentation about the State Fair business model presented by University of St. Thomas students.

12 - Mix attended a meeting of the St. Paul Human Resources Association.

13-16 - The YMCA of Greater St. Paul's Spring Garage Sale was presented at the Merchandise Mart.

14 - Sinclair and Larson met with Dan Wozniak to discuss his plans for a potato chip manufacturing concession at the 2010 State Fair.

14-16 - The North Star Watercolor Society presented their Watercolor Art Show at the Fine Arts Center.

16 - The Spring Model Railroad & Hobby Sale was held at the Education Building.

16-17 - The Rubber Stamp and Scrapbook Expo was conducted at the Progress Center.

20 - Ten full-time staff members attended a training session on blood-borne pathogens at the Libby Conference Center. The State Fair safety committee met at Libby.

21 - Hammer and Jacobson met with staff of the Office of the Legislative Auditor for an audit exit conference.

22-25 - The Minnesota Amateur Quarter Horse Association's Corporate Challenge horse show was presented at the Warner Coliseum and livestock area.

22 - June 7 - The Major Appliance Liquidation Event, presented by ApplianceSmart, was held at the Education Building.

27 - Hammer, Sinclair and Vavreck met with IEG representative Cynthia Beiler to discuss changes in sponsorship and marketing trends.

June

2 - Category 6 Racing Squad conducted a bicycle race on Machinery Hill.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE SALES COMMITTEE & GOVERNING BOARD

9 a.m. Friday June 5, 2009

Ruttger's Bay Lake Lodge, Deerwood, Minn.

MEETING OF THE SALES COMMITTEE

Members present: Joe Fox, chairman; Denny Baker; Jim Foss; Gene Gerth; D. J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio.

Chairman Fox called the meeting to order at 9:20 a.m.

Staff was granted the authority to proceed with the sale of the former Schumacher's New Prague Hotel concession structure at 1703 Carnes Ave. to French Meadow Bakery, pending approval of the board's executive committee, on a motion by Mr. Baker, seconded by Mr. Foss and carried (Aye-7; Nay-0; Leary abstained).

After discussion, Leary moved and Foss seconded to table consideration of a percentage agreement with WDM Acquisitions for an attraction in Adventure Park (Aye-8; Nay-0).

The French Creperie at 1711 Carnes Ave. was approved for a license to sell Minnesota-made wine during the '09 State Fair on a motion by Mr. Baker, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

After discussion, Mr. Foss moved and Mr. Paulson seconded to deny the request by K & M, Inc. (Haunted House attraction) to increase admission fee from \$3.50 to \$4 based on concerns related to the attraction's steady decrease in customers; motion carried (Aye-8; Nay-0).

Mr. Hammer reported on Midway and Kidway attractions for '09, along with new commercial exhibits and food concessions. Information only; no action required.

The sales committee meeting was adjourned at 10:02 a.m. on a motion by Mr. Paulson, seconded by Mr. Leary and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

Members present: Bob Lake, president; Joe Fox, vice president; D. J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

President Lake called the meeting to order at 10:02 a.m.

Minutes of the board and committee meetings conducted March 20, 2009, were reviewed and approved on a motion by Mr. Paulson, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period March 20 through June 4, 2009, were approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Action taken earlier by the sales committee was approved on a motion by Mr. Fox, seconded by Mr. Foss and carried (Aye-9; Nay-0).

Mr. Hammer presented the financial statement for May as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending May 31, 2009

GENERAL FUND ACTIVITY:

Cash Balance-Apr. 30, 2009		\$528,300
Add: Cash Deposits	\$2,473,234	
Less: Payroll Ending May 1	(207,367)	
Payroll Ending May 15	(237,658)	
Payroll Ending May 29	(218,054)	
Cash Disbursements	(1,054,084)	(756,071)
Cash Balance-May 31, 2009		\$1,284,371

MONEY MARKET ACCOUNT ACTIVITY:

Balance-Apr. 30, 2009	\$26,200
Add: Interest Earned	
Less: Securities Redeemed	(26,200)
Balance-May 31, 2009	\$-

BUILDING FUND ACTIVITY:

Balance-Apr. 30, 2009	\$449
Add: Interest Earned	
Securities Purchased	
Less: Securities Redeemed	
Balance-May 31, 2009	\$449

CONSTRUCTION FUND ACTIVITY:

Balance-Apr. 30, 2009	\$13,418
Add: Interest Earned	7
Balance-May 31, 2009	\$13,425

CASH BALANCES FOR MONTH ENDING MAY 31:

	2008	2009
General Fund	\$489,881	\$1,284,731
Petty Cash	5,600	5,600
Money Market Account	-	-
Building Fund	448	449
Construction Fund	13,208	13,425
Total Cash Balances	\$509,137	\$1,303,845

After discussion, the statement was passed on a motion by Mr. Baker, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Mr. Hammer presented State Fair Resolution 09-01 authorizing the issuance of the State Fair 2009 subordinated indebtedness note, approving the second supplemental State Fair subordinated indebtedness resolution and authorizing certain other actions (the complete resolution is on file at the State Agricultural Society's offices on the State Fairgrounds and the Minnesota State Attorney General's Office). After discussion, the resolution was passed on a motion by Mr. Baker, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Hammer presented State Fair Resolution 09-02 - the second supplemental State Fair subordinated indebtedness resolution relating to \$1.5 million 2009 State Fair revolving credit facility (the complete resolution is on file at the State Agricultural Society's offices on the State Fairgrounds and the Minnesota Attorney General's Office). After discussion the resolution was passed, along with the authority for the Society president to sign all documents related to the resolutions, on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Hammer presented payroll projections for the upcoming fair totaling \$2.2 million for 76 departments. After discussion, the projections were accepted on a motion by Mr. Foss, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Hammer reported on the recently-concluded audit of the Society by the Office of the Legislative Auditor. Information only; no action required.

Mr. Hammer reported on the status of improvements and maintenance projects currently underway at the State Fairgrounds. Information only; no action required.

Mr. Hammer gave an overview of the '09 State Fair's entertainment schedule. Following the report, Mr. Hammer presented the following list of entertainment contracts for consideration:

CONTRACTOR	DATES	TERMS	VENUE
A.S.I.A., Inc. (Concert Security)	8/27-9/7	\$17.95/hour	Grandstand

Brutus, Inc.	6/1-9/10	\$19,996.00	Grandstand
Clair Brothers Audio Enterprises, Inc. (Sound)	8/27-9/7	\$60,000.00	Grandstand
Eat Your Heart Out Catering	8/20-9/9	\$15,000.00 advance plus balance of approved invoices	Grandstand
Freestyle Productions, Inc. (Video)	8/27-9/7	\$54,946.00	Grandstand
P.E.S.O., Inc. (Concert Ushers)	8/27-9/7	\$15.50/hour	Grandstand
Premier Global Productions (Stage & Roof)	8/27-9/7	\$86,000.00	Grandstand
Ghost Town Entertainment, Inc. Inc. f/s/o Jason Aldean	8/28	\$100,000.00 plus 80% over \$220,000.00	Grandstand
Still Unbroken, Inc. f/s/o Lynyrd Skynyrd	8/29	\$200,000.00 flat	Grandstand
Shpants, Inc. f/s/o Kelly Clarkson	8/30	\$175,000 plus 80% over \$275,000.00	Grandstand
Malibu Sands, Inc. f/s/o Eric Hutchinson	8/30	\$15,000.00 flat	Grandstand
Triple O Productions f/s/o Jackson Browne	8/31	\$200,000.00 plus 80% over \$300,000.00	Grandstand
Pau, Inc. f/s/o Randy Travis	9/1	\$75,000.00 plus 80% over \$210,000.00	Grandstand
Impossible Productions, Inc. f/s/o Joe Nichols	9/1	\$35,000.00 flat	Grandstand
Planet OAR, Inc. f/s/o O.A.R.	9/2	\$75,000.00 plus 80% over \$200,000.00	Grandstand
One Redwood, Inc. f/s/o Brett Dennen	9/2	\$7,500.00 flat	Grandstand
Casting Crowns	9/3	\$75,000.00 plus 85% over \$150,000.00	Grandstand
BarlowGirl	9/3	\$12,000.00 flat	Grandstand
A Prairie Home Companion	9/4	60% net box office receipts plus \$500.00 production fee	Grandstand
TMB Productions f/s/o STYX	9/5	\$86,000.00 plus \$1,500.00 production fee plus 40% over \$305,000.00	Grandstand
REO Speedwagon, Inc. f/s/o REO Speedwagon	9/5	\$87,500.00 plus 40% over \$305,000.00	Grandstand
Rocknocker Music Company f/s/o 38 Special	9/5	\$30,000.00	Grandstand
On A Stick Productions, Inc. f/s/o Jeff Dunham	9/7	\$200,000.00 plus 80% over \$280,000.00	Grandstand
Garry Lichach f/s/o ABBAMANIA	8/27-8/28	\$20,000.00	Bandshell Tonight
Original Wailers, LLC f/s/o The Original Wailers	8/29-8/30	\$30,000.00	Bandshell Tonight

