

# 2011 ANNUAL REPORT

# MINNESOTA

## ★ STATE FAIR ★



# Report of the ★ EXECUTIVE VICE PRESIDENT ★



At its heart, the Minnesota State Fair is defined by special moments. The moments are spontaneous expressions of revelation, inspiration and pure joy, and they are as unpre-

dictable as they are unforgettable. When you go to the fair, you know amazing things will happen, but you don't know when or where.

One of many such moments for me during the '11 State Fair happened on the eighth day of the fair—a very hot and sticky Thursday. While walking near the Food Building, I was approached by a group of students from the University of St. Thomas who were on a State Fair scavenger hunt.

They spotted my UST cap, and checked “Someone wearing Tommie gear” off their list.

We had a very nice chat during which the students shared their overwhelmingly positive State Fair experience. They were just getting to know each other and, for some, it was their first-ever visit to the fair. Their enthusiasm for the Great Minnesota Get-Together was staggering. It was obvious that they were having their share of memorable fair moments that day and it was a beautiful demonstration of what the fair does best—bring people together in an epic celebration of all that is good about our great state.

During its nearly 160-year history, the State Fair has established itself as one of the largest and best-attended events in the world. During that time, the fair has earned an outstanding reputation that has truly gone global. I saw this first-hand earlier this year when I was greatly honored with an invitation to visit South Korea and participate in education programs for Korean festival managers, government officials and graduate students.

Korean leadership has recognized festivals as major engines of social and economic impact, much as the great fairs of North America are, and the Koreans reached out to us to share and learn from each other. We reached back with the common purpose of uniting people to educate, inspire and improve lives. In recent years, the Koreans have made enormous strides in establishing world-class events, and the great potential of this partnership with our new friends is very exciting.

As soon as we turned the lights off on Labor Day, anticipation for the 2012 State Fair began building and it has continued to grow. We've been working very hard to make this year's fair the best ever, and we look forward to seeing you at the Great Minnesota Get-Together. Thank you for the opportunity to serve this great institution. God bless.

Jerry Hammer  
Executive Vice President

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## ★ 2011 PRICING ★

### Pre-Fair Admission Price

All ages \$9

### Regular Admission Price

Adults (13-64) \$12; Seniors (65 & over) \$10;  
Kids (5-12) \$10; Children (under 5) FREE

### Thrifty Thursday

Adults (13 & over) \$10; Kids (5-12) \$7;  
Children (under 5) FREE

### Seniors Days

Seniors (65 & over) \$7

### Kids Days

Kids (5-12) \$7; Children (under 5) FREE

### Military Appreciation Day

Active military and their immediate families, retired military and veterans received an admission discount by presenting valid documentation of military service when purchasing a ticket at the gate.

All ages (with documentation) \$7

### Read & Ride Wednesday

Public library card holders received a discount off regular admission when they purchased a ticket at the gate.

Adults (13-64) \$10; Seniors (65 & over) \$7; Kids (5-12) \$7; 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 44-ticket sheet \$30; 28-ticket sheet \$20; single ticket \$.75

**Parking:** \$12 or one \$9 pre-fair admission ticket

## TOTAL ATTENDANCE: 1,769,872

### THURSDAY, AUG. 25

**Thrifty Thursday: 101,658**

High: 83 Low: 63

Precipitation: none

### FRIDAY, AUG. 26

**Governor's Fire**

**Prevention Day: 123,735**

High: 87 Low: 66

Precipitation: none

### SATURDAY, AUG. 27

**4-H Day: 177,166**

High: 79 Low: 60

Precipitation: none

### SUNDAY, AUG. 28

**Minnesota Cooks Day:**

**171,689**

High: 78 Low: 59

Precipitation: none

### MONDAY, AUG. 29

**Seniors, Kids &**

**MN State Patrol Day:**

**124,538**

High: 81 Low: 59

Precipitation: trace

### TUESDAY, AUG. 30

**Military Appreciation Day:**

**99,747**

High: 71 Low: 64

Precipitation: .02 inches

### WEDNESDAY, AUG. 31

**Read & Ride Day: 111,891**

High: 85 Low: 64

Precipitation: trace

### THURSDAY, SEPT. 1

**Seniors Day: 104,131**

High: 94 Low: 71

Precipitation: none

### FRIDAY, SEPT. 2

**MPR Day: 154,995**

High: 82 Low: 72

Precipitation: .02 inches

### SATURDAY, SEPT. 3

**FFA Day: 215,847**

High: 81 Low: 60

Precipitation: trace

### SUNDAY, SEPT. 4

**Minnesota History Day:**

**229,943\***

High: 71 Low: 53

Precipitation: trace

### MONDAY, SEPT. 5

**Kids & Last Chance Day:**

**154,532**

High: 72 Low: 48

Precipitation: none

\* Attendance record



## ★ 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

# ★ — Animals, Agriculture & Competition — ★

## FINE ARTS

The Minnesota State Fair celebrated its 100th Fine Arts Exhibition in 2011. The Fine Arts Competition is the state's largest juried art show. Winning pieces are displayed every day of the fair in the Fine Arts Center.

Participation is open to all residents of Minnesota, and each may submit one work for consideration. In 2011, a total of 2,504 pieces were submitted with only 361 works accepted.

This year's Adult People's Choice Award went to "Nobody Takes Buses Anymore," a charcoal and pencil on paper, by Daniel Volenec of Minneapolis. Kyle Fokken of Minneapolis won the Kids People's Choice Award for a mixed media and found object work titled "Airway to Heaven."

Each year the Minnesota State Fair Fine Arts Exhibition



features an invited artist, collection, genre or group.

"Marking Time: Looking Back at Minnesota Artists and the Juried Exhibition" was this year's theme. The art on display showcased a selection of prominent participants in the Fine Arts Exhibition from throughout its rich history. These works were generously loaned by local collectors, galleries, the Minnesota Museum of American Art, the Minnesota Historical Society, as well as the artists themselves.

## NEW COMPETITIONS AND CONTESTS



Beef Open Class – Percentage Simmental, ShorthornPlus and Lim-Flex® were added to this judging category.

Vegan Main Dish Category - A vegan main dish was added as a category to the Creative Activities competition. Entrants were required to use ingredients without animal products and were scored on appearance, ease of preparation, taste and texture.

# ★ — Contests & Activities — ★



## 39TH ANNUAL STATE FAIR AMATEUR TALENT CONTEST WINNERS

### *Open Division:*

**First place:** Connor Engstrom of Mountain Lake

**Second place:** DEL-BOOGIE of Minneapolis

**Third place:** Caitlin Heaney of St. Paul

### *Teen Division:*

**First place:** Tori Adams of Edina

**Second place:** Sylvia Borash of Baxter

**Third place:** Josh Swensen of Waconia

### *Preteen Division:*

**First place:** Josie Nelson of Alexandria

**Second place:** Emma Taggart of Blaine

**Third place:** Thomas Wong of Little Canada



## 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 New Richland-Hartland-Ellendale-Geneva School District won the Class C division.



## MILK RUN

Kim Robinson of Bloomington and Daniel Murray of Blue Earth were the overall female and male 5K Milk Run winners with times of 17:30 and 17:04 respectively.



# ★New Entertainment, Exhibits & Elements★



## 2011 MINNESOTA STATE FAIR COMMEMORATIVE ART BY STEVE THOMAS

The 2011 Commemorative Art was the eighth in a series of annual artwork created exclusively for the State Fair. This was the first year the State Fair put out a call for submissions, and Lino Lakes artist Steve Thomas was chosen from more than 75 talented Minnesota artists. Thomas' interpretation of the

Great Minnesota Get-Together captures iconic elements of the fair and is based largely on photos he took. Much of Thomas' artistic inspiration comes from advertising art and vintage travel posters from the early to mid-20th century.



## MINNESOTA STATE FAIR SMARTPHONE APP

The Minnesota State Fair's new smartphone App was introduced for the 2011 State Fair and had a whopping 99,520 downloads! It was free and available through the Apple App Store and Android Market and featured the popular Food Finder, Fun Finder, Merch Search and mapping tools.

## NEW FREE ENTERTAINMENT

Doggies of The Wild West premiered east of Heritage Square and was a western-themed comedy variety show featuring eight adorable doggies performing exciting stunts. Marshal Rowdy Yo and Calamity Jo amazed and amused with their cast of "Pooches from the Prairie." Audiences loved these adorable rescue animal shelter pups in action.



Flippenout Extreme Trampoline Show premiered in The X-Zone in 2011 with three daily shows. The triple flips, twists, snowboard and ski jumps were all at high altitudes (reaching 25 feet)! These world-class athletes kept audiences in suspense looking to the skies above the north end of the fairgrounds.



## GIANT SING ALONG

A participatory public art installation created by Montreal-based artists Mouna Andraos and Melissa Mongiat, the Giant Sing Along offered an opportunity for fair guests to do something spectacular together and was a huge hit! A field of microphones welcomed everyone to sing their lungs out to the year's voted hits, karaoke style. A large screen featured the lyrics of modern and nostalgic songs, and special software helped everyone sing in unison. This popular attraction was presented by Bremer Bank and co-produced by Northern Lights.mn, the Minnesota State Fair Foundation and the Minnesota State Fair.



## MILITARY APPRECIATION DAY

On Tuesday, Aug. 30, the State Fair offered its first-ever Military Appreciation Day. Active military, retired military and veterans received discounted admission when they purchased a ticket at the gate and presented valid documentation of military service. Events all throughout the fairgrounds honored our nation's heroes including a special ceremony, Carousel Park entertainment and food and merchandise discounts.



## HISTORY WALKING AND CELL PHONE TOUR



Brought to you by the Minnesota State Fair Foundation and the Minnesota Historical Society, this self-guided tour was a fun and interesting way to see the fair! Fair fans were able to learn about State Fair history and explore all corners of the grounds. New this year, guests were able to hear sounds of fairs' past on their cell phones while at the fair or from home.

Brought to you by the Minnesota State Fair Foundation and the Minnesota Historical Society, this self-guided tour was a fun and interesting way to see the fair! Fair fans were able to learn about State



### FAIR-WELL-TO-SUMMER DANCE PARTY

2011 marked the first year that the State Fair presented a "FAIR-Well-To-Summer Dance Party," and it was a big success. Presented by GenerationNOW Entertainment and located in Carousel Park, it offered teens and young

adults a place to show off their dance moves. DJ Mad Mardigan (official DJ for the Minnesota Timberwolves, Minnesota Lynx and the Imperial Room) and DJ Dudley D (personal tour DJ for Prince) hosted the party and are the only DJs in Minnesota who spin music videos.

### BUTTER SCULPTOR'S 40TH ANNIVERSARY

2011 marked the 40th year that sculptor Linda Christensen has carved Princess Kay and finalists' likenesses out of butter at the State Fair. Over her four-decade butter sculpting career, she has carved more than 450 sculptures and whittled her way through roughly 32,000 pounds of butter.

Christensen is originally from Minnesota and attended the Minneapolis College of Art and Design; she now lives in California.



## ★ — 2011 State Fair Board of Managers — ★



(L-R): Al Paulson, Shevlin, 9th District; Sharon Wessel, Hamel, 3rd District; Joe Fox, Maplewood, 4th District Vice President; Paul Merkins, Stewart, 2nd District; Denny Baker, Spicer, President; D.J. Leary, Minneapolis, 5th District Vice President; Joe Scapanski, Sauk Rapids, 6th District; Jim Foss, Kenyon, 1st District; Wally Wichmann, Balaton, 7th District; Ron Oleheiser, Grand Rapids, 8th District.

The State Fair is governed by the Minnesota State Agricultural Society, which is made up of delegates from Minnesota's county fairs and others involved in agriculture. Society delegates elect representatives to the State Fair board of managers from nine regional districts, plus a president who serves at-large.