Quietdrive Touring, LLC f/s/o Quietdrive	8/31-9/1	\$25,000.00	Bandshell Tonight
TMA Touring, LLC f/s/o Trombone Shorty & Orleans Avenue	9/2-9/3	\$15,000.00	Bandshell Tonight
Never Surrender, LLC f/s/o Blood, Sweat & Tears	9/4-9/5	\$50,000.00	Bandshell Tonight
Riders In The Sky, LLC f/s/o Riders In The Sky	9/6-9/7	\$25,000.00	Bandshell Tonight
Plus Sign Enterprises, LLC f/s/o Joey + Rory	8/27-8/28	\$10,000.00	Bandshell
Haygoods Family Enterprises, Inc. f/s/o The Haygoods	8/27-8/28	\$12,500.00	Bandshell
Steve Riley f/s/o Steve Riley and The The Mamou Playboys	8/27-8/28	\$12,000.00	Bandshell
The Tex Pistols Band f/s/o The Tex Pistols	8/29-8/30	\$3,000.00	Bandshell
Steve Lippia f/s/o Steve Lippia and Simply Sinatra	8/29-8/30	\$10,000.00	Bandshell
Demorris Flannigan f/s/o Darrell Tate & Powerful Praise	8/29-8/30	\$4,000.00	Bandshell
TKO Artist Management f/s/o Trailer Choir	8/31-9/1	\$10,000.00	Bandshell
Orphans Entertainment, LLC f/s/o Aaron Watson	8/31-9/1	\$6,000.00	Bandshell
Bruce Bradley Mielke f/s/o Alpensterne	8/31-9/1	\$2,500.00	Bandshell
Hot Jazz, Inc. f/s/o Five By Design	9/2-9/3	\$10,000.00	Bandshell
The Gibson Brothers	9/2-9/3	\$7,500.00	Bandshell
Tonic Sol-fa	9/4-9/5	\$7,600.00	Bandshell
Mike Farris f/s/o Mike Farris & The Roseland Rhythm Revue	9/4-9/5	\$12,500.00	Bandshell
Sunny Sweeney	9/4-9/5	\$7,500.00	Bandshell
Marcoux Corner	9/6-9/7	\$3,600.00	Bandshell
Alan Shacklock f/s/o Elmwood	9/6-9/7	\$5,000.00	Bandshell
Abalone Dots Touring, Inc. f/s/o Abalone Dots	9/6-9/7	\$10,000.00	Bandshell
Scott Novotny	9/6-9/7	\$2,000.00	Bandshell
Katie McMahon	8/27-8/28	\$5,000.00	Bazaar
Didier Armstrong f/s/o Yawo	8/27-8/28	\$4,000.00	Bazaar
Stevie Ray's Improv. Company f/s/o Stevie Rays Comedy Troupe	8/29-8/30	\$3,000.00	Bazaar
Davina Sowers f/s/o Davina & The Vagabonds	8/29-8/30	\$1,600.00	Bazaar
Dan Newton f/s/o Café Accordion Orchestra	8/31-9/1	\$3,000.00	Bazaar
Tim Owen f/s/o Salsabrosa	8/31-9/1	\$4,000.00	Bazaar
Larry Yazzie f/s/o Native Pride Dancers	9/2-9/3	\$3,000.00	Bazaar

Daniel Roberto Garcia Cueto f/s/o Mariachi Mexico	9/2-9/3	\$3,500.00	Bazaar
Rolando Bolivar Burga Maiqua f/s/o Atahualpa	9/4-9/5	\$2,000.00	Bazaar
Ejid Mfalingundi f/s/o Innocent	9/4-9/5	\$3,000.00	Bazaar
The Sweet Colleens	9/6-9/7	\$3,000.00	Bazaar
St. Mary's Balalaika Orchestra	9/6-9/7	\$2,000.00	Bazaar
Feather Moon, LLC f/s/o Rocket Club	8/27-8/28	\$1,500.00	Bazaar After Dark
White Iron Band	8/29-8/30	\$3,000.00	Bazaar After Dark
Slip Twister	8/31-9/1	\$3,000.00	Bazaar After Dark
Paul Cebal f/s/o Paul Cebal and Tomorrow Sound	9/2-9/3	\$4,000.00	Bazaar After Dark
Robbie Vee	9/4-9/5	\$3,000.00	Bazaar After Dark
David J. Russ f/s/o E.L.n.O.	9/6-9/7	\$3,500.00	Bazaar After Dark
Sean Emery	8/27-9/7	\$10,800.00	Family Fair at Baldwin Park
John Allgaier f/s/o BC Characters	8/27-9/7	\$30,360.00	Family Fair at Baldwin Park
Theatre Of Fools	8/27-8/28	\$1,800.00	Family Fair at Baldwin Park
Sheltered Reality	8/29-8/30	\$2,100.00	Family Fair at Baldwin Park
Rachael Kroog f/s/o Kid Power With Rachael	8/31-9/1	\$1,600.00	Family Fair at Baldwin Park
Glen Everhart f/s/o Hebegebes Family Comedy Music Show	9/2-9/3	\$1,500.00	Family Fair at Baldwin Park
Star Michaelina	9/4-9/5	\$1,800.00	Family Fair at Baldwin Park
Joe Malander f/s/o The Okee Dokee Brothers	9/6-9/7	\$2,100.00	Family Fair at Baldwin Park
Denise Green f/s/o Sawtooth Bluegrass Band	8/27-8/28	\$4,000.00	Heritage Square
Lisa Fuglie f/s/o Monroe Crossing	8/27-8/28	\$5,000.00	Heritage Square
Kevin Kniebel f/s/o Pert' Near Sandstone	8/27-8/28	\$4,000.00	Heritage Square
Brad Alzen d/b/a The Alzen Family Bluegrass Band	8/29-8/30	\$2,000.00	Heritage Square
Minnesota State Fiddler's Assoc. f/s/o the Minnesota State Fiddle Contest	8/29-8/30	\$3,175.00	Heritage Square
Chuck Mead Tours, LLC f/s/o Chuck Mead	8/29-8/30	\$5,000.00	Heritage Square
Billy McLaughlin	8/31-9/1	\$5,000.00	Heritage Square
Charlie Parr	8/31-9/1	\$1,000.00	Heritage Square

Sherwin Linton f/s/o The Sherwin & Pam Linton Show	8/31-9/1	\$2,500.00	Heritage Square
Quillan Roe f/s/o The Roe Family Singers	9/2-9/3	\$1,600.00	Heritage Square
Dick Peterson f/s/o The Barbary Coast Dixieland Show Band	9/2-9/3	\$3,300.00	Heritage Square
Storyhill	9/2-9/3	\$6,000.00	Heritage Square
Pat Surface f/s/o The Boundary Water Boys	9/4-9/5	\$3,500.00	Heritage Square
Minnesota Bluegrass and Old Time Music Association f/s/o The Minnesota Flatpicking Guitar and Duet Championships	9/4-9/5	\$3,175.00	Heritage Square
Deke Dickerson	9/4-9/5	\$4,000.00	Heritage Square
David Tousely f/s/o Tangled Roots	9/6-9/7	\$2,000.00	Heritage Square
Marvin Stoehr f/s/o Cactus & The Jolly Brewers	9/6-9/7	\$1,600.00	Heritage Square
Rusty Jones f/s/o The Front Porch Swingin' Liquor Pigs	9/6-9/7	\$2,500.00	Heritage Square
Premier Global Production (Stage Rental)	8/27-9/7	\$6,5000.00	Heritage Square
Past Presentations, LLC (Log Cabin)	8/27-9/7	\$5,900.00	Heritage Square
Roger Abrahamson (Woodturner - Blacksmith Shop)	8/27-9/7	\$3,200.00	Heritage Square
Reuben Ristrom	8/27-8/28	\$1,400.00	Ramberg
Jim Shannon	8/27-8/28	\$400.00	Ramberg
Soren Oleson f/s/o Sloughgrass	8/29-8/30	\$1,000.00	Ramberg
Christine Rosholt	8/29-8/30	\$1,600.00	Ramberg
Patrick Gallivan f/s/o The Gallivanter	8/31-9/1	\$600.00	Ramberg
Hank Thunander	8/31-9/1	\$1,200.00	Ramberg
Jim Berner f/s/o Jim Berner's Music Legends	9/2-9/3	\$750.00	Ramberg
Rod Cerar f/s/o Rod Cerar Orchestra	9/2-9/3	\$1,100.00	Ramberg
Carol Nissel f/s/o Marv Nissel Band	9/4-9/5	\$1,400.00	Ramberg
Betty Bearse f/s/o Betty Rydell and Randi Rae	9/4-9/5	\$1,100.00	Ramberg
Adam Brainard f/s/o The Mill City Grinders	9/6-9/7	\$1,000.00	Ramberg
Morris Engel f/s/o The Smarts	9/6-9/7	\$1,600.00	Ramberg
Lumberjack Sports International Inc. f/s/o IRONJACK Timber Team	8/27-9/7	\$34,000.00	Northwoods
Ron Schara f/s/o Ron Schara's Minnesota Bound	8/27-9/7	\$8,000.00	Northwoods
Action Sports of Minnesota f/s/o 3rd Lair Skatepark	8/27-9/7	\$42,500.00	X-Zone