## 2011 Sponsors

- |                             |                                 |                                      |                                   |
|-----------------------------|---------------------------------|--------------------------------------|-----------------------------------|
| • August Schell Brewing Co. | • Cub Foods                     | • John Deere                         | • Sensodyne                       |
| • Butter Kernel             | • Gander Mountain               | • Kemps                              | • Sparboe Farms, Inc.             |
| • Cal Spas                  | • Gold'n Plump                  | • Minnesota Corn Growers Association | • Summit Brewing Co.              |
| • Cargill                   | • Great River Energy            | • Minnesota Lottery                  | • TCF                             |
| • CenturyLink               | • Green Mill Restaurant         | • Ocean Spray                        | • Treasure Island Resort & Casino |
| • Coca-Cola                 | • Jacob Leinenkugel Brewing Co. | • Select Comfort                     | • Walmart                         |
| • Crystal Sugar             |                                 |                                      | • Xfinity                         |



# ★ Awards & Accolades ★



## MSF ALL-STAR MVP AWARDS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and outstanding service. Winners for 2011 were (L-R): Ahalithia Harut, Progress Center; Troy Sabean, Greenhouse; Jill Nathe, Competition; Grace Woodis, Employment; and Eric Sawatzke, CHS Miracle of Birth Center.

**MINNESOTA STATE FAIR RURAL YOUTH SCHOLARSHIPS** were established in 1994 to help further the educational endeavors of young adults from greater Minnesota. Up to 20 scholarships of \$1,000 each are made available to rural youth or those enrolled in an agriculture program with participation in the current year's Minnesota State Fair. The following were the 2011 recipients:

- Laura Bachmeier, Apple Valley
- Isaiah Bauck, New York Mills
- Samantha Berg, Pipestone
- Casey Boerner, Watertown
- Kailey Davis, Glenville
- Matthew Duff, Hampton

- Angie Esselman, Hamburg
- Anna Hayes, Lafayette
- Maxwell Herrera, Cologne
- Stephanie Kasper, Owatonna
- Katie Loppnow, Lake City
- Jason May, Randolph
- Matthew Purfeerst, Faribault
- Emily Scholtz, Comfrey
- Jacob Sjostrom, Lafayette
- Kelly Sobczak, Brooklyn Park
- Andrew Thies, Arlington
- Rachel Wilking, Tracy
- Katie Winslow, Fountain
- Rita Wulf, Hancock

## 50 YEAR AWARD

In 2011, six awards were presented to individuals who have actively participated in the Minnesota State Fair for a half-century.

- Phyllis Kay Andrews – Division of Flowers Superintendent
- Isaac Ransom Blakey Jr. – Facilities
- Duane Smith – Farm Crops
- Ruth Klossner – 4-H
- Larry Tongen – Western Mounted Paraders
- Frank Kaehler – Open Class Beef

## PRINCESS KAY

Mary Zahurones of Pierz was crowned the 58th Princess Kay of the Milky Way to serve as a goodwill ambassador for the dairy industry and Minnesota's dairy farmers.

## DOUGLAS K. BALDWIN AWARD

Briana Jahn of Kerkhoven was named the recipient of the Douglas K. Baldwin Award. A member of the Kerkhoven-Murdock-Sunburg FFA Chapter, she was the first-ever freshman to serve as president of her chapter. Briana has participated at the Minnesota State Fair since 2001 in both livestock and non-livestock competitions. She was chosen for this award because of her livestock experiences, sportsmanship, leadership and character. She is currently attending North Dakota State University with a major in animal science and the goal of becoming a large animal veterinarian. The Baldwin Award is named in honor of Douglas K. Baldwin who served as the fair's general manager from 1951 to 1963.

## OUTSTANDING SENIOR CITIZENS

Joan Oja of Pengilly in Itasca County and Ronald Erickson of St. Paul in Ramsey County were named Minnesota's 2011 Outstanding Seniors at the Leinie Lodge Bandshell on Seniors Day, Sept. 1, to honor their outstanding commitment to community service since reaching the age of 65.



## HONORARY LIFE MEMBER



The Minnesota State Fair annually elects one individual for honorary life membership in the Minnesota State Agricultural Society—the governing body of the State Fair. Retiring President Denny Baker was the 2011 honoree. He was elected to the Minnesota State Fair's board of managers in 1998 and served as chairman in 2010 and 2011. Since 1973 he was on the Kandiyohi County Fair Board. Since 1992 he has served on the Minnesota Federation of County Fairs and was named a life member. In 2002 he was the recipient of the International Association of Fairs and Expositions' Heritage Award. Baker is the mayor of Spicer and owns and operates Baker Printing.

# ★Grandstand Attendance★



REBA



DEF LEPPARD



BIG TIME RUSH



CARNIVAL OF MADNESS 2011



HAPPY TOGETHER TOUR 2011



STEELY DAN



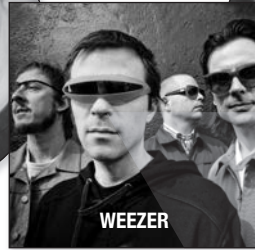
TOBY KEITH



MARC ANTHONY



A PRAIRIE HOME COMPANION



WEEZER



AMATEUR TALENT CONTEST



TRAIN



MAROON 5

THURSDAY, AUG. 25

**REBA** with special guest **RONNIE DUNN**

7:30 P.M. • \$55, \$45 • Attendance: 7,140

FRIDAY, AUG. 26

**DEF LEPPARD**

with special guests **HEART** and **EVAN WATSON**

7:30 P.M. • \$61, \$51, \$41 • Attendance: 13,114 (Sold Out)

SATURDAY, AUG. 27

**BIG TIME RUSH**

with special guest **DAYS DIFFERENCE**

7:30 P.M. • \$35 • Attendance: 10,461

SUNDAY, AUG. 28

**CARNIVAL OF MADNESS 2011** with **THEORY OF A DEADMAN**, **ALTER BRIDGE**, **BLACK STONE CHERRY**, **MY DARKEST DAYS**, **ADELITAS WAY** and **EMPHATIC**

5 P.M. • \$35, \$30 • Attendance: 3,978

MONDAY, AUG. 29

**THE HAPPY TOGETHER TOUR 2011** featuring **THE TURTLES** with **FLO & EDDIE**, **THE ASSOCIATION**, **THE GRASS ROOTS**, **THE BUCKINGHAMS** and **MARK LINDSAY**, **FORMER LEAD SINGER OF PAUL REVERE & THE RAIDERS**

8 P.M. • \$18 • Attendance: 7,246

TUESDAY, AUG. 30

**STEELY DAN** with special guest **SAM YAHIEL**

7:30 P.M. • \$55, \$45 • Attendance: 7,882

WEDNESDAY, AUG. 31

**TOBY KEITH**

with special guests **ERIC CHURCH** and **JT HODGES**

7 P.M. • \$59, \$49, \$39 • Attendance: 13,226 (Sold Out)

THURSDAY, SEPT. 1

**An Evening with MARC ANTHONY**

8 P.M. • \$60, \$50 • Attendance: 3,155

FRIDAY, SEPT. 2

**A PRAIRIE HOME COMPANION**

with **GARRISON KEILLOR**

7:45 P.M. • \$29, \$24 • Attendance: 7,702

SATURDAY, SEPT. 3

**WEEZER**

with special guest **MOTION CITY SOUNDTRACK**

7:30 P.M. • \$35 • Attendance: 8,765

SUNDAY, SEPT. 4

**2011 MINNESOTA STATE FAIR AMATEUR TALENT CONTEST FINALS**

8 P.M. • Free • Attendance: Approx. 9,000

MONDAY, SEPT. 5

**TRAIN & MAROON 5**

with special guest **MATT NATHANSON**

6:30 P.M. • \$47, \$37 • Attendance: 13,226 (Sold Out)



# ★..... Free Stages .....★

## LEINIE LODGE BANDSHELL TONIGHT!



**AUG. 25 & 26**  
**MORRIS DAY & THE TIME**



**AUG. 27 & 28**  
**RICKY SKAGGS**



**AUG. 29 & 30**  
**DON FELDER,**  
formerly of The Eagles



**AUG. 31 & SEPT. 1**  
**THE MIDTOWN MEN**  
4 Stars from the original  
cast of Jersey Boys



**SEPT. 2 & 3**  
**DR. JOHN &**  
**THE LOWER 911**



**SEPT. 4 & 5**  
**TAPES 'N TAPES**

### ■ LEINIE LODGE BANDSHELL

- **Aug. 25 & 26:** Bob Wootton – The Songs and Sounds of Johnny Cash, Amanda Shaw and The Cute Guys, Will Hoge
- **Aug. 27 & 28:** The Quebe Sisters Band, Marcia Ball, Jason Jones
- **Aug. 29 & 30:** 34th Infantry Division “Red Bull” Band, Paulette Carlson, Street Corner Symphony
- **Aug. 31 & Sept. 1:** Squeezebox, The Wright Brothers, Heybale!
- **Sept. 2 & 3:** Jana Anderson, Tonic Sol-fa, Junior Brown
- **Sept. 4 & 5:** The McClymonts, Joe Robinson, Five By Design, The Bad Larrys

### ■ FAMILY FAIR AT BALDWIN PARK

- **Aug. 25–Sept. 5:** Sean Emery, Monster Shop Bump'n with the BC Characters
- **Aug. 25 & 26:** The Spoon Man
- **Aug. 27 & 28:** Koo Koo Kanga Roo
- **Aug. 29 & 30:** Greg Frisbee
- **Aug. 31 & Sept. 1:** Kidsdance
- **Sept. 2 & 3:** Kenny Ahern
- **Sept. 4 & 5:** Sheltered Reality

### ■ RAMBERG SENIOR CENTER

- **Aug. 25 & 26:** The Mellow Fellows, Jennifer Markey
- **Aug. 27 & 28:** The Banjo Boys, The Squires
- **Aug. 29 & 30:** The Gallivanter, The Fairlanes
- **Aug. 31 & Sept. 1:** Jim Berner's Music Legends, Julie Lee's White Rose Band
- **Sept. 2 & 3:** The Blazers, James Wedgwood Ventriloquist
- **Sept. 4 & 5:** Papa John & The Cool Club, Red Johnson

### ■ INTERNATIONAL BAZAAR

- **Aug. 25 & 26:** Lehto & Wright, Sisters of Swing in Concert
- **Aug. 27 & 28:** Cheremosh Ukranian Dance Ensemble, Charanga Tropical
- **Aug. 29 & 30:** The Brass Messengers, Chuck Thiel & The Jolly Ramblers
- **Aug. 31 & Sept. 1:** Exotik-A-GoGo, Native Pride Dancers
- **Sept. 2 & 3:** Jack Brass Band, Dan Newton's Café Accordion Orchestra

- **Sept. 4 & 5:** Laura MacKenzie Trio, Mariachi Flor Y Canto

### ■ BAZAAR AFTER DARK

- **Aug. 25 & 26:** The Belfast Cowboys
- **Aug. 27 & 28:** Free and Easy
- **Aug. 29 & 30:** Rubber Soul-Beatles Tribute
- **Aug. 31 & Sept. 1:** Ronn Easton's All Star Soul Revue
- **Sept. 2 & 3:** Boiled in Lead
- **Sept. 4 & 5:** High & Mighty

### ■ HERITAGE SQUARE

- **Aug. 25 & 26:** The Top Notchmen, Kerry Christensen Master Yodeler
- **Aug. 27 & 28:** Wild Goose Chase Cloggers, The Minnesota State Fiddle Contest
- **Aug. 29 & 30:** Wally Pikal, Barbary Coast Dixieland Show Band
- **Aug. 31 & Sept. 1:** The High 48s Bluegrass Band, The Tommy Horton Show
- **Sept. 2 & 3:** Dick Kimmel & Adam Granger, The Minnesota Flatpicking Guitar and Duet Championships
- **Sept. 4 & 5:** Steve Kaul & The Brass Kings, Barefoot Becky & The Ivanhoe Dutchmen

### ■ HERITAGE AT SUNDOWN

- **Aug. 25 & 26:** Rogue Valley
- **Aug. 27 & 28:** The Twilight Hours
- **Aug. 29 & 30:** The Barley Jacks with Brian Wicklund
- **Aug. 31 & Sept. 1:** Deke Dickerson
- **Sept. 2 & 3:** Alison Scott
- **Sept. 4 & 5:** White Iron Band

### ■ THE X-ZONE

- **Aug. 25–Sept. 5:** 3rd Lair SkatePark, Music Mayhem, Flippenout Extreme Trampoline Show

### ■ THE NORTH WOODS

- **Aug. 25–Sept. 5:** IRONJACK Timber Team, Ron Schara's Minnesota Bound

## WARNER COLISEUM

### ■ ENGLISH HORSE SHOWS

- Wednesday, Aug. 24: 8 a.m.
- Thursday, Aug. 25: 8 a.m., 12:30 p.m.
- Friday, Aug. 26: 1 p.m., 6:30 p.m.
- Saturday, Aug. 27: 6:30 p.m.
- Sunday, Aug. 28: 8:30 a.m., noon, 6:30 p.m.
- Monday, Aug. 29: 12:30 p.m., 6:30 p.m.
- Tuesday, Aug. 30: 6:30 p.m.



### ■ HIGH SCHOOL RODEO

- Wednesday, Aug. 31: 6:30 p.m.
- Thursday, Sept. 1: 11:30 a.m., 6:30 p.m.
- Friday, Sept. 2: noon

### ■ WESTERN HORSE SHOWS

- Friday, Sept. 2: 6:30 p.m.
- Saturday, Sept. 3: 6:30 p.m.
- Sunday, Sept. 4: 8:30 a.m., 12:30 p.m., 6:30 p.m.
- Monday, Sept. 5: 8:30 a.m., 12:30 p.m.



#### PRINCIPALS

Thomas M. Montague, CPA  
Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA

### INDEPENDENT AUDITOR'S REPORT

To the Board of Managers and Management  
Minnesota State Agricultural Society

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and major fund of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2011, which collectively comprise the Society's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Society's management. Our responsibility is to express opinions on these financial statements based on our audit.

The prior year comparative information has been derived from the Society's 2010 financial statements and, in the report of other auditors whose report has been furnished to us dated April 22, 2011, other auditors expressed unqualified opinions on the respective financial statements of the business-type activities, the discretely presented component unit, and major fund.

We did not audit the financial statements of the Minnesota State Fair Foundation, a discretely presented component unit whose statements reflect total assets and expenses of \$2,066,481 and \$1,124,751, respectively, as of and for the year ended October 31, 2011, and whose statements reflect total assets and expenses of \$1,150,939 and \$933,384, respectively, as of and for the year ended October 31, 2010. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion on the basic financial statements, insofar as it relates to the amounts included for this organization as a component unit of the Society, is based solely on the report of the other auditor.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control over financial reporting. Accordingly, we express no such opinion. 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 the 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 auditor, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component units, and the major fund of the Society, as of October 31, 2011, and the respective changes in financial position and cash flows thereof, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2012, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Society's financial statements as a whole. The general information, supporting schedules – revenues and expenses, and meeting minutes, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supporting schedules – revenues and expenses are the responsibility of management and were derived from and relate directly to the underlying and accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The general information and meeting minutes have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Malloy, Montague, Karnowski, Radosewich, & Co, P.A.*

May 17, 2012



# 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 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, 2011 and 2010, 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 accessible funds to significantly assist the Society in improving and maintaining the State Fairgrounds. Therefore, comparative Foundation financial statements for fiscal years 2011 and 2010 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. 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. Next, 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. 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.

### ■ 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 \$1.7 million to a total of \$42.3 million during fiscal 2011.

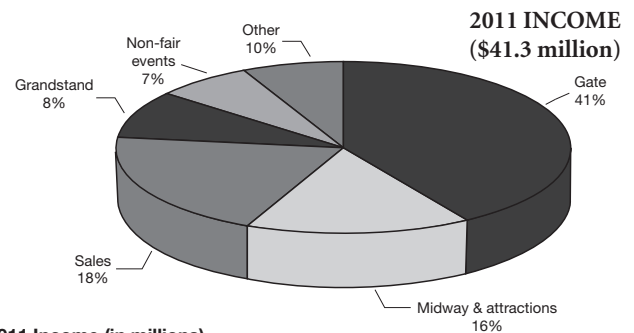
Over 83% of the Society's net assets - \$35.3 million – represent the Society's continual investment in capital assets (buildings, equipment and infrastructure) that are absolutely necessary to the Society's ability to present the annual exposition and conduct a busy schedule of non-fair events year-around.

### ■ INCOME AND EXPENSE

The State Fair realized an increase in net assets of \$1.7 million in 2011, based upon gross revenues of \$41.3 million and gross expenses of \$39.6 million. The previous year showed a net operating gain of \$1.1 million from income of \$38.9 million and expenses of \$37.8 million. The increase in net income and operating gain for 2011 is primarily the result of strong attendance, and the resulting spending by guests, along with an adjustment in gate admission ticket prices. Expenses also rose due to the increasing cost to provide the programming, support, and

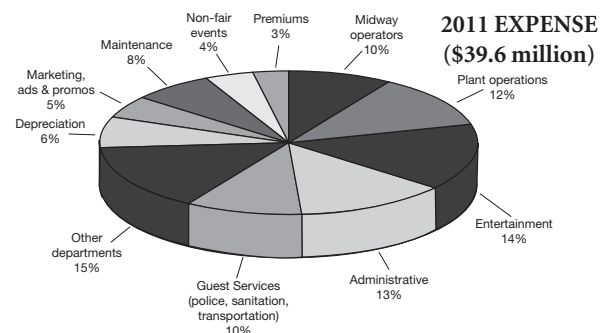
### REVENUE, EXPENSE AND CHANGES IN NET ASSETS

	2011	2010
Revenue		
Ticket sales	\$26,422,000	\$24,917,000
Activities	9,881,000	9,202,000
Other	4,488,000	4,418,000
Grant revenue	560,000	353,000
Total revenue	41,351,000	38,890,000
Expense		
Activities & support	25,759,000	24,513,000
General operations	13,848,000	13,293,000
Expense	39,607,000	37,806,000
Changes in net assets	1,744,000	1,084,000
Beginning net assets	40,604,000	39,520,000
Ending net assets	\$42,348,000	\$40,604,000



#### 2011 Income (in millions)

- Gate – \$17.0
- Midway & attractions – \$6.6
- Sales – \$7.5
- Grandstand – \$3.5
- Non-fair events – \$2.7
- Other – \$4.0



#### 2011 Expense (in millions)

- Midway operators – \$3.9
- Plant operations – \$5.0
- Entertainment – \$5.6
- Administrative – \$5.0
- Guest services – \$4.0
- Other departments – \$5.8
- Depreciation – \$2.6
- Marketing, ads & promos – \$1.9
- Maintenance – \$3.1
- Non-fair events – \$1.5
- Premiums – \$1.2

maintenance required to present and conduct the annual Fair. 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 2011, the ticket sales total of \$26.4 million was earned chiefly through sales of outside gate and parking tickets (\$17.0 million), Mighty Midway and Kidway tickets (\$5.9 million), and Grandstand tickets (\$3.5 million).

As with most business enterprises, expenses are very diverse. The State Fair provides extensive services to fair visitors that include police protection (\$1.2 million), sanitation (\$985,000) and Park & Ride bus service (\$1.8 million). Other expenses include Grandstand and free entertainment (\$5.6 million), fairgrounds plant operations (\$5.0 million) and maintenance and depreciation of State Fair facilities (\$5.7 million).

A detailed breakdown of the State Fair's income and expense are included in the Income and Expense Supporting Schedule on pages 24–26.

<b>CONDENSED STATEMENT OF NET ASSETS</b>		
	<b>2011</b>	<b>2010</b>
Current & other assets	\$10,752,000	\$10,018,000
Capital assets	<u>45,674,000</u>	<u>45,409,000</u>
Total assets	56,426,000	55,427,000
Long term bonds and notes	9,585,000	10,545,000
Other liabilities	<u>4,493,000</u>	<u>4,278,000</u>
Total liabilities	14,078,000	14,823,000
Invested in capital assets, Net of related debt	35,309,000	34,122,000
Restricted	2,331,000	2,348,000
Unrestricted	<u>4,708,000</u>	<u>4,134,000</u>
Total net assets	<u>\$42,348,000</u>	<u>\$40,604,000</u>

## ■ CAPITAL 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 2011, the State Fair invested \$2,984,000 in capital improvements. Projects included \$1,320,000 for the construction of a new restroom; \$268,000 to replace the Education Building roof; \$264,000 to replace horse stalls in the Horse Barn; \$187,000 to replace Cattle Barn windows; and \$170,000 to upgrade the fiber optic network. In 2010, the State Fair invested \$2,517,000 in capital improvements. Projects included \$910,000 for the continued installation of a fire suppression system in the Cattle Barn; \$262,000 to replace the Dairy Building roof; \$169,000 for renovation of Horse Barn stalling, and \$167,000 to renovate the Admin Too Office exterior.

Additional information on capital 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 \$940,000 during 2011, the principal balance as of October 31, 2011 is \$10,545,000. Additional information on long-term debt can be found in note 4 of the accompanying financial statements.

## ■ STATE FAIR FOUNDATION

Please refer to Note 9 in the basic financial statements for information on the Minnesota State Fair Foundation and for information on how Foundation financial statements can be obtained.

# **■ Minnesota State Fair Statement of Net Assets**

For the years ended October 31

2011

2010

## **ASSETS**

Current assets:

Cash and cash equivalents - unrestricted	\$ 7,313,738	\$ 4,711,035
Cash and cash equivalents - restricted	1,457,452	1,474,348
Accounts receivable	607,087	2,489,256
Prepaid expenses	149,575	155,991
Note receivable - current	21,600	35,334
Accrued interest receivable	10,111	10,480

**Total current assets**

**\$ 9,559,563**

**\$ 8,876,444**

Non-current assets:

Cash and cash equivalents - restricted debt service reserve	\$ 873,405	\$ 873,405
Receivable due from Minnesota State Fair Foundation	254,286	268,230
Note receivable	64,800	-
Capital Assets, not being depreciated	2,503,439	2,503,439
Capital Assets, net of related depreciation	43,170,801	42,905,651

**Total non-current assets**

**\$ 46,866,731**

**\$ 46,550,725**

**Total assets**

**\$ 56,426,294**

**\$ 55,427,169**

## **LIABILITIES**

Current liabilities:

Accounts payable	\$ 1,777,753	\$ 1,937,356
Accrued salaries	139,985	111,171
Deferred revenue	131,383	144,630
Bond and Note interest payable	61,368	66,001
Bond payable - current	500,000	480,000
Note payable - current	460,000	460,000
Unclaimed property payable	9,621	9,621

**Total current liabilities**

**\$ 3,080,110**

**\$ 3,208,779**

Noncurrent liabilities:

Bond payable due in more than one year	\$ 7,285,000	\$ 7,785,000
Note payable due in more than one year	2,300,000	2,760,000
Unamortized bond discount	(149,254)	(161,692)
Unamortized note discount	(30,808)	(35,942)
Compensated absences	598,452	548,484
Other post retirement benefits	994,290	718,751