C. John Deschene	8/27-9/7	\$1,200.00	Old Iron Show
James Birk	8/27-9/7	\$1,440.00	Old Iron Show
Bob & Judy Wilson	8/27-9/7	\$1,440.00	Old Iron Show
James Quirk	8/27-9/7	\$1,080.00	Old Iron Show
Lorraine Quirk	8/27-9/7	\$1,080.00	Old Iron Show
Glen Westphal	8/27-9/7	\$720.00	Old Iron Show
Dave Lewerer	8/27-9/5	\$1,200.00	Old Iron Show
Lee Clasen	8/27-8/30	\$1,200.00	Old Iron Show
Joe Schimml	8/27-8/30	\$120.00	Old Iron Show
Tri-State Judging Association	8/27-9/6	\$2,100.00	Parade
Jeff Goldsmith	8/27-9/6	\$1,620.00	Parade
Richard Dufault	8/27-9/6	\$2,310.00	Parade
St. Anthony Park Community Band	8/28	\$100.00	Parade
Twin Cities Unicycle Club	8/28	\$400.00	Parade
St. Paul Police Band	8/29	\$250.00	Parade
Derek Hartman	9/6	\$50.00	Talent Contest
Jeff Zhang	9/6	\$50.00	Talent Contest
Callie Syverson & Brett Anderson	9/6	\$450.00	Talent Contest
Dan Sparkman	8/30	\$50.00	Milk Run
Rick Recker	8/30	\$350.00	Milk Run
Jack Moran	8/30	\$145.00 plus \$.25/entrant plus \$.25/finisher	Milk Run
Harding High School Cross Country Team	8/30	\$150.00	Milk Run
Rock It The Robot	8/27-9/7	\$11,400.00	Grandstand Plaza
West Texas Productions, Inc. f/s/o Shenanigans! Comedy Wild West Show	8/27-9/7	\$30,000.00	East of Heritage Square

After discussion, the contracts were approved on a motion by Mr. Baker, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

The following list of board-hosted functions during the fair was discussed and approved on a motion by Mr. Foss, seconded by Mr. Merkins and carried (Aye-9; Nay-0): Minnesota Federation of County Fairs board lunch, Friday Aug. 28; Society Hall of Fame and Life Members lunch, Sunday Aug. 30; Minnesota Livestock Breeders Association breakfast, Thursday Sept. 3.

Mr. Hammer presented new language for Society rule 1.07 as follows:

Rule 1.07 – Vehicle restrictions

Subd. 1—The secretary or delegate shall provide for the placement of traffic control signals, signs and other traffic control devices on the State Fairgrounds as deemed necessary for the safety, protection and control of the State Fairgrounds and the people thereon that are consistent with these rules.

Subd. 2—When any police officer or security officer finds a vehicle illegally parked on the State Fairgrounds, they are authorized to issue a citation and/or provide for the removal and impoundment of the vehicle. Charges for removal and storage are the responsibility of the vehicle owner.

Subd. 3—The Society hereby adopts and incorporates by reference Chapters 168, 169 and 171 of Minnesota Statutes, as it is fully set out herein.

Subd. 4—It is unlawful to operate a motor vehicle with unnecessary acceleration on the State Fairgrounds. Evidence of unnecessary acceleration includes the squealing or screeching of tires on pavement or the throwing of sand or gravel by the tires.

After discussion, the rule change was approved on a motion by Mr. Gerth, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

The fee for motorcycle parking during the '09 State Fair was set at \$5 on a motion by Mr. Baker, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Mr. Hammer presented information on Read & Ride Day, proposed for Wednesday Sept. 2 at the upcoming fair. A gate discount promotion for the day offering \$9 admission for adults (13 through 64), \$6 admission for children (5-12) and \$6 admission seniors (65 and over) who present a valid library card at the gate was approved on a motion by Mr. Baker, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Foss and Mr. Hammer presented an update on activities of the State Fair Foundation. Information only; no action required.

The meeting was adjourned at 12:10 p.m. on a motion by Mr. Fox, seconded by Mr. Baker and carried.

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES June 5 through Aug. 26, 2009

June

5-7 - The Great American Gem Show & Sale was presented at the Progress Center.

6-7 - The Minnesota Antique Dealers Show was held at the Fine Arts Center.

7 - The General Motors Car Clubs Association auto show and swap meet was held on Machinery Hill.

9 - Category 6 Racing Squad conducted a bicycle race on Machinery Hill. Hammer met with Bill McGrann, Sarah Psick and Joe Bagnoli to discuss the '09 session of the Minnesota legislature.

10 - Schuette and Dillon met with representatives of the St. Paul Pioneer Press to discuss State Fair news coverage.

10-14 - The Region 10 Arabian Horse Show was held at the Warner Coliseum and livestock complex.

11 - Original artwork for the 2009 State Fair poster, created by Minnesota artist Leo Stans, was formally unveiled at the J. V. Bailey House.

12-13 - The Viking Chapter Antique Motorcycle Club of America National Meet was held at the Progress Center and campgrounds.

13 - Park and ride service for the Minnesota Honors Vietnam Era Veterans ceremony at the State Capitol was provided at the south Como parking lots.

15 - Hammer spoke at a meeting of the Roseville Rotary Club.

16 - The Category 6 Racing Squad summer bicycle race series continued on Machinery Hill. Sinclair met with Gina Guglielmi – an amusement ride importer with the Intermark Ride Group. Schuette and Dillon met with representatives of KARE 11-TV's Showcase to discuss fair coverage.

18 - McGough and Weinfurter met with the Governor's Council on Fire Prevention and Control.

19-21 - The Minnesota Street Rod Association Back To The 50's Weekend utilized the entire fairgrounds and many exhibit buildings.

23 - Schuette and Dillon met with representatives of KSTP-TV regarding State Fair coverage.

24-27 - The Tanbark Cavalcade of Roses Horse Show was presented at the Warner Coliseum and livestock complex.

25 - Foss and Hammer participated in a meeting of the State Fair Foundation board at Libby Conference Center.

25-28 - Rapid Sport Marine Boat Show & Sale was held at the campgrounds.

26 - Schuette addressed students in a summer academy program about fair marketing.

26-27 - Cat's Pajamas Productions held the Vintage Clothing, Jewelry and Textile Show & Sale at the Fine Arts Center. The Minnesota Antiquarian Booksellers Association presented the Used Book Fair at the Progress Center.

26-28 - The Star of the North Antique Show, presented by Townsend Promotions, was held at the Education Building.

July

2-5 - The North Star Morgan Americana Horse Show was held at the Warner Coliseum and livestock complex.

8 - Hammer spoke at a meeting of the Rotary Club of West St. Paul/Mendota Heights.

10-12 - The Super Golf Sale, presented by Blue Star Productions, was held at the Dairy Building.

11 - Hammer visited the Ramsey County Fair in Maplewood.

12 - Radio Rey's Mexican Rodeo was held at the Warner Coliseum.

13 - Sinclair met with Ramone Rosario of the Italian amusement ride manufacturer Zamperla, Inc.