**Total non-current liabilities**

**\$ 10,997,680**

**\$ 11,614,601**

**Total liabilities**

**\$ 14,077,790**

**\$ 14,823,380**

## **NET ASSETS**

Invested in capital assets, net of related debt	\$ 35,309,302	\$ 34,121,724
Restricted for:		
Debt service	2,316,934	2,333,840
Capital improvements	13,923	13,914
Unrestricted assets	4,708,345	4,134,311

**Total net assets**

**\$ 42,348,504**

**\$ 40,603,789**

**Total liabilities and net assets**

**\$ 56,426,294**

**\$ 55,427,169**

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



## ■ Minnesota State Fair Foundation Statement of Net Assets

For the year ended October 31

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,431,203	\$ 700,669
Investments	18,599	-
Accounts receivable	1,050	-
Contributions receivable, net	590,975	400,527
Prepaid expenses and other assets	10,509	8,300
Merchandise inventory	3,848	3,906
Capital assets, net of accumulated depreciation of \$22,765 and \$33,025, respectively	<u>10,297</u>	<u>37,537</u>
<b>Total assets</b>	<b><u>\$ 2,066,481</u></b>	<b><u>\$ 1,150,939</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,619	\$ 3,695
Accrued expenses	19,990	17,324
Payable due to the Minnesota State Agricultural Society	<u>254,286</u>	<u>268,230</u>
<b>Total Liabilities</b>	<b>277,895</b>	<b>289,249</b>
<b>Net Assets</b>		
Unrestricted:		
Undesignated	\$ 187,476	\$ 108,086
Board designated for fine arts	17,343	9,516
Board designated for endowment	<u>2,532</u>	<u>-</u>
<b>Total unrestricted net assets</b>	<b>207,351</b>	<b>117,602</b>
<b>Temporarily restricted</b>	<b>1,550,316</b>	<b>744,088</b>
<b>Permanently restricted</b>	<b><u>30,919</u></b>	<b><u>-</u></b>
<b>Total net assets</b>	<b><u>1,788,586</u></b>	<b><u>861,690</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,066,481</u></b>	<b><u>\$ 1,150,939</u></b>

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

For the years ended October 31

	2011	2010
<b>OPERATING REVENUES</b>		
Ticket sales	\$ 26,421,782	\$ 24,917,093
Activities	9,880,529	9,201,855
Other	<u>4,402,369</u>	<u>4,331,787</u>
<b>Total operating revenues</b>	<b>\$ 40,704,680</b>	<b>\$ 38,450,735</b>
<b>OPERATING EXPENSES</b>		
Administrative	\$ 5,026,247	\$ 4,922,020
Activities and support	20,732,503	19,591,234
Premiums	1,182,027	1,136,832
Plant operations	4,964,051	4,738,079
Plant maintenance	3,094,759	2,770,675
Other	1,474,569	1,565,426
Depreciation	<u>2,605,186</u>	<u>2,529,995</u>
<b>Total operating expenses</b>	<b>\$ 39,079,342</b>	<b>\$ 37,254,261</b>
<b>Operating income</b>	<b>\$ 1,625,338</b>	<b>\$ 1,196,474</b>
<b>NON OPERATING REVENUES (EXPENSES)</b>		
Investment income	\$ 80,269	\$ 86,979
Grant revenue	560,457	352,735
Interest expense	(515,802)	(552,406)
Gain on sale of building	5,400	-
Loss on disposal of capital assets	<u>(10,947)</u>	<u>-</u>
<b>Total non-operating revenues (expenses)</b>	<b>\$ 119,377</b>	<b>\$ (112,692)</b>
Change in net assets	\$ 1,744,715	\$ 1,083,782
<b>Total net assets, beginning of year</b>	<b>\$ 40,603,789</b>	<b>\$ 39,520,007</b>
<b>Net assets, end of year</b>	<b>\$ 42,348,504</b>	<b>\$ 40,603,789</b>

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

# ■ Minnesota State Fair Foundation Statement of Activities and Changes in Net Assets

For the Year Ended October 31

	2011				2010		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>							
Contributions	\$ 142,318	\$ 1,206,314	\$ 30,919	\$ 1,379,551	\$ 155,286	\$ 250,151	\$ 405,437
Support from the Minnesota State Agricultural Society	154,632	-	-	154,632	149,160	-	149,160
In-kind contributions	265,114	-	-	265,114	109,135	-	109,135
Special events, net of direct benefits of \$41,364 and \$44,572, respectively	26,843	-	-	26,843	25,383	-	25,383
Interest and dividends	5,129	676	-	5,805	2,239	979	3,218
Unrealized gains on investments	10	67	-	77	-	-	-
Miscellaneous income	4,043	-	-	4,043	-	-	-
Net assets released from restrictions	400,829	(400,829)	-	-	366,362	(366,362)	-
<b>Total</b>	<b>998,918</b>	<b>806,228</b>	<b>30,919</b>	<b>1,836,065</b>	<b>807,565</b>	<b>(115,232)</b>	<b>692,333</b>
Merchandise sales and commissions	298,260	-	-	298,260	255,348	-	255,348
Less: cost of goods sold	(82,678)	-	-	(82,678)	(68,119)	-	(68,119)
Net merchandise sales and commissions	215,582	-	-	215,582	187,229	-	187,229
<b>Total revenues</b>	<b>1,214,500</b>	<b>806,228</b>	<b>30,919</b>	<b>2,051,647</b>	<b>994,794</b>	<b>(115,232)</b>	<b>879,562</b>
<b>EXPENSES</b>							
Grants to the Minnesota State Agricultural Society	560,457	-	-	560,457	352,735	-	352,735
Payroll	368,360	-	-	368,360	370,762	-	370,762
Professional services	42,611	-	-	42,611	51,595	-	51,595
Production supplies	45,534	-	-	45,534	54,511	-	54,511
Postage and mailing	6,239	-	-	6,239	6,324	-	6,324
Printing and advertising	14,270	-	-	14,270	13,950	-	13,950
Rent	28,538	-	-	28,538	30,781	-	30,781
Incentives and recognition	2,251	-	-	2,251	791	-	791
Office supplies	1,334	-	-	1,334	2,357	-	2,357
Interest expense	4,409	-	-	4,409	5,030	-	5,030
Loss on obsolete inventory	4,602	-	-	4,602	12,336	-	12,336
Other	46,146	-	-	46,146	32,212	-	32,212
<b>Total expenses</b>	<b>1,124,751</b>	<b>-</b>	<b>-</b>	<b>1,124,751</b>	<b>933,384</b>	<b>-</b>	<b>933,384</b>
<b>CHANGE IN NET ASSETS</b>	<b>89,749</b>	<b>806,228</b>	<b>30,919</b>	<b>926,896</b>	<b>61,410</b>	<b>(115,232)</b>	<b>(53,822)</b>
Net assets - beginning	117,602	744,088	-	861,690	56,192	859,320	915,512
<b>NET ASSETS - ENDING</b>	<b>207,351</b>	<b>\$ 1,550,316</b>	<b>\$ 30,919</b>	<b>\$ 1,788,586</b>	<b>\$ 117,602</b>	<b>\$ 744,088</b>	<b>\$ 861,690</b>



# **■ Minnesota State Fair Statement of Cash Flows**

For the years ended October 31

	2011	2010
<b>Cash flow from operating activities:</b>		
Cash received from operations		
Ticket sales	\$ 28,452,271	\$ 25,609,903
Activities	9,954,304	9,246,342
Other	4,180,971	4,408,184
Cash payment for operating expenses		
Administration	(4,662,592)	(4,659,070)
Activities	(21,871,294)	(20,706,647)
Plant operations	(8,137,947)	(7,326,490)
Other	<u>(1,392,476)</u>	<u>(1,760,295)</u>
Net cash provided by operating activities	<u>\$ 6,523,237</u>	<u>\$ 4,811,927</u>
<b>Cash flow from capital and related financing activities</b>		
Payments for acquisition and construction of capital assets	\$ (2,890,095)	\$ (2,623,872)
Payments on note receivable	56,934	48,999
Principal payments on revenue bond and revenue note	(940,000)	(925,000)
Interest payments on revenue bond and revenue note	<u>(502,863)</u>	<u>(539,467)</u>
Net cash provided (used) by capital and related financing activities	<u>\$ (4,276,024)</u>	<u>\$ (4,039,340)</u>
<b>Cash flow from non-capital financing activities</b>		
Grant revenue	<u>\$ 257,956</u>	<u>\$ 229,029</u>
<b>Cash flow from investing activities</b>		
Interest earnings	<u>80,638</u>	<u>87,488</u>
Net increase (decrease) in cash and cash equivalents	2,585,807	1,089,104
Cash and cash equivalents, beginning of year	<u>7,058,788</u>	<u>5,969,684</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 9,644,595</b></u>	<u><b>\$ 7,058,788</b></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$ 1,625,338	\$ 1,196,474
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,605,186	2,529,995
Other non-operating revenues and expenses	190,529	123,706
Changes in assets and liabilities		
Assets: (increase) decrease		
Accounts receivable	1,896,113	830,583
Prepaid expenses	6,416	5,911
Liabilities: increase (decrease)		
Accounts payable	(141,419)	(152,073)
Salary payable	28,814	(11,233)
Compensated absences	49,968	(48,552)
Deferred revenue	(13,247)	(16,889)
Other post retirement benefits	<u>275,539</u>	<u>354,005</u>
Total adjustments	<u>\$ 4,897,899</u>	<u>\$ 3,615,453</u>
<b>Net cash provided by operating activities</b>	<u><b>\$ 6,523,237</b></u>	<u><b>\$ 4,811,927</b></u>

Supplemental disclosure of non-cash transactions

For fiscal year 2011 and 2010, accounts payable included capitalized expenses of \$38,770 and \$56,954, respectively. In fiscal 2011, the Fair sold a capital asset in exchange for a note receivable in the amount of \$108,000.

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

## ■ Footnotes

### NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The Minnesota State Agricultural Society (dba Minnesota State Fair) 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 using the economic resources measurement focus and the accrual basis of accounting. The Society's accounting practices conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the time of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Governments have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Society has elected not to follow subsequent private sector 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. Only the portions of compensated absences expected to be paid on termination of employment is accrued.

Costs of newly acquired assets are capitalized at historical cost and written off as depreciation charges over their estimated useful lives. Costs of improvements and renovations that add to the original value or materially extend the useful life to the related asset are capitalized and written off as depreciable over their estimated useful life. Purchases over \$5,000 with an estimated useful life exceeding one year are capitalized. Interest incurred during construction of capital assets is included in the value of the assets. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Depreciation is computed by the straight-line method. Land is not depreciated. 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 (funds) that are reported separately due to restrictions in place required by debt obligations or enabling legislation that mandate how these funds are applied by the Society. These assets are for debt service payments and capital improvements.
3. Unrestricted net assets - consists of all other assets that do not meet the criteria of restricted or invested in capital assets, net of related debt.

The Society is exposed to various risks of loss related to the theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers compensation for which the society carries insurance. Settled claims have not exceeded coverage in any of the past three fiscal years. There were no significant reductions in the Society's insurance coverage in fiscal year 2011.

For purposes of the Statement of Cash Flows, the Society considers all highly liquid debt instruments with an original maturity from the time of purchase by the Society of three months or less to be cash equivalents.

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, Financial Statements of Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the foundation's information in the Society's financial reporting entity for these differences.

Investments are generally stated at fair value, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less are also reported at amortized cost. Investment income is accrued at the balance sheet date.

The inventories of the Society's proprietary funds are recorded in prepaid items at the lower of cost or market on the first-in, first-out basis. Prepaid items in all funds are reported using the consumption method and recorded as an expense at the time of consumption.

When both restricted and unrestricted resources are available for use, it is the Society's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Notes receivable consist of a loan by the Society to a local business for property development on the Fairgrounds. Annual payments are

being made on the note until fiscal 2014.

All receivables are shown net of any allowance for uncollectibles.