15 - The State Fair Employee Safety Committee met at the Libby Conference Center.

15-19 - The American Quarter Horse Association Horse Show was held at the Warner Coliseum and livestock complex.

17-19 - The Car Craft Summer Nationals auto show was held throughout the fairgrounds.

21 - Sinclair met with David Garrett of Haas Wilkerson Insurance to discuss amusement ride and game coverage.

25 - The Cops 'N' Rodders Law Enforcement Car Show was held on Machinery Hill.

28 - Hammer and Pearson along with Sarah Psick of McGrann Shea met with Rep. Pat Garofalo of the Minnesota House of Representatives to tour the Grandstand.

29 - Schuette met with representatives of KARE 11-TV's metromix.com to discuss fair coverage.

30 - Aug. 2 - The North Central Reining Futurity and Derby Show was held at the Warner Coliseum and livestock complex. Pooch and Butler met with representatives of the Tri-State Horsemen's Association to discuss the '09 horse show.

August

3 - Pooch, Goodrich, Butler, LeFebvre and Virginia Mold conducted a conference call with the cattle breed representatives of the Minnesota Beef Expo.

5 - A pre-fair meeting for all full-time staff was conducted at the Libby Conference Center.

6 - Schuette spoke at a meeting of the St. Paul Sunrise Rotary.

14 - Sinclair, Hudalla, Larson, Simon, Dungan, Schuette, Hines and Dillon attended the Iowa State Fair in Des Moines.

17 - Midway staff arrived to begin Midway and Kidway set up.

15 - Orientation sessions were conducted for guest services and information booth staff.

18 - Judging for the Minnesota Outstanding Senior Citizens program was conducted at the Libby Conference Center.

20 - More than 600 people attended the State Fair Foundation's "Taste of the Fair" event at the International Bazaar.

22 - The staff's Around the Fair Committee hosted to a pre-fair pancake breakfast and program seasonal and full-time staff at the 4-H Building.

25 - The 96th Annual State Fair Fine Arts Exhibition Artists Preview was held at the Fine Arts Center.

26 - Princess Kay of the Milky Way coronation ceremonies, presented by the Midwest Dairy Association, were held at the Bandshell.

27 - The 2009 edition of the Great Minnesota Get-Together opened at 6 a.m.

MINNESOTA STATE AGRICULTURAL SOCIETY

MEETING OF THE GOVERNING BOARD

10 a.m. Friday Aug. 28, 2009

Officer Quarters, State Fairgrounds

Members present: Bob Lake, president; Joe Fox, vice president; D. J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also present: Kent Harbison; Krista Hatcher; Bill McGrann; Sarah Psick.

President Lake called the meeting to order at 10 a.m.

Minutes of the board meeting conducted June 5 were reviewed and approved on a motion by Mr. Foss, seconded by Mr. Baker and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period June 5 through Aug. 27 were discussed and approved on a motion by Mr. Fox, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Mr. Hammer presented the Society's July financial statement as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending July 31, 2009

GENERAL FUND ACTIVITY:

Cash Balance-June 30, 2009		\$1,673,798
Add: Cash Deposits	\$2,042,302	
Less: Payroll Ending July 10	(336,190)	
Payroll Ending July 24	(275,655)	
Cash Disbursements	(1,943,793)	(513,336)
Cash Balance-July 31, 2009		\$1,160,462

MONEY MARKET ACCOUNT ACTIVITY:

Balance-June 30, 2009	\$-
Add: Interest Earned	
Less: Securities Redeemed	
Balance-July 31, 2009	\$-

BUILDING FUND ACTIVITY:

Balance-June 30, 2009	\$449
Add: Interest Earned	
Securities Purchased	
Less: Securities Redeemed	
Balance-July 31, 2009	\$449

CONSTRUCTION FUND ACTIVITY:

Balance-June 30, 2009	\$13,438
Add: Interest Earned	5
Balance-July 31, 2009	\$13,443

CASH BALANCES FOR MONTH ENDING JULY 31:

	2008	2009
General Fund	\$1,216,974	\$1,160,462
Petty Cash	18,425	18,455
Marketable Securities	-	-
Building Fund	448	449
Construction Fund	13,236	13,443
Total Cash Balances	\$1,249,083	\$1,192,809

After discussion, the statement was approved as presented on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Bill McGrann and Sarah Psick reported on the 2009 session of the Minnesota legislature and legislative action affecting the Society. Information only; no action required.

On a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0), the meeting was declared in executive session. Following the session, Mr. Baker moved, Mr. Fox seconded and motion carried (Aye-9; Nay-0) to reopen the meeting.

The report of the Office of the Legislative Auditor on the Society's financial activities for fiscal 2008 was reviewed and approved on a motion by Mr. Baker, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

The following entertainment contracts were presented by Mr. Hammer for review:

CONTRACTOR	DATES	TERMS	VENUE
Americana Fireworks	8/27-9/7	\$38,888.00	Grandstand
Premier Global Productions (Lighting)	8/27-9/7	\$26,500.00	Grandstand
Get Right, Inc. f/s/o Bonnie Raitt	8/27	\$157,000.00 plus 80% over \$300,000.00 plus \$14,000.00 production	Grandstand
Cheraw SC, Inc. f/s/o Taj Mahal	8/27	\$29,000.00	Grandstand
ARIA Foundation	8/27	\$.75/paid ticket charity contribution	Grandstand
Eli Young, LLC f/s/o Eli Young Band	8/28	\$20,000.00	Grandstand
Lost Highway Touring f/s/o Kid Rock	8/29	\$365,000.00 plus \$35,000.00 production	Grandstand
Shpantz, Inc. f/s/o Kelly Clarkson	8/30	Change split point to \$290,000.00	Grandstand
Slightly Stoopid Touring, Inc.	9/2	\$40,000.00	Grandstand
Casting Crowns	9/3	Change split point to \$162,000.00	Grandstand
A Prairie Home Companion	9/4	Cancel \$500.00 production fee	Grandstand
David Tousley f/s/o Tangled Roots	9/6-9/7	\$2,000.00	Heritage Square
David Mariette (Blacksmith)	8/27-9/1	\$1,900.00	Heritage Square
Joel Miller (Blacksmith)	9/2-9/7	\$2,200.00	Heritage Square
Past Presentations, LLC (Log Cabin)	8/27-9/7	Change amount to \$5,920	Heritage Square
Jim Berner f/s/o Jim Berner's Music Legends	9/2-9/3	Cancel	Ramberg
Chris Chadwick	8/27-9/7	\$360.00	Old Iron Show
Lee Sackett	8/27-9/7	\$6,300.00	Old Iron Show
Derold McDonough	8/27-9/7	\$6,300.00	Old Iron Show
Steve Bauer	8/27-9/7	\$2,700.00	Old Iron Show
Bill Griesbach	8/27-9/3	\$560.00	Old Iron Show
Duane Stanley	8/27-8/30	\$280.00	Old Iron Show
Lee Clasen	8/27-8/30	Change amount to \$120.00	Old Iron Show
Gordy Lefebvre	8/27-8/30	\$360.00	Old Iron Show
Duane Rolstad	8/27-8/30	\$960.00	Old Iron Show
Dean Sabinske	9/4-9/7	\$240.00	Old Iron Show
Delores Nelson	9/4-9/7	\$240.00	Old Iron Show
Ken Scott	9/4-9/7	\$240.00	Old Iron Show
Devon Lark	9/4-9/7	\$240.00	Old Iron Show

Bill Koncar	9/2-9/3	\$1,000.00	Ramberg
Robert Summerbell f/so Wacky Wheeler	8/27-9/7	\$6,200.00	Parade
Chicks on Sticks	8/27-9/7	\$3,900.00	Parade
Meadowind Miniatures	8/27-9/7	\$6,000.00	Parade
Pedalpub	8/29	\$350.00	Parade
Women's Drum Center	8/29-8/30	\$400.00	Parade
Minnesota Police Pipe Band	8/30	\$1,200.00	Parade
U of M Marching Band	8/30	\$1,500.00	Parade
Brass Messengers	8/31, 9/4, 9/6	\$1,800.00	Parade
Phoenix Drumline	8/31-9/1	\$1,200.00	Parade
Barebones Productions	9/2-9/7	\$2,400.00	Parade
Minnesota Over-60 Band	9/4	\$400.00	Parade
Jack Brass Band	9/5-9/7	\$2,850.00	Parade
Minneapolis Street Beat	9/5	\$300.00	Parade
Pig's Eye Jass Band	9/7	\$560.00	Parade
Ray Komischke	9/6	Upon invoice union scale	Talent Contest
John Lynn	8/27-9/6	\$55.00/hour	Talent Contest
Jon Evans	8/27-9/6	\$50.00/hour	Talent Contest
Jacob Hanson	8/27-9/6	\$50.00/hour	Talent Contest
Grady Kenevan	8/27-9/6	\$50/hour	Talent Contest

After review, the contracts were approved as presented on a motion by Mr. Fox, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Sale of the structure at 1703 Carnes Ave. to French Meadow Bakery for \$106,000 (three equal payments of \$35,333 over three years) was approved on a motion by Mr. Baker, seconded by Mr. Foss and carried (Aye-9; Nay-0). The sale was previously reviewed and approved by the board's executive committee.