## 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, in accordance with Minnesota Statutes 37. Minn.Stat. Sec 118A.03 requires that deposits by municipalities, including public corporations, be secured by 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, 2011, according to the bank records, the Society had short-term investments of \$8,167,004. Of that total, \$5,836,597 was invested in repurchase agreements that are backed by U.S. Treasury underlying securities; \$1,748,622 in government obligations, with a maturity date of September 2023 and a rating of A- from Standard and Poor's; \$568,312 was invested in negotiable certificates of deposit, and \$13,473 was invested in mutual funds with a credit rating of AAAM from Standard and Poor's. After adjusting the bank balance of \$2,399,291 for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$1,477,591, cash and cash equivalents totaled \$9,644,595.

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

Cash Equivalents - Restricted	2011	2010
Building Account	\$ 450	\$ 449
Debt Service Account	1,443,529	1,460,435
Debt Service Reserve Account	873,405	873,405
Construction Account	<u>13,473</u>	<u>13,464</u>
Total Restricted Cash Equivalents	2,330,857	2,347,753
Cash Equivalents - Unrestricted	<u>7,313,738</u>	<u>4,711,035</u>
Total Cash Equivalents	<u>\$9,644,595</u>	<u>\$7,058,788</u>

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

Investments are subject to various risks, the following of which are considered the most significant:

**Custodial Credit Risk** – For deposits and investments, this is the risk that in the event of a failure of the counterparty to a deposit and investment transaction the Society would not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. Although the Society's investment policy does not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

**Credit Risk** – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Society's investment policy limits the types of investments that may be purchased to the following: short-term U.S. government securities or obligations issued or guaranteed by the U.S. government or one of its agencies, other high quality money market securities, or investments as defined in Minnesota State Statutes, Chapter 118A and 37. As of October 31, 2011, the Society's investment in the Bremer Bank repurchase agreement had underlying securities consisting of government agencies that were all rated AAA by Standard and Poor's Investor Service. The Society also had

investments in investment agreements with Morgan Stanley as government obligations that were rated A- by Standard and Poor's Investor Service and First American Funds that were rated AAAM by Standard and Poor's Investor Service.

**Concentration Risk** – This is the risk associated with investing a significant portion of the Society's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The Society's investment policy does not address concentration risk. As of October 31, 2011, the Society's investments include the following percentages of specific issuers: Bremer Bank repurchase agreement 71.5% and Morgan Stanley government obligations 21.4%.

**Interest Rate Risk** – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Society's investment policies do not address interest rate risk. As of October 31, 2011, the Society's investments in Morgan Stanley government obligations have a maturity date of September 2023.

At October 31, 2011, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the Society's agent in the Society's name.

## NOTE 3: PROPERTY, STRUCTURES, UTILITIES & EQUIPMENT

	Beginning Balance 11/01/10	Increases	Decreases	Ending Balance 10/31/11
<b>Capital assets, not being depreciated:</b>				
Land	\$2,503,439	-	-	\$2,503,439
<b>Capital assets, being depreciated:</b>				
Land improvements	73,292,750	2,371,121	(299,521)	75,364,350
Utility systems	9,899,847	294,885	-	10,194,732
Personal property	<u>1,098,204</u>	<u>317,877</u>	<u>(188,125)</u>	<u>1,227,956</u>
<b>Total capital assets, being depreciated</b>	84,290,801	2,983,883	(487,646)	86,787,038
<b>Less accumulated depreciation for:</b>				
Land improvements	(34,980,288)	(2,088,857)	185,974	(36,883,171)
Utility systems	(5,632,597)	(309,540)	-	(5,942,137)
Personal property	<u>(772,265)</u>	<u>(206,789)</u>	<u>188,125</u>	<u>(790,929)</u>
<b>Total accumulated depreciation</b>	<u>(41,385,150)</u>	<u>(2,605,186)</u>	<u>374,099</u>	<u>(43,616,237)</u>
<b>Total capital assets, being depreciated, net</b>	<u>42,905,651</u>	<u>378,697</u>	<u>(113,547)</u>	<u>43,170,801</u>



<b>Total capital assets, net</b>	<u>\$45,405,090</u>	<u>\$378,697</u>	<u>\$(113,547)</u>	<u>\$45,674,240</u>
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#### NOTE 4: LONG-TERM OBLIGATIONS

	<b>Beginning Balance 11/01/2010</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance 10/31/11</b>	<b>Due Within One Year</b>
Revenue bonds	\$8,265,000	\$ -	\$ 480,000	\$7,785,000	\$500,000
Revenue note	<u>\$3,220,000</u>	<u>\$ -</u>	<u>\$ 460,000</u>	<u>\$2,760,000</u>	<u>\$460,000</u>
Total	\$11,485,000	\$ -	\$ 940,000	\$10,545,000	\$960,000

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:

	<b>Principal</b>	<b>Interest</b>
2012	\$ 500,000	\$ 375,217
2013	520,000	355,218
2014	545,000	333,117
2015	565,000	308,593
2016	595,000	282,461
2017-2021	3,430,000	947,474
2022-2023	<u>1,630,000</u>	<u>125,735</u>
	<u>\$7,785,000</u>	<u>\$2,727,815</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:

	<b>Principal</b>	<b>Interest</b>
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>18,002</u>
	<u>\$2,760,000</u>	<u>\$ 378,449</u>

#### NOTE 5: SHORT TERM OBLIGATIONS

During fiscal year 2011, the Society renewed a working capital line of credit in the amount of \$1.5 million with a maturity date of June 30, 2012, for possible short-term financing of fair operations. No short-

term financing was necessary in fiscal 2011.

<b>Beginning Balance 11/1/10</b>	<b>Loan Advances</b>	<b>Loan Payments</b>	<b>Ending Balance 10/31/11</b>
\$-0-	\$ -	\$ -	\$-0-

#### NOTE 6: RETIREMENT PLAN

##### 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 \$4,599,335 for 2011 and \$4,422,771 for 2010. Total Society payroll was \$8,934,693 for 2011 and \$8,824,103 for 2010. 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 for fiscal year was 10.00%; the employee and the employer each having a required contribution rate of 5.00%. Employer contributions, which equaled the required contributions for the year were \$223,238 for 2011, \$206,666 for 2010 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), a single employer defined benefit plan administered by the Society and is required to be accounted for in accordance with Government Accounting Standards Board Statement No. 45. An actuarial valuation of these benefits was conducted in accordance with GASB 45's alternative measurement method for employers with under 100 plan members. The obligation for this benefit is reflected here and in the financial statements.

#### Net OPEB obligation

Annual required contribution	\$416,333
Interest on net OPEB obligation	28,750
Adjustment to annual required contribution	(43,134)
Annual OPEB cost	<u>401,949</u>
Contributions during the year	(126,410)
Increase (decrease) in net OPEB obligation	275,539
Net OPEB obligation beginning of year	718,751
Net OPEB obligation end of year	<u>\$994,290</u>

The Society's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

Fiscal Year Ended	Annual OPEB cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
October 31, 2009	\$385,239	\$20,493	5.3%	\$364,746
October 31, 2010	\$396,428	\$42,423	10.7%	\$718,751
October 31, 2011	\$401,949	\$126,410	31.5%	\$994,290

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. As of October 31, 2009, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$2,988,572 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,988,572. The annual covered payroll was \$4,284,124, and the ratio of the UAAL to the annual covered payroll was 69.76 percent. 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 on an open basis over 30 years. This plan is unfunded, the Society is currently proceeding on the pay-as-you-go basis for funding. The Schedule of Funding Progress immediately following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	3
Active plan members	76
<b>Total members</b>	<b><u>79</u></b>

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

Fiscal Year	Trend Rates
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%
2019	5.50%
2020 & later	5.00%

## NOTE 8: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

### Receivables: Accounts receivable balances for the years ended October 31

	2011	2010
Tickets	\$ 3,621	\$ 2,034,108
Activities	147,321	221,096
MSFF receivable	254,286	268,230
Other	456,145	234,052
Total receivables	<u>\$ 861,373</u>	<u>\$ 2,757,486</u>

### Payables: Accounts payable balances for the years ended October 31

	2011	2010
Administration	\$ 290,361	\$ 271,133
Activities	499,293	582,928
Plant operations	600,898	704,324
Capitalized	38,770	56,954
Other	348,431	322,017
Total payables	<u>\$ 1,777,753</u>	<u>\$ 1,937,356</u>

## NOTE 9: FOUNDATION

The Minnesota State Fair Foundation is a supporting organization of the Minnesota State Agricultural Society and is a not-for-profit corporation exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and applicable Minnesota regulations. The Foundation was established in June 2002 following passage of enabling legislation signed into law by the governor, and governed by a board of directors. The Foundation's mission is to secure and provide funding and gifts-in-kind all of a nature acceptable to the Fair to be used for the 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 net assets 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 permit 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. As of October 31, 2011 and 2010, no allowance for uncollectable contributions receivable has been recorded since management believes all pledges are collectible.

Contributions receivable at October 31, 2011 and 2010 represent the present value of receivable due. Present value is determined using discount rates ranging from 1% to 3%. The expected collection periods of the contributions receivable at October 31, 2011 are as follows:

<u>Year ending October 31</u>	<u>Amount</u>
2012	\$284,833
2013	267,833
2014	46,334
Total	599,000
Less: unamortized discount	8,025
	<u>\$590,975</u>

#### **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 to be received has been determined.

#### **Investments**

The Foundation's investments are comprised of a mutual fund. Investments are stated at fair value. Realized and unrealized gains and losses are reflected in the statement of activities. Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the volatility of the market with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the future statement of activities.

#### **Merchandise Inventory**

The Foundation maintains inventories of merchandise held for resale, which are recorded at the lower of cost or market, if purchased. Contributions of inventory are recorded at fair value. Inventories are expensed in the statement of activities and changes in net assets as they are sold.

#### **Property and Equipment**

Property and equipment are recorded at cost, if purchased, and at fair value, if donated. The Foundation depreciates property and equipment over their estimated useful lives (3 to 10 years) by the straight-line method of depreciation.

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

### **NOTE 10: 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 fairground building rent-free, including telephone and computer services.
- Payroll and limited staff support services.

At the year ended October 31, 2011, the Foundation has \$254,286 of outstanding payables due to the Fair for payroll and other compensation-related expenses. The 2010 year-end outstanding payable balance totaled \$268,230. The Fair contributed payroll expenses of \$151,632 during fiscal 2011 and \$149,160 during fiscal 2010.

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, 2011, the Foundation granted \$91,000 for project expenses related to the Moo Booth exhibit in the Cattle Barn; \$65,000 for Giant Sing Along programming; \$40,000 for initial start-up expenses for the new Judging Arena; \$30,000 for a new LED display in the Coliseum; art and sculptures valued at \$118,563; recognition pavers and benches valued at \$38,205; fair-time educational experiences valued at \$132,622 and various other miscellaneous gifts valued at \$45,067, for a total of \$560,457 during fiscal 2011.

During the year ended October 31, 2010, the Foundation granted \$141,460 for expenses related to the Moo Booth exhibit in the Cattle Barn; fair-time educational experiences valued at \$83,087; recognition pavers and benches valued at \$58,099; various structures improvements valued at \$35,713 and other miscellaneous gifts valued at \$34,376, for a total of \$352,735 during fiscal 2010.

### **NOTE 11 : STEWARDSHIP AND ACCOUNTABILITY**

#### **Legal Claims**

The society had no legal claims pending at year-end.

#### **Construction Contracts**

During the fiscal year, the Society awards contract for various construction, remodeling and maintenance projects. The Society's commitment for uncompleted work for construction of a new judging arena at October 31, 2011 is \$2,461,849.

### **REQUIRED SUPPLEMENTARY INFORMATION**

#### **Actuarial Measures of Other Post-employment 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 (1)	10/31/09
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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

2011

2010

### OPERATING REVENUE

#### Ticket sales:

Carnival	\$ 5,943,293	\$ 5,365,996
Grandstand	3,451,438	3,667,658
Outside gate	15,857,819	14,690,504
Parking	1,169,232	1,192,935

#### Total ticket sales

**26,421,782** **24,917,093**

#### Activities:

Box office	614,823	563,289
Campgrounds	106,345	104,632
Carnival	88,282	83,402
Competition	303,870	331,142
Entertainment	44,290	38,370
Fine Arts	59,014	47,580
Forage	120,920	21,199
4-H auction	405,512	360,389
Public Safety	10,462	11,965
Sales	8,127,011	7,639,887

#### Total activities

**9,880,529** **9,201,855**

#### Other:

Beef Expo	112,495	97,399
Licensee Utilities	222,627	250,216
Miscellaneous	50,408	114,638
Non-fair events	2,623,187	2,625,658
Sale of bulk milk	14,206	8,911
Sale of market animals	105,306	85,224
Sponsorships	851,550	756,350
Telephone	65,806	79,475
Utility assessments	356,784	313,916

#### Total other

**4,402,369** **4,331,787**

#### Total operating revenue

**40,704,680** **38,450,735**

### OPERATING EXPENSES

For the years ended October 31

#### Administrative:

Administrative Services	303,629	284,412
Annual meeting	39,043	28,257
Bad debt	112	519
Computer	315,399	292,875
Dues and subscriptions	17,068	17,968
Insurance	227,722	257,748
Legal services	81,012	116,866
Legislative audit	52,320	67,510
Managerial services	491,645	430,102
Medical insurance	1,029,558	1,080,375
Paid leave	702,501	662,495
Postage and mailing service	108,533	103,829
Printing and supplies	81,120	77,877
Retirement fund	242,617	223,022
Social security	658,205	651,202
Support services	110,333	118,936
Telephone	247,588	211,500
Travel expense	90,567	74,868
Unemployment compensation	108,772	118,909
Workers compensation	118,503	102,750

#### Total administrative

**5,026,247** **4,922,020**

#### Activities and Support:

Admissions	180,843	175,455
Advertising	976,273	938,760
Bee culture	9,923	10,240

	<b><u>2011</u></b>	<b><u>2010</u></b>
Beef Expo	78,641	73,239
Box office	263,077	262,535
Campground	60,617	57,138
Carnival	4,503,787	4,041,970
Cattle	146,410	154,770
Christmas trees	6,217	6,369
Competition	602,333	536,394
Creative activities	71,895	80,450
Dairy products	2,512	1,747
Dog trials	3,116	2,832
Education	31,897	30,791
Farm crops	27,301	25,094
Finance	278,111	269,067
Fine arts	37,343	37,926
Flower and agriculture shows	50,350	50,404
Flowers	11,972	10,672
Forage	169,424	95,765
4-H Club	208,275	234,754
Free entertainment	1,459,353	1,287,128
Fruit	11,575	23,999
FFA	95,035	87,930
Gate tickets	304,880	276,837
Goats	7,628	5,848
Goats - Boer	2,668	2,383
Grandstand - concerts	4,142,509	4,208,729
Heritage exhibits	11,711	10,862
Horse and rodeo	150,948	188,825
Llamas	3,649	1,957
Marketing	501,689	417,951
Park & Ride	1,827,704	1,714,056
Parking	189,135	188,159
Poultry	17,665	15,288
Publications	356,950	345,673
Public safety	1,246,232	1,222,619
Sales	1,197,991	1,120,220
Sanitation	985,389	941,494
Senior citizens	8,240	7,569
Sheep	9,067	8,105
Swine	18,273	16,972
Ticket audit	7,524	7,221
Ticket promotion	388,912	324,535
Trams	35,300	35,114
Transportation	24,786	27,812
Vegetables	7,373	7,576
<b>Total activities and support</b>	<b>20,732,503</b>	<b>19,591,234</b>
Premiums:		
Bee culture	3,610	3,594
Beef expo	21,704	20,496
Cattle	114,337	104,182
Christmas trees	3,025	2,825
Creative activities	14,501	15,227
Dairy products	1,425	1,125
Dog trials	1,110	1,110
Education	12,220	11,820
Farm crops	18,788	17,602
Fine arts	17,300	15,975
Fine arts sales	59,014	47,580
Flowers	2,714	2,812
4-H Auction	405,512	343,289
4-H Club	73,948	90,042
Fruit	2,494	2,246
FFA	79,331	79,903
Goats - Dairy	15,826	15,784
Goats - Boer	1,186	1,414

	<b><u>2011</u></b>	<b><u>2010</u></b>
Horse	85,725	142,065
Llama	4,330	4,730
Poultry	9,253	9,619
Rural youth scholarships	20,000	20,000
Sale of bulk milk	11,791	5,638
Sale of market animals	115,231	89,683
Sheep	33,406	34,785
Swine	36,153	35,025
Talent contest	13,620	13,620
Vegetables	4,473	4,641
<b>Total premiums</b>	<b>1,182,027</b>	<b>1,136,832</b>
Other:		
Miscellaneous	42,787	145,167
Non-fair events	1,384,290	1,375,338
Veterinarian service	47,492	44,921
<b>Total other</b>	<b>1,474,569</b>	<b>1,565,426</b>
Plant operations:		
Architectural and engineering	90,137	194,113
Fire and police service	245,755	269,491
Fuel, oil and gasoline	127,498	97,343
Greenhouse	230,549	210,803
Operations	503,090	522,314
Property tax and assessments	404	8,319
Salaries and contract services	1,254,582	1,164,420
Set-up and take-down	1,521,817	1,531,017
Signs	67,670	72,990
Supplies	76,078	79,727
Utilities	658,118	414,251
Water and sewer	188,353	173,291
<b>Total plant operations</b>	<b>4,964,051</b>	<b>4,738,079</b>
Plant maintenance:		
Electric system	446,537	292,544
Fence and fixtures	36,666	25,168
Gas system	1,357	4,868
Land	151,275	137,855
Personal property	325,072	239,043
Sewer system	148,046	25,902
Streets and sidewalks	282,618	368,126
Structures	1,431,689	1,361,483
Vehicles	193,301	190,945
Water system	78,198	124,741
<b>Total plant maintenance</b>	<b>3,094,759</b>	<b>2,770,675</b>
Depreciation:		
Electric system	154,731	145,323
Fence and fixtures	54,643	55,507
Gas system	627	627
Land improvement	78,122	78,226
Personal property	206,788	176,826
Sewer system	138,680	138,750
Streets & sidewalks	45,095	51,307
Structures	1,910,998	1,875,033
Water system	15,502	8,396
<b>Total depreciation</b>	<b>2,605,186</b>	<b>2,529,995</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>39,079,342</b>	<b>37,254,261</b>
Net operating revenue	1,625,338	1,196,474
NON-OPERATING INCOME (EXPENSES)		
Interest revenue	80,269	86,979
Grant revenue	560,457	352,735
Interest expense	(515,802)	(552,406)
Gain on sale of building	5,400	-
Loss on disposal of capital assets	(10,947)	-
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	<b>\$ 1,744,715</b>	<b>\$ 1,083,782</b>

PRINCIPALS

Thomas M. Montague, CPA  
Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Managers and Management  
Minnesota State Agricultural Society

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the major fund of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society), as of and for the year ended October 31, 2011, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated May 17, 2012. We did not audit the financial statements of the Minnesota State Fair Foundation as of and for the year ended October 31, 2011. Other auditors audited the financial statements of this entity, as described in our report on the Society's financial statements. The financial statements of the Minnesota State Fair Foundation were not audited in accordance with *Government Auditing Standards*. 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 of America.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected, on a timely basis.

(continued)



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Society's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*:

Per Minnesota Statutes, the secretary of the Society should prepare a signed statement each month summarizing receipts and expenses for the preceding month, which must be approved by the president or a vice president of the Board of Managers. The secretary's affidavit should be attached to this statement. For the year ended October 31, 2011, no such approval process was completed.

We noted certain matters that we reported to management of the Society, in a separate letter dated May 17, 2012.

This report is intended solely for the information and use of management, the Board of Managers, and others within the Society and is not intended to be, and should not be, used by anyone other than these specified parties.

*Malloy, Montague, Karnowski, Radosovich, & Co., P.A.*

May 17, 2012

**MINNESOTA STATE AGRICULTURAL SOCIETY  
ANNUAL MEETING  
January 14-15-16, 2011  
Sheraton Bloomington Hotel, Bloomington**

The 152nd 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. 14 at the Sheraton Bloomington Hotel in Bloomington, Minn.

**MEETING OF THE BOARD OF MANAGERS  
10:15 a.m. Friday Jan. 14, 2011**

**Members present:** Denny Baker, president; Joe Fox, vice president; D.J. Leary, vice president; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

**Also present:** Jim Sinclair; Renee Pearson; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Danyl Vavreck; Sean Casey; Wally LeVesseur; Mary Pittelko; Susan Lynskey; Julie Samec; Kay Cady; Kent Harbison; Bill McGrann; Sarah Psick.

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

Mr. McGrann and Ms. Psick gave an update on the 2011 session of the Minnesota legislature and matters relating to the Society.

Mr. Hammer, Mr. Jacobson and Mr. Hudalla offered detailed reports on fiscal '10 sources of revenue and expense, cash flow and trends in gate and parking income. The proposed operating budget for fiscal 2011 was presented by Mr. Hammer, followed by discussion on the budget's relationship to improvements and maintenance projects. Finally, Mr. Hammer presented several income scenarios based on adjustments to outside gate admission tickets. Information only; no action taken.

Following discussion, it was moved by Mr. Fox, seconded by Mr. Paulson and carried that the \$20,000 rural scholarship program offered by the fair since 1994 be re-named the Minnesota State Fair Scholarships (Aye-9; Nay-0).

The board offered congratulations to Mr. Sinclair on his position as 2011 chairman of the IAFE.

The meeting adjourned at 12:02 p.m. on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

**MEETING OF THE SALES COMMITTEE  
2:30 p.m. Friday Jan. 14, 2011**

**Members present:** Jim Foss, chairman; Joe Fox; D.J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Dennis Larson, ex officio; Pam Simon, ex officio.

**Also present:** Renee Pearson; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Sean Casey; Wally LeVesseur; Steve Grans; Carol Doyle; Danyl Vavreck; Pam Mix; Nikki Hines; Susan Lynskey; Julie Samec.

Chairman Foss called the meeting to order at 2:49 p.m.

The sales revenue report for '10, originally presented to the board at their Nov. 10, 2010, meeting, was approved on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Mr. Sinclair brought forward a staff recommendation to purchase the concession structure owned by James Hannasch at 1307 Liggett St. for the appraised price of \$2,700. The structure will be leased or sold to a new concession operator for the '11 fair. After discussion, the purchase was approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Mr. Sinclair outlined a request by Paramount Attractions Game Arcade ownership (Joseph C. Premont and Kris Boettcher) for Mr. Premont to sell his interest in the arcade structure at 1697 Dan Patch Ave. to Mr. Boettcher for \$41,000. After discussion, the request was approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

A request was presented from Robert J. Kohnen, owner of K & M Recreation, Inc. (Haunted House) to sell an interest in the attraction to Tony Berwald. After discussion, the request was denied due to concerns that the proposed transaction could constitute a transfer of interest before the fact, and staff's unfamiliarity with Mr. Berwald on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Mr. Sinclair presented the following list of attractions for the '11 fair along with proposed percentage of revenue license fees:

CONCESSIONAIRE	ATTRACTION	2010%	2011%
Big Adventures, Inc.	<u>Turbo Bungy</u>	25%	25%
D.M.C., Inc.	Skyride	25%	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%
KMB Performance, Inc.	Go Carts	25%	25%
Mighty Midway and Kidway	Kidway Rides and Shows	43%	43%
	Midway Rides and Shows	41%	41%
	Games of Skill	23%	23%
River Raft Ride, Inc.	Raft Ride & Pirate Tag	25%	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 attractions and percentage fees were approved as presented on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

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

CONCESSIONAIRE	ATTRACTION	2010 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	\$4.00
KMB Performance, Inc.	Go Carts	\$6.00 for Driver \$4.00 for Passenger
Mighty Midway and Kidway	Rides, Shows and Games of Skill	\$ .75 single \$20.00 for 28 tickets (\$ .714 per ticket) \$30.00 for 44 tickets (\$ .682 per ticket)
	(Advance Purchase)	\$10.00 for 20 tickets (\$ .500 per ticket)
River Raft Ride, Inc.	Raft Ride	\$4.00
	Pirate Tag	\$3.00
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., 8/25 (Thrifty Thursday), Mon., 8/29 (Seniors & Kids Day), Thurs., 9/1 (Seniors Day) and Mon., Labor Day, 9/5 (Kids and Last Chance Day)

Attractions underlined are located in Adventure Park and operate on a central ticket system.