At the request of K & M Recreation Inc., the following discounts for the Haunted House attraction during the '09 State Fair were reviewed: Admission discount from \$3.50 to \$3 on Thrifty Thursday - Thursday Aug. 27; Seniors & Kids Day - Monday Aug. 31; and Kids & Last Chance Day - Monday Sept. 7. After discussion, the discount was approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-1 (Leary)).

Mr. Hammer was authorized to make miscellaneous ticket refunds and payment of minor claims as he deems appropriate on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Recipients of the Ben C. Hallberg Rural Youth Scholarships for 2009 were presented by Mr. Hammer: Karen Anderson of Lester Prairie; Chelsea Breza-Berndt of Utica; Emily Heintz of Fulda; Megan Herberg of St. Peter; Sarah Jacobs of Rushmore; April Johnson of Heron Lake; Simon Kern of Watkins; Samantha Lahman of Parkers Prairie; Mercedes Lee of Perley; Alyssa Nelson of Jackson; Alisha Nord of Wolverton; Kate Rentschler of Lakefield; Kirby Schmidt of Marshall; Matthew Schmidt of Anoka; Samantha Selness of Mabel; Marta Stolen of LeSueur; Danielle Storm of Dover; Ashley Swenson of Nicollet; Megan Udermann of Sartell and Emily Van Klomberg of Montevideo.

After review, the scholarship winners were approved as presented on a motion by Mr. Paulson, seconded by Mr. Foss and carried (Aye-9; Nay-0).

Mr. Hammer presented a report on sponsorship activities for 2009 including cash sponsorships totaling \$789,400. After discussion, the report was approved on a motion by Mr. Leary, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Hammer provided updates on the opening day of the '09 State Fair. Information only; no action required.

The board complimented State Fair staff for the quality of this year's presentation and the outstanding condition of the fairgrounds.

The meeting adjourned at 11:20 a.m. on a motion by Mr. Baker, seconded by Mr. Leary and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE GOVERNING BOARD
10 a.m. Sunday Sept. 6, 2009
Officer Quarters, State Fairgrounds**

Members present: Bob Lake, president; Joe Fox, vice president; D. J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also present: Brian Hudalla

President Lake called the meeting to order at 9:59 a.m.

Minutes of the Aug. 28, 2009, meeting of the board were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Baker and carried (Aye-9; Nay-0).

Minutes from the Society's Life Member Advisory Committee meeting of Aug. 30, 2009, were presented as follows by Mr. Hammer:

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE LIFE MEMBER ADVISORY COMMITTEE
11:15 a.m. Sunday Aug. 30, 2009
Officer Quarters, State Fairgrounds**

Members present: Lyle Steltz, chairman; Clarice Schmidt; Bill Korff; Vern Prokosch; Howard Recknor; Dick Reinhardt; Don Simons; Duane Smith; Evelyn Hagen and Rich Keenan.

Also present: Cheryl Huber.

Chairman Steltz called the meeting to order at 11:15 a.m.

After discussion, Ms. Schmidt moved that Bob Lake be considered by the board as the 2010 nominee for Honorary Life Membership in the Society. The motion was seconded by Mr. Simons and carried (Aye-9; Nay-0).

Mr. Smith offered the name of a nominee for Life Membership consideration in 2011. More information on the potential nominee will be forthcoming.

Mr. Simons wanted in the record that the Moo Booth is a 5,000 percent improvement over the previous exhibit. Ms. Schmidt told the members that funding for the project was raised through the State Fair Foundation.

Ms. Schmidt gave an update on the Foundation and the projects they are looking into for '10.

Chairman Steltz declared the meeting adjourned at 11:40 a.m.

After discussion, the minutes were approved as presented on a motion by Mr. Foss, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Mr. Hammer updated the board on the operations and activities of the '09 State Fair. Information only; no action required.

The board authorized an annual contribution of \$2,000 to the State Fair employees club to provide partial funding for employee club functions and beverages used by employees and visitors on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Hudalla updated the board on upcoming capital infrastructure projects including storm water management and life safety improvements to livestock facilities. After discussion, Mr. Baker moved, Ms. Wessel seconded and motion carried to authorize staff to obtain cost estimates for the projects, and to research possible supplementary funding sources (Aye-9; Nay-0).

Mr. Hudalla reported on fair-time operations including transit and sanitation. Information only; no action required.

Mr. Baker moved, Mr. Merkins seconded and motion carried to authorize capital and operating expenses for State Fair archives in 2010 improvements, maintenance and operating budgets (Aye-9; Nay-0).

It was moved by Mr. Baker, seconded by Mr. Paulson and carried that members of the board and certain staff members designated by the secretary be authorized to attend the International Association of Fairs & Expositions 2009 international convention in Las Vegas, Nev. (Aye-9; Nay-0).

The dates for the 2010 Minnesota State Fair were set for Thursday Aug. 26 through Labor Day, Monday Sept. 6 on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

The next meeting of the board of managers was set for Friday Nov. 13, 2009, on a motion by Mr. Fox, seconded by Mr. Baker and carried (Aye-9; Nay-0).

The board of managers by acclamation extended their thanks and congratulations to State Fair staff for their hard work in presenting the outstanding fair of 2009 (Aye-9; Nay-0).

President Lake declared the meeting adjourned at 11:15 a.m.

**MINNESOTA STATE AGRICULTURAL SOCIETY
MINUTES OF INTERIM ACTIVITIES
Aug. 27 through Nov. 12, 2009**

August

27 - The new and improved \$1.2 million Moo Booth was dedicated during a ribbon-cutting ceremony at the Cattle Barn. Later that morning, Society President Bob Lake presided over opening ceremonies for the '09 State Fair at the Bandshell.

September

1 - Sinclair, Larson, Simon, Doyle and Fox participated in a meeting of the fair's Commercial Exhibitor's Communications Committee, held at the Administration Building.

3 - Marge Pribyl of Elysian in LeSueur County and Wayne Sandee of Mankato in Blue Earth County were named Minnesota's Outstanding Senior Citizens during ceremonies conducted at the Bandshell. A plaque recognizing Minnesota's World War I veterans was dedicated at the State Fair Veterans Garden; participants in the dedication ceremony included Minnesota Department of Veterans Affairs Deputy Commissioner Mike Pugliese and Past President of the Veterans of World War I Auxiliary Pat Schon.

6 - State Fair staff members Nate Faiad of employment services, Cassie Plante of Little Farm Hands, Mike Gaspar of the campgrounds, Dede Hard of 4-H and Mike Gingold of sanitation were named MSF All Star MVPs at an employee recognition ceremony at the Grandstand.

7 - The record-setting 2009 Great Minnesota Get-Together closed at 9 p.m. Among the 1,790,497 in attendance were Rick Frenette and Loren Moench from the Utah State Fair in Salt Lake City; Gary Slater, Rollie McCubbin, James Romer and Don Greiman from the Iowa State Fair in Des Moines; Kathy Duffy from the New Mexico State Fair in Albuquerque; Bob Williams from the Wisconsin Association of Fairs; Phil Hurst from the Clay County Fair in Spencer, Iowa; Kathleen O'Leary and Steve Reinhardt from the Wisconsin State Fair in West Allis; Van Neidig from the Nebraska State Fair in Lincoln; and 35 members of the Indiana Association of Fairs, Festivals and Events.

12 - Anderson participated in an Intix board meeting. The National Multiple Sclerosis Society utilized fairground streets for their annual MS Society Challenge Walk. The University of Minnesota used the Grandstand parking lots for Gopher football parking.

15 - Mix attended a meeting of the Ramsey County Job Security Employers Committee.

18-21 - The Minnesota State 4-H Show was presented at the Warner Coliseum and livestock complex.

19 - The TC Model Railroad Club's fall model railroad and hobby sale was held at the Education Building. The University of Minnesota used the Grandstand parking lots for Gopher football parking.

20 - The Antique Motorcycle Club fall swap meet was held on the north parking lots. Schuette addressed Eden Prairie High School students regarding the fair's marketing program.

23 - The State Fair Employee Safety Committee met at the Libby Conference Center.

24-28 - The Western Saddle Club and Horse Show was held at the Warner Coliseum and livestock complex.

25-27 - The Munchkin Markets fall and winter children's consignment sale was conducted at the Merchandise Mart.

26 - The Founders Day Dinner and DFL Candidate Fair was presented at the Education Building and the DFL booth. The St. Paul Ward 4 neighborhood cleanup was held at the north parking lots.

26-27 - The Antique Mission Furniture Show was held at the Progress Center and Fine Arts Center. The Minnesota 4-H State Dog Show was held at the 4-H Building and neighboring outside areas.

29 - Schuette and Dillon offered a presentation to members of the University of St. Thomas's Public Relations Student Society.

30 - The Metro Area Children's Water Festival was presented at the 4-H Building, Baldwin Park, Home Improvement Building and neighboring outside areas. The Business After Hours Expo, presented by the St. Paul Area Chamber of Commerce, was held at the Progress Center.

October

1-3 - The Minnesota Arabian Horse Breeders Fall Arabian Horse Show was held at the Warner Coliseum and livestock complex.

3 - The St. Paul Junior League's Next-To-New Sale was held at the Dairy Building. The University of Minnesota used the Grandstand parking lots for Gopher football parking.

3-4 - The Antique Spectacular Show & Flea Market, presented by Prime Promotions, was conducted at the Grandstand and infield. The Fall Military Relic Show, presented by the Minneapolis St. Paul Military Relic & Collectors, was held at the Progress Center. The Minnesota Weapons Collectors Fall Show & Sale was held at the Education Building.

4 - Capital City Chapter AACA held their Midwest Fall Swap Meet & Antique Auto Show on the north parking lots. Minnesota 4-H Arts In participants - who left the '09 fair early due to flu - gave a delayed presentation of their traditional Labor Day farewell performance for families and friends at the 4-H Building.

5 - Foss and Hammer participated in a meeting of the State Fair Foundation's finance committee conducted at the J.V. Bailey House. Staff met with the fair's risk management and medical care representatives to review '09 fair operations. Sinclair and Larson met with John and Marlene Steichen to discuss disposition of their William's Dinette concession structure.

6 - Pearson, Dungan and Weinfurter met with Allied Audio to review the '09 fair. Sinclair and Larson met with representatives of the Chocolate Chip Cookie Co. and Sweet Martha's Cookie Jar to discuss their individual concession operations at the '09 fair.

6-11 - Midstates Horse Shows' Harvest Show was presented at the Warner Coliseum and livestock complex.

7 - Hammer addressed a group of State Fair Foundation volunteers at an appreciation dinner held at the Progress Center. Simon met with Minnesota Pollution Control representatives to review Eco Experience operations during the '09 fair.

8 - Miller, Mix and Sertich attended a seminar on employment labor law presented by the Fredrickson & Byron law firm.

10 - The University of Minnesota used the Grandstand parking lots for Gopher football parking.

10-11 - The Minnesota Comic Book Association's Fallcon Comic Book Convention was presented at the Grandstand. The Rubber Stamp & Scrapbook Expo was held at the Progress Center.

11-14 - Pearson and Dungan attended the the International Entertainment Buyers conference in Nashville; Pearson serves on the IEBA board.

12 - Weinfurter met with Steve Heckler of the International Institute to discuss the International Bazaar's entertainment and demonstration program.

15 - Families Moving Forward and St. Paul Area Churches held their annual Cardboard Box City event at Baldwin Park and neighboring outside areas. Education Minnesota utilized the south Como parking lot as a park & ride facility for the annual Education Minnesota conference in St. Paul. Dillon participated in a panel discussion on careers at the University of St. Thomas.

16-18 - The Minnesota Beef Expo, presented by the State Fair, was held at the Warner Coliseum and livestock complex. The Star of the North Antique Show, presented by Townsend Productions, Inc., was held at the Education Building.

17 - The O'Keefe/Monroe wedding ceremony and reception was held at the Progress Center.

17-18 - Half Price Books, Records & Magazines Inc. presented the Half Price Books Clearance Event at the Grandstand.

17-25 - Como Zoo utilized the South Como parking lot as a park and ride facility for its annual Zoo Boo event.

18 - The Twin Cities Roadsters Swap Meet was held on the north parking lots.

20 - Senior staff participated in the first of four planning sessions to discuss program and operations of the 2010 State Fair.

21 - Foss and Hammer participated in a board meeting and retreat for the Minnesota State Fair Foundation hosted by the Minnesota Historical Society and conducted at the Minnesota History Center in St. Paul. Pooch and 4-H superintendent Brad Rugg met with members of the 4-H dairy showcase committee to wrap the '09 event and discuss possible changes for 2010.

23 - Sinclair, Simon and Vavreck met with MPCA representatives to discuss the Eco Experience exhibit at the 2010 State Fair.

23-24 - The Vintage Clothing, Jewelry & Textile Show & Sale was held at the Fine Arts Center.

24-25 - The Minnesota Equifest was held at the Warner Coliseum and livestock complex.

26 - Sinclair and Larson met with Dan Wozniak to discuss his development of a potato chip manufacturing concession for the 2010 fair.

28 - Sinclair and Simon met with representatives of Minnesota DNR to review their activities and operations at the '09 State Fair.

29 - Pearson and Anderson met with Ticketmaster representatives to review '09 operations. Schuette and Dillon attended the Minnesota Public Relations Society professional practices conference in Golden Valley.

30 - Schuette and Dilloix attended the Minneapolis/St. Paul social media conference.

31 - The University of Minnesota utilized the Grandstand parking lots for Gopher football parking.

31 - Nov. 1 - The Minnesota Weapons Collectors Show & Sale was held at the Warner Coliseum.

November

2 - Hammer addressed a meeting of retired University of Minnesota faculty.

3 - Hammer, Frost, Pearson, Sinclair, Simon and Cady met with representatives of Minnesota Science, Technology, Engineering and Math education to discuss incorporating their activities into State Fair programming.

4 - Pooch, Butler and Goodrich met with fine arts superintendent Bob Meyer to discuss the fine arts exhibit.

5 - Pearson, Dungan and Weinfurter met with Gary Berg to discuss entertainment options for the 2010 State Fair.

6 - Sinclair, Larson and Simon met with the Minnesota Department of Health to review their operations and activities at the '09 fair. Pearson, Dungan and Weinfurter met with Ron Schara to discuss plans for the '10 fair.

11 - Mix attended a meeting of the St. Paul Human Resources Association.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETINGS OF THE GOVERNING BOARD AND SALES AND PLANNING COMMITTEES

9 a.m. Friday Nov. 13, 2009

Libby Conference Center, State Fairgrounds

Meeting of the Governing Board

Members present: Bob Lake, president; Joe Fox, vice president; D.J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also present: Kent Harbison.

President Lake called the meeting to order at 8:59 a.m. and declared the meeting in executive session. President Lake declared the meeting open to the public at 9:27 a.m., and recessed the board meeting for meetings of the sales and planning committees.

Meeting of the Sales Committee

Members present: Joe Fox, chairman; Denny Baker; Jim Foss; Gene Gerth; D. J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio; Jim Sinclair ex officio; Dennis Larson, ex officio.

Also present: Steve Pooch; Renee Pearson; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Michelle Butler; Marie LeFebvre; Gail Anderson; Steve Grans; Wally LeVesseur; Danyl Vavreck; Chris Leach; Robin Goldstein;

Theresa Weinfurter; Tiffany Bauer; Brienna Schuette; Brooke Dillon; Nicole Hines; Susan Lynskey; Michelle Barris; Virginia Mold; Kay Cady; Lindsay Dickson.

Chairman Fox called the meeting to order at 9:38 a.m.

Mr. Sinclair, Mr. Larson and Ms. Vavreck provided detailed information on revenue from commercial space sales, sponsorships, midway and attractions at the 2009 State Fair. The revenue report will be reviewed by the members, and then considered for acceptance at the next meeting of the sales committee.