After discussion, the ticket prices were approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Mr. Larson presented the following list of concessionaires recommended for beer and wine sales during the '11 State Fair:

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
Coasters, Inc. (Paul and Diana Hohenwald)	Block 42	Arcade Building, Spaces 23-32 Brewed Malt Beverages
Dino's Gyros (Constantin, Vona & Jason Adamidas)	Block 36	1701 Carnes Ave Brewed Malt Beverages
Werner's Frontier, Inc. (Richard Werner)	Block 42	Arcade Building, Spaces 16-22 Brewed Malt Beverages
Baxters BBQ, Inc. dba Famous Dave's (Randy Jernberg)	Block 28	Building 289A Brewed Malt Beverages
French Creperie (Marc & Tracy Vezies)	Blk. 36	1711 Carnes Ave Minnesota Produced Wine
Giggles Campfire Grill (Timothy Weiss)	Blk. 19	Lot 1 & 2 Brewed Malt Beverages
H.M.H. of St. Paul, Inc. dba International Grill (Henry & Ellen Hanten)	Blk. 47	Bazaar, Space A Brewed Malt Beverages
Hildebrand Concessions, Inc. (Janice Hildebrand)	Blk. 28	Grandstand Seating Area Brewed Malt Beverages
Kirschner's Leinie Lodge (Robert Kirschner)	Blk. 34	Bandshell Brewed Malt Beverages
Lancer Management Services, Inc. (Glenn Baron)	Blk. 50	Coliseum, Spaces 113/159, 200/250, 212/213 & 268 Brewed Malt Beverages
Mintahoe, Inc. (Kelvin Lee)	Blk. 45	Agriculture/Horticulture Building Hall Minnesota Produced Wine Only
Midway Men's Club (Albert Petschl)	Blk. 30	Lot S Brewed Malt Beverages
MJ Financial Group, dba Ragin Cajun (Ronald Jacob)	Blk. 35	Crossroads, Space H, west Brewed Malt Beverages
O'Gara's at The Fair (Daniel & Kris O'Gara)	Blk. 44	1626 Dan Patch Ave Brewed Malt Beverages
T.W. Concessions (Jerry Woldorsky)	Blk. 27	Heritage Square, Space Q Brewed Malt Beverages

Three Amigos, Inc. dba Tejas (Wayne Kostroski & Mark Haugen)	Blk. 35	Crossroads, Space K, north Brewed Malt Beverages
--------------------------------------------------------------------	---------	-----------------------------------------------------

After review and discussion, the concessionaires were approved for beer and wine licenses on a motion by Mr. Merkins, seconded by Mr. Scapanski and carried (Aye-8; Nay-0).

Ms. Simon presented the following list of vendors recommended for multiple-site commercial exhibit and concessions for licensing at the '11 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 and Beverages	2
Edward and Sally Nuebel	Fish & Chips – Nut products	2
Gary Crutchfield Concessions	Cheese on a Stick	2
George Funk - Moon Beam Coffee	Leather Crafts-Coffee	2
Giant Ride, Inc.	Giant Slide-Cheese on a Stick	2
Groscurth Concessions	Corn Dogs & Beverages	2
Hannasch, Inc.	Sno Cones	2
Holly's Hobby	Hand Crafts	2
James and Ethel Peters	Hot Dogs-Polish Sausage	2
James Crocker	Root Beer Barrel	2
Jerry Woldorsky	Buffalo Burgers and Beer	2
Larry Abdo-Gopher State Ice Co.	Pocket pies-Ice (Ice=wholesale permit only)	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
Netterfields Lemonade and Popcorn	Popcorn, Caramel Corn, Sau- sage, Corn Dogs, Burgers	2
Orange Treet Sales	Orange Treat Drinks Smoothies & Dairy Bar	2
Tina Isaac	Sandwiches-Coffee	2
Wozniak Concessions, Inc.	French Fries	2
Midwest Coca Cola	Coca Cola Soft Drinks	3
Gregory J. Tetrault	Ice Cream, Sno Cones, Cara- mel Apples, Beverages	3
Icee USA Corp.	Icee Frozen 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
Robert Crocker	Root Beer	3
Wee Dazzle	Novelties, Souvenirs & Toys	3

Eugene R. LaVaque	Sno Cones	4
James Hartley	Cotton Candy	4
Lancer Management Services, Inc.	Food, Beverages & Beer (Coliseum)	4
Schroder Concessions, Inc.	Popcorn, Caramel Corn, Caramel Apples, Cheese Curds	4
Syndicate Sales Corp.	Vegetable Cutters, Knives, Salsa Maker, PVA Mops	4
Hildebrand Concessions, Inc.	Food, Beverages & Beer (Grandstand)	5
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

After discussion, the multiple site commercial exhibits and concession licensees were approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

The sales committee meeting was adjourned at 3:20 p.m. on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

#### MEETING OF THE BOARD OF MANAGERS 3:21 p.m. Friday Jan. 14, 2011

**Members present:** Denny Baker, president; Joe Fox, vice president; D.J. Leary, vice president; Jim Foss; Paul Merkins; Ron Oleheiser; Joe Scapanski; Al Paulson; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

President Baker called the meeting to order at 3:21 p.m. and declared the meeting in executive session.

The executive session was concluded and the meeting adjourned at 4:20 p.m.

#### MEETING OF THE PLANNING COMMITTEE 10:15 a.m. Saturday Jan. 15, 2011

**Present:** Al Paulson, chairman; Jim Foss; Joe Fox; Paul Merkins; Ron Oleheiser; Joe Scapanski; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Mark Goodrich, ex officio; Sean Casey, ex officio. Absent: D.J. Leary.

**Also present:** Renee Pearson; Marshall Jacobson; Mary Miller; Michelle Butler; Swan Melstrom; Steve Grans; Ryan Donnelly; Wally LeVesseur; Mary Pittelko; Chris Schaeppi; Beth Schuldt; Cheryl Huber.

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

Staff reviewed the budget for capital improvements and maintenance projects approved for '10 and offered a report on the costs of projects completed during the year. Information only; no action taken.

Mr. Hudalla provided a detailed report of recommended improvements and maintenance projects for '11 totaling \$6.2 million. Following is a summary of the complete project list, including projects previously approved at the Nov. 10, 2010, meeting of the board:

#### 2011 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

A. Structure Improvements:	<u>\$2,576,000</u>
B. Land Improvements:	
BI. Fencing & Fixtures	0
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
<b>TOTAL Land Improvements</b>	<u>\$0</u>
C. Personal Property	<u>\$151,000</u>
D. Electric Plant:	<u>\$123,000</u>
<b>TOTAL Improvements</b>	<u>\$2,850,000</u>
E. Structure Maintenance:	<u>\$1,347,500</u>
F. Land Maintenance:	
FI. Fencing & Fixtures	66,700
FII. Land	232,500
FIII. Sewer System	155,500

FIV. Streets & Sidewalks	<u>295,000</u>
FV. Water Distribution System	<u>96,500</u>
FVI. Gas Distribution System	<u>2,500</u>
<b>TOTAL Land Maintenance</b>	<u>\$848,700</u>
G. Personal Property Maintenance:	<u>\$404,000</u>
H. Vehicle Maintenance:	<u>\$218,000</u>
I. Electric Plant Maintenance:	<u>\$507,500</u>
<b>TOTAL Maintenance</b>	<u>\$3,325,700</u>

**TOTAL Maintenance & Improvements** \$6,175,700

Following review and discussion, Mr. Foss moved, Ms. Wessel seconded and motion carried that the '11 improvements and maintenance budget be approved by the committee as presented and recommended to the full board for approval (Aye-7; 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 of the planning committee was adjourned at 11:25 a.m. on a motion by Mr. Merkins, seconded by Mr. Scapanski and carried (Aye-7; Nay-0).

#### SOCIETY DISTRICT CAUCUSES 1:45 p.m. Saturday Jan. 15, 2011

Society delegates from the first, third, and sixth regional 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. 16. Selected were Jim Foss of Kenyon (first district), Sharon Wessel of Hamel (third district) and Joe Scapanski of Sauk Rapids (sixth district).

#### GENERAL BUSINESS SESSION OF THE SOCIETY 8 a.m. Sunday Jan. 16, 2011

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 Baker opened the meeting and asked Secretary Jerry Hammer for his report.

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

Ms. Karen Leach and Mr. Steve Pooch were inducted into the State Fair Hall of Fame.

President Baker called for a report of the credentials committee by Randy Larson of Grant 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 Farm Bureau did not file with the Secretary of State by 12/20/10.

Minnesota Horse Breeders did not file with the Secretary of State by 12/20/10.

Honorary Life Member Clarice Schmidt of Sabin on behalf of the Society's Life Member Committee, nominated Dave Johnson of Cottage Grove for Life Membership in the Society, and Mr. Johnson was duly elected.

President Baker called for a report of the resolutions committee. Committee member Bob Glomstad of Lac Qui Parle County presented the following resolutions for consideration by the Society:

**1. Resolved,** that the Minnesota State Agricultural Society express its sincere appreciation to the 1,776,211 guests of the 2010 Minnesota State Fair. Their dedication and patronage made it a success by all measures and the second-best attended fair in history.

**2. Resolved,** that we acknowledge that the fair's existence depends on the loyalty of its visitors whose enthusiasm for education and entertainment is unparalleled. Honoring the traditions deeply rooted in attending and contributing to this culturally rich event, the Society confirms its mission to educate and involve guests by providing a world-class showcase that is innovative, entertaining and fun. Let it be further resolved, that the Society pledges to continue presenting patrons with the finest exposition in North America by providing outstanding customer service, exceptional value and unique experiences.

**3. Resolved,** that the continued success of the Minnesota State Fair is achieved through the combined efforts of many dedicated people, and that the Society recognizes with profound gratitude all who contributed to the success of the 2010 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 affiliations with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association and Midwest Showmen's Association are invaluable in furthering the fair industry regionally and nationally, and that the Society will continue its strong relationships with these and other organizations dedicated to best practices and professional development.

**5. Resolved,** we acknowledge with sadness the loss of Society members and State Fair friends in the last year including: Matthew Comstock, Eco Experience coordinator for the Minnesota Pollution Control Agency; James P. Crawford, FFA leader; Norman Goodwin, 4-H and FFA leader; Charles F. Hofmann, 50-Year Award recipient and bee and honey judge; James A. Libby, veterinarian and co-founder of the Miracle of Birth; and Mike Miles, past chairman of the State Fair Foundation.