The meeting was adjourned at 10:13 a.m. on a motion by Mr. Baker, seconded by Mr. Foss and carried (Aye-8; Nay-0).

Meeting of the Planning Committee

Members present: Sharon Wessel, chairman; Denny Baker; Jim Foss; Joe Fox; Gene Gerth; D.J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Bob Lake, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Steve Pooch, ex officio; Jim Sinclair, ex officio.

Also present: Renee Pearson; Marshall Jacobson; Cheryl Huber; Mary Miller; Dennis Larson; Michelle Butler; Marie LeFebvre; Gail Anderson; Steve Grans; Wally LeVesseur; Danyl Vavreck; Chris Leach; Robin Goldstein; Theresa Weinfurter; Tiffany Bauer; Brienna Schuette; Brooke Dillon; Nicole Hines; Susan Lynskey; Michelle Barris; Virginia Mold; Kay Cady; Lindsay Dickson.

Chairman Wessel called the meeting to order at 10:13 a.m.

Mr. Hudalla offered a report on the status of facilities improvements and maintenance projects currently underway. Information only; no action required.

Mr. Hammer and Mr. Hudalla presented for consideration a list of standard miscellaneous maintenance projects for 2010 totaling \$1,582,000. Also considered was a \$750,000 capital improvement project that would complete the second phase of installing a fire suppression system in the Cattle Barn. After discussion, the projects were approved on a motion by Mr. Baker, seconded by Mr. Fox and carried (Aye-8; Nay-0). The projects will be incorporated into the complete list of improvements and maintenance budgets for 2010 to be reviewed by the planning committee in January, '10.

The planning committee meeting was adjourned at 10:41 a.m. on a motion by Mr. Paulson, seconded by Mr. Fox and carried (8-0).

Meeting of the Governing Board

Members present: Bob Lake, president; Joe Fox, vice president; D.J. Leary, vice president; Denny Baker; Jim Foss; Gene Gerth; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also present: Steve Pooch; Jim Sinclair; Brian Hudalla; Renee Pearson; Marshall Jacobson; Cheryl Huber; Mary Miller; Dennis Larson; Michelle Butler; Marie LeFebvre; Gail Anderson; Steve Grans; Wally LeVesseur; Danyl Vavreck; Chris Leach; Robin Goldstein; Theresa Weinfurter; Tiffany Bauer; Brienna Schuette; Brooke Dillon; Nicole Hines; Susan Lynskey; Michelle Barris; Virginia Mold; Kay Cady; Lindsay Dickson.

President Lake reconvened the meeting of the board at 10:48 a.m.

Minutes of the board meeting conducted Sept. 6, 2009, were reviewed and approved on a motion by Mr. Baker, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Hammer reviewed interim minutes of staff activities covering the period Aug. 27 through Nov. 13. After review, the minutes were approved as submitted on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Action taken by the planning committee was approved on a motion by Ms. Wessel, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Mr. Jacobson presented the October financial statement as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending October 31, 2009

GENERAL FUND ACTIVITY:

Cash Balance-Sept. 30, 2009		\$7,199,725
Add: Cash Deposits	\$2,635,814	
Less: Payroll Ending Oct. 2	(255,199)	
Payroll Ending Oct. 16	(227,882)	
Payroll Ending Oct. 30	(219,164)	
Cash Disbursements	(5,579,240)	(3,615,671)
Cash Balance-Oct. 31, 2009		\$3,584,054

MONEY MARKET ACCOUNT ACTIVITY:

Balance-Sept. 30, 2009	\$-
Add: Interest Earned	
Less: Securities Redeemed	
Balance-Oct. 31, 2009	\$-

BUILDING FUND ACTIVITY:

Balance-Sept. 30, 2009	\$449
Add: Interest Earned	
Securities Purchased	
Less: Securities Redeemed	
Balance-Oct. 31, 2009	\$449

CONSTRUCTION FUND ACTIVITY:

Balance-Sept. 30, 2009	\$13,446
Add: Interest Earned	5
Balance-Oct. 31, 2009	\$13,451

CASH BALANCES FOR MONTH ENDING OCTOBER 31:

	2008	2009
General Fund	\$2,627,748	\$3,584,054
Petty Cash	5,600	5,600
Money Market Account	2,862,314	-
Building Fund	448	449
Construction Fund	13,319	13,451
Total Cash Balances	\$5,509,429	\$3,603,554

After discussion, the statement was approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Jacobson reported on fair-period payrolls for 78 departments totaling \$2.3 million. After discussion, the report was accepted on a motion by Mr. Baker, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

Mr. Pooch reviewed activities of the '09 State Fair's competitive events involving more than 14,000 exhibitors in agriculture, horticulture, creative activities, fine arts, education, open class livestock, 4-H and FFA. Information only; no action required.

Ms. Pearson reported on the '09 fair's entertainment and marketing programs, including a detailed analysis of Grandstand operations that resulted in gross revenue of \$4.3 million and a net operating gain of \$1.2 million. Information only; no action required.

Ms. Bauer offered a recap of '09 non-fair rental activity including 101 special events, plus a full schedule of Coliseum ice skating events and the vehicle storage program. Information only; no action required.

Mr. Hammer presented the following recommended 2010 non-fair events labor rates for consideration:

	Current	Proposed
Plumbers	\$85/hour	\$95/hour
Event Supervisor	\$27/hour	\$29/hour
Set-up Labor	\$19.50/hour	\$21/hour
Tear-down Labor	\$19.50/hour	\$21/hour

After discussion, the recommended rates were approved as presented on a motion by Mr. Baker, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Foss and Mr. Hammer reported on activities of the Minnesota State Fair Foundation during the past five years, including total grants to the fair of \$3.9 million in support of capital projects and educational programs. In '09, the Foundation granted \$1 million to the fair including \$891,000 in cash grants and \$123,000 in in-kind contributions. After discussion, an agreement summarizing the State Fair's relationship with the Foundation was approved on a motion by Mr. Fox, seconded by Mr. Baker and carried (Aye-9; Nay-0); the agreement is filed at the State Fair's administrative offices on the fairgrounds.

Discussion regarding the Foundation's \$271,000 four-year-old debt to the State Fair for start-up operating expenses was tabled on a motion by Mr. Leary, seconded by Mr. Baker and carried (Aye-9; Nay-0), and the following resolution was offered for consideration:

WHEREAS, the Minnesota State Fair Foundation was established by the Society as a non-profit public charity to assist the State Fair with capital projects

and support its educational and scientific programs consistent with the public good, and

WHEREAS, the Society is committed to support the long-term growth and development of the Foundation for the betterment of the State Fair and, ultimately, to the great benefit of all Minnesotans, therefore be it

RESOLVED, that funds due the Society from the Foundation on October 31, 2009, will be called due no earlier than November 1, 2010.

After discussion, the resolution was adopted as presented on a motion by Mr. Baker, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Ms. Huber reported on the status of the 2010 joint annual meetings of the State Fair, Minnesota Federation of County Fairs and Midwest Showmen's Association. A motion was made by Mr. Baker authorizing staff to review hotel and convention facilities for the 2011 annual meeting; further, the motion supports staff decisions regarding choice of facilities. Ms. Wessel seconded and motion carried (Aye-9; Nay-0).

Mr. Hammer offered a report on the upcoming session of the Minnesota legislature and issues that may involve the State Fair. Information only; no action required.

Ms. Butler and Ms. Weinfurter reported on '09 activities of the fair's Youth Advisory Team. Information only; no action required.

The following resolution was presented by Mr. Foss:

Whereas, the Minnesota State Fair has a well-deserved reputation as one of the top agricultural, educational and creative arts fairs in the world, and

Whereas, during his distinguished 41-year career at the State Fair, Steve Pooch has upheld and added to that reputation by leading the competitive entries division through decades of enormous change and improvement, and

Whereas, Steve's contributions to the State Fair's considerable agricultural and educational heritage have greatly benefited millions of Minnesotans,

Therefore be it resolved, that the Board of Managers of the Minnesota State Agricultural Society on behalf of millions of fair visitors extends its sincere gratitude to Steve for his long and dedicated service to the Great Minnesota Get-Together, and wishes him a long, happy and active retirement.

The resolution was adopted on a motion by Mr. Foss, seconded by acclamation and carried (Aye-9; Nay-0).

On a motion by Mr. Baker, seconded by Mr. Merkins and carried, the board expressed its thanks to staff for their efforts in presenting the record-breaking 2009 Great Minnesota Get-Together (Aye-9; Nay-0).

The meeting adjourned at 12:49 p.m. on a motion by Mr. Baker, seconded by Mr. Gerth and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES Nov. 13, 2009 through Jan. 14, 2010

November

18 - The fair's employee safety committee met at the Libby Conference Center. Miller and Mix met with staff of St. Paul College to discuss staff training programs.

22 - Gene Gerth, sixth district representative on the Society's board of managers, died at his home in Princeton.

25 - The State Fair board, fair staff and many members of the Society attended funeral services for board member Gene Gerth in Princeton.

28 - Dec. 3 - Hammer, Sinclair, Pearson, Hudalla, Jacobson, Huber, Goodrich, Simon, Leach, Butler, LeFebvre, LeVesseur, Schuette and Weinfurter along with board members Lake, Fox, Baker, Foss, Oleheiser and Wessel, attended the International Association of Fairs & Expositions international convention in Las Vegas, Nev.

December

2 - Frost met with Ron Bennett of Minnesota STEM (Science, Technology, Engineering, Math education) to discuss their participation at the '10 State Fair.

5 - Many State Fair staff members attended funeral services for Grandstand production superintendent Brutus Schwirtz, who died Nov. 28.

9 - Sinclair and Larson met with Bob Kirschner to discuss the disposition of the

Kirschner Beer Stube concession in the Agriculture-Horticulture Building.

10 - Hammer and Society life member Clarice Schmidt participated in a meeting of the State Fair Foundation's development committee conducted at the J.V. Bailey House. Pooch, Goodrich and Butler met with representatives of the Western Saddle Clubs and Minnesota High School Rodeo Association to discuss the 2010 State Fair's horse show.

11 - Sinclair and Hines met with John Keenan of Ye Old Mill to discuss ticket pricing and promotions for the '10 fair. Sinclair and Larson met with representatives of Chinatown Minnesota to review concession operations.

15 - Senior staff participated in a facilities planning meeting.

16 - Schuette spoke to students from Park High School in Cottage Grove.

17 - Schuette and McCullough met with the members of the social media breakfast committee.

22 - Hammer and Sinclair participated in a conference call with representatives of the IAFE and Western Fairs Association to discuss promotion of the upcoming 200th anniversary of U.S. fairs in 2011.

23 - Sinclair and Larson met with Dan Wozniak to discuss plans for a potato chip manufacturing concession at the '10 fair.

30 - Sinclair and Hines met with Don McLure of D.M.C. Inc. to discuss Skyride ticket pricing and operations.

January

1-3 - Prime Promotions conducted the New Year's Antique Spectacular at the Warner Coliseum.

5 - Senior staff met to discuss capital improvements and maintenance projects.

6 - Hammer participated in a meeting of the State Fair Foundation's audit committee at the J.V. Bailey House. Pooch, Goodrich, Butler and LeFebvre met with Minnesota FFA representatives to discuss their activities at the '10 State Fair.

12 - Mix attended a meeting of the Ramsey County Job Security Employers Committee.

13 - Mix attended a St. Paul Human Resources Association meeting.

GENERAL BUSINESS SESSION OF THE SOCIETY 8 A.M. SUNDAY JAN. 17, 2010

Minnesota State Agricultural Society delegates, staff and friends of the Society met for breakfast and convened in general session at 8:28 a.m. when President Lake opened the meeting and asked Secretary Jerry Hammer for his report.

Mr. Hammer's report was accepted by the membership.

President Lake called for a report of the resolutions committee. Committee member Jim Sadler of Anoka County presented the following resolutions for consideration by the Society:

1. Resolved, that the Minnesota State Agricultural Society express its gratitude to the 1,790,497 visitors who attended the 2009 Minnesota State Fair, making it the best attended fair in history, and we acknowledge that the fair's existence depends on the loyalty of those visitors.

2. Resolved, that the State Fair is Minnesota's favorite tradition and most beloved event, and an institution of great economic benefit that provides more than \$187 million in statewide economic impact and upwards of 5,600 jobs every year.

3. Resolved, that the Minnesota State Fair confirms its mission to present the finest exposition in North America by educating and involving guests while providing a world-class showcase that is innovative, entertaining and fun. Let it be further resolved, that the Society honors the traditions deeply rooted in attending and contributing to this educational and culturally rich event, and in doing so pledges to showcase Minnesota's finest agriculture; present an unparalleled forum for knowledge and ideas; offer exceptional value; create unique experiences; provide outstanding customer service; and make the event accessible to all.

4. Resolved, that the ongoing success of the fair is achieved through the dedication and efforts of many people, and the Society is extremely grateful to all who contributed to the success of the 2009 Great Minnesota Get-Together, including staff, volunteers, the board of managers, exhibitors, vendors, entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of FFA and 4-H.

5. Resolved, that the Society appreciates the benefits it realizes from affiliations and strong relationships with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association and Midwest Showmen's Association.

6. WHEREAS, the Minnesota State Fair is an essential part of our state's social fabric, uniting country and city for more than 150 years at one of the most beloved events in the world, and

WHEREAS, the State Fair brilliantly fulfills its mission by providing unparalleled educational opportunity and a world-famous forum for knowledge and ideas for all citizens, worthy of its title as the Great Minnesota Get-Together, and

WHEREAS, the State Fair has an annual economic impact of nearly \$200 million in the Twin Cities alone, plus additional unmeasured economic impact throughout the state, and

WHEREAS, the flexible learning proposal resolution adopted by 25 Minnesota school districts would allow schools to open prior to Labor Day contrary to State Law upheld time after time by the State Legislature, and

WHEREAS, this particular proposal would deprive tens of thousands of Minnesotans of the opportunity to attend the Great Minnesota Get-Together on school days, and

WHEREAS, the early school openings created by this proposal would deprive thousands of southwestern Minnesota's 4-H and FFA members from experiencing this unique annual opportunity to gain valuable education and life experiences at the State Fair, while advancing the fair's historical foundation of agriculture, and

WHEREAS, the early school openings that would be permitted by the flexible learning proposal would have a significant negative impact on Minnesota's tourism, hospitality and resort industries and a major loss of the revenue they provide to the state in its uphill struggle to produce a balanced budget.

NOW THEREFORE BE IT RESOLVED, that the membership of the Minnesota State Agricultural Society strongly urges that the flexible learning proposal be denied, and that current State Law requiring Minnesota's schools to open no earlier than the traditional end of summer on Labor Day be supported, ensuring that children and families from throughout the state can fully participate in the historic, educational and culturally rich Minnesota State Fair.

7. Resolved, we recognize with great regret the loss of Society members and State Fair friends in the last year including: Gene Gerth, State Fair board of managers - 6th District; Charlie Irish, concessionaire; Lee Roy Johnson, former concessionaire; Ray Komischke, long-time State Fair Orchestra conductor; Joan Krieger, competition participant and 50-Year Award winner; George Lorenz, sheep exhibitor and 50-Year Award recipient; Refugio "Coke" Mendez, long-time concessionaire; Bob Peterson, State Fair Police officer; Brutus Schwirtz, Grandstand production manager; Mike Wilken, State Fair Police officer; Joe Yahr, former concessionaire; and Tom Zarden, concessionaire.

8. Resolved, that the Society extend its thanks and sincere appreciation to all who contributed to the success of its 151st annual meeting.

The resolutions were adopted as read.

President Lake called for a report of the credentials committee by Dan Dolan of Washington County. The committee report was presented as follows and adopted as read:

All credentials have been found to be in order with the following exceptions:

Minnesota Farmers Union was not received to the Secretary of State by 12/20/09.

Minnesota Fruit & Vegetable Growers Association was not received to the Secretary of State by 12/20/09.

Minnesota Turkey Growers Association was not received to the Secretary of State by 12/20/09.

Following the committee reports, President Lake conducted an election for the office of president of the Society for a term of one year. Denny Baker of Spicer was elected and assumed the chair.

President Baker then proceeded to conduct elections as follows: Bob Lake was elected to honorary life membership in the Society; D.J. Leary of Minneapolis was elected to a two-year term as fifth district vice president; Paul Merkins of Stewart was re-elected to a three-year term as second district manager; Joe Scapanski of Sauk Rapids was elected to serve the one-year balance of an unexpired three-year term as sixth district manager; Wally Wichmann of Balaton was elected to serve the two-year balance of a three-year term as seventh district manager; and Ron Oleheiser was re-elected to a three-year term as eighth district manager.

There being no further business, President Baker declared the 151st meeting of the State Agricultural Society adjourned.