**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 year proposal approved in 2010 by the state education commissioner for 25 Minnesota school districts allowed schools to open prior to Labor Day contrary to the State Law upheld time after time by the State Legislature, and

**Whereas,** other school districts are now seeking to circumvent State Law through this same mechanism, and

**Whereas,** the continued circumvention of State Law would deprive tens of thousands of Minnesotans of the opportunity to attend the Great Minnesota Get-Together on school days denying them the unique opportunity to gain valuable education and life experiences at the State Fair while advancing the fair's historical foundation of agriculture and citizenship through 4-H and FFA, and

**Whereas,** the early school openings permitted by the flexible learning year 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 additional flexible learning year proposals designed to circumvent State Law 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,** the Society thanks all who helped make the 152nd annual meeting a success.

The committee moves that the resolutions be adopted as presented.

The resolutions were adopted as read.

Vice President Fox assumed the chair to conduct the election for the office of president of the Society for a term of one year. Denny Baker of Spicer was re-elected and re-assumed the chair.

President Baker then proceeded to conduct elections as follows: Joe Fox of Maplewood was elected to a two-year term as fourth district vice president; Jim Foss of Kenyon was re-elected to a three-year term as first district manager; Sharon Wessel of Hamel was re-elected to a three-year term as third district manager; and Joe Scapanski of Sauk Rapids was re-elected to a three-year term as sixth district manager.

There being no further business to be brought before the Society, President Baker declared the 152nd meeting of the State Agricultural Society adjourned.

## MEETING OF THE BOARD OF MANAGERS

**10:30 a.m. Sunday Jan. 17, 2010**

**Present:** Denny Baker, president; Joe Fox, vice president; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary. Absent: D.J. Leary.

**Also present:** Jim Sinclair; Renee Pearson; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Cheryl Huber; Mary Miller; Gail Anderson; Dennis Larson; Pam Simon; Carol Doyle; Sean Casey; Michelle Butler; Wally LeVesseur; Swan Melstrom; Steve Grans; Tiffany Lindbeck; Mary Pittelko; Theresa Weinfurter; Pam Mix; Brooke Dillon; Chris Schaeppi; Susan Lynskey; Lara Hughes; Julie Samec; Shannon Buchda; Kay Cady; Lindsay Dickson; Kent Harbison.

President Baker called the meeting to order at 10:38 a.m.

Ms. Huber administered oaths of office to newly-elected board members as follows: Denny Baker of Spicer, president (one-year term); Joe Fox of Maplewood, vice president (two-year term); Jim Foss of Kenyon, first district manager (three-year term); Sharon Wessel of Hamel, third district manager (three-year term); Joe Scapanski of Sauk Rapids, sixth district manager (three-year term).

On a motion by Mr. Fox, seconded by Mr. Foss and carried, Jerry Hammer of St. Paul was re-appointed to a one-year term as executive vice president of the Society at a salary specified by the board (Aye-8; Nay-0). Ms. Huber administered the oath of office to Mr. Hammer.

Minutes of the board meeting conducted Nov. 10, 2010, were reviewed and approved on a motion by Mr. Paulson, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Minutes of interim activities covering the period Nov. 10, 2010, through Jan. 14, 2011, were approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Mr. Jacobson presented the financial statement for Dec. 31, 2010, as follows:

### MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending December 31, 2010

#### OPERATING ACCOUNT ACTIVITY:

Cash Balance-Nov. 30, 2010		\$5,037,153
Add: Cash Deposits	\$176,352	
Less: Payroll Ending Dec. 10	(178,339)	
Payroll Ending Dec. 23	(190,310)	
Cash Disbursements	(872,297)	(1,064,594)
Cash Balance-Dec. 31, 2010		\$3,972,559

#### BUILDING FUND ACTIVITY:

Balance-Nov. 30, 2010		\$449
Add: Interest Earned		-
Securities Purchased		
Less: Securities Redeemed		
Balance-Dec. 31, 2010		\$449

#### CONSTRUCTION FUND ACTIVITY:

Balance-Nov. 30, 2010		\$13,467
Add: Interest Earned		1
Balance-Dec. 31, 2010		\$13,468

#### CASH BALANCES FOR MONTH ENDING DECEMBER 31:

	2009	2010
General Fund	\$3,085,437	\$3,972,559
Petty Cash	5,600	5,600
Building Fund	449	449
Construction Fund	13,451	13,468
<b>Total Cash Balances</b>	<b>\$3,104,937</b>	<b>\$3,992,076</b>

After discussion, the financial statement was approved on a motion by Mr. Foss, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Mr. Jacobson presented recommendations for the Society's designated depository, signature authorization and security funds transfer as follows:

Bremer Bank was designated as the depository for the Society's operating account, payroll account and premium fund account with the following signatory authority: Operating account - Gerald Hammer and Marshall Jacobson with "Hammer/Jacobson" signature imprint authorized for operating account; Regular and fair-period payroll account - Gerald Hammer with "Hammer" signature imprint authorized for payroll funds; Premium account - Gerald Hammer with "Hammer" signature imprint authorized for premium account; Security fund

transfer resolution - Gerald Hammer or Marshall Jacobson. After discussion, the preceding was approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

The following standing committee appointments for 2011 were reviewed by President Baker:

**Finance Committee** - Oleheiser, chairman; Foss; Fox; Paulson; Wessel; Scapanski; Baker, ex officio; Hammer, ex officio; Jacobson, ex officio.

**Governmental Affairs Committee** - Merkins, chairman; Foss; Leary; Oleheiser; Paulson; Wichmann; Baker, ex officio; Hammer, ex officio; Pearson, ex officio; Hudalla, ex officio.

**Honors Committee** - Leary, chairman (two years); Blakey (one year); Fox (one year); Sinclair (two years); Pearson (two years); Baker, ex officio; Hammer, ex officio.

**Life Member Advisory Committee** - Lake, chairman; Steltz, vice chairman; Grass; Hagen; Johnson; Keenan; Korff; Ojakangas; Prokosch; Reinhardt; Roehlke; Schmidt; Simons; Wenzel; Baker, ex officio; Hammer, ex officio; Huber, ex officio.

**Operations Committee** - Wessel, chairman; Foss; Fox; Leary; Merkins; Wichmann; Baker, ex officio; Hammer, ex officio; Hudalla, ex officio; Leach, ex officio.

**Planning Committee** - Paulson, chairman; Foss; Fox; Leary; Merkins; Oleheiser; Wessel; Scapanski; Wichmann; Baker, ex officio; Hammer, ex officio; Hudalla, ex officio; Goodrich, ex officio; Casey, ex officio.

**Public Affairs Committee** - Fox, chairman; Foss; Leary; Merkins; Paulson; Scapanski; Baker, ex officio; Hammer, ex officio; Pearson, ex officio.

**Rules & Premium Lists Committee** - Foss, chairman; Fox; Oleheiser; Paulson; Wessel; Wichmann; Baker, ex officio; Hammer, ex officio; Goodrich, ex officio; Butler, ex officio; LeFebvre, ex officio.

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

The committee appointments were approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-8; Nay-0).

President Baker presented the following board liaison and department superintendent appointments for 2011:

Administration - Oleheiser

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

Competition - Wessel

Bee Culture – Merkins (Robert Meath, superintendent)  
Beef Cattle - Wichmann (Chuck Schwartau, superintendent)  
Christmas Trees - Merkins (Greg Ustruck, superintendent)  
Creative Activities - Leary (Curt Pederson, superintendent)  
Dairy Cattle - Scapanski (Debra Kraus, superintendent)  
Dairy & Boer Goats - Wessel (Kevin LeVoi & Gretchen Sankovitz, superintendents)  
Dairy Products – Scapanski (Lisa Ramacher, superintendent)  
Dog Trials - Oleheiser (JoAnna Yund, superintendent)  
Education - Fox (Florence Newton, superintendent)  
English Horses – Foss (Gary Florke, superintendent)  
Farm Crops - Merkins (Ron Kelsey, superintendent)  
Fine Arts - Leary (Jim Clark, superintendent)  
Flowers - Merkins (Phyllis Andrews, superintendent)  
4-H - Paulson (Brad Rugg, superintendent)  
Fruits - Merkins (Louis Quast, superintendent)  
FFA - Wessel (Duane Hutton, superintendent)  
Llamas - Wichmann (Jen Rouillard, superintendent)  
Milking Parlor - Paulson (Doris Mold, superintendent)  
Miracle of Birth Center - Wessel (Jim Ertl, superintendent)  
Poultry - Paulson (John Thomforde, superintendent)  
Sheep - Foss (Jo Bernard, superintendent)  
Swine - Leary (Jerry Hawton, superintendent)  
Vegetables - Merkins (Phil Klint, superintendent)  
Western Horses - Foss (Gloria Enger, superintendent)

Entertainment - Fox

Grandstand Production - Foss

Heritage Exhibits - Wichmann (Jan Bankey, superintendent)

Finance - Fox

Fair-time Payroll - Paulson (Erica Anderson, superintendent)

Ticket Audit - Leary (Dick Reinhardt, superintendent)

Ticket Sales - Fox (Ken Wagner, superintendent)

Marketing - Oleheiser

Operations - Fox

Admissions - Paulson (Dave Woodis, superintendent)

Park & Ride - Scapanski (Dick Anderson, superintendent)

Parking - Scapanski (Jim Benz, superintendent)

Public Safety - Oleheiser (Art Blakey, superintendent)

Sanitation - Oleheiser (Brad Vier, superintendent)

Sales - Foss

Attraction Ticket Takers - Wichmann (Jerri Longlet)

The liaison and superintendent appointments were approved on a motion by Mr. Paulson, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

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

## OPERATIONS COMMITTEE MEETING

**Present:** Sharon Wessel, chairman; Jim Foss; Joe Fox; Paul Merkins; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio.

Chairman Wessel called the meeting to order.

Mr. Hammer presented the following gate admission policy for the '11 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 gate admission policy was adopted as presented on a motion by Mr. Foss, seconded by Mr. Merkins and carried (Aye-4; Nay-0).

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

The operations committee meeting was adjourned on a motion by Mr. Foss, seconded by Mr. Fox and carried (Aye-4; Nay-0).

## PUBLIC AFFAIRS COMMITTEE MEETING

**Present:** Joe Fox, chairman; Jim Foss; Paul Merkins; Al Paulson; Joe Scapanski; Denny Baker, ex officio; Jerry Hammer, ex officio; Renee Pearson, ex officio.

Chairman Fox called the meeting to order.

Ms. Pearson presented advertising and marketing budgets for '11. After discussion, the budgets were approved on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-4; Nay-0).

The public affairs committee meeting was adjourned on a motion by Mr. Paulson, seconded by Mr. Fox and carried (Aye-4; Nay-0).

## RULES & PREMIUM LIST COMMITTEE MEETING

**Present:** Jim Foss, chairman; Joe Fox; Ron Oleheiser; Al Paulson; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio; Mark Goodrich, ex officio; Michelle Butler, ex officio.

Chairman Foss called the meeting to order.

After discussion, 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 2011 operating budget on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-5; Nay-0).

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

## FINANCE COMMITTEE MEETING

**Present:** Ron Oleheiser, chairman; Jim Foss; Joe Fox; Al Paulson; Joe Scapanski; Sharon Wessel; Denny Baker, ex officio; Jerry Hammer, ex officio; Marshall Jacobson, ex officio.

Chairman Oleheiser called the meeting to order.

Mr. Hammer presented the improvements, maintenance and operating budgets that were reviewed and approved by the planning committee Jan. 15. After further discussion, the budgets were approved by the finance committee on a motion by Mr. Paulson, seconded by Mr. Scapanski and carried (Aye-5; Nay-0).

Mr. Jacobson reviewed the activity of long-term debt accounts related to Grandstand renovation and livestock roof replacement financing; Mr. Jacobson's report was approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-5; Nay-0).

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

President Baker reconvened the meeting of the full board.

Action taken earlier by the sales, planning, operations, public affairs, rules & premium list and finance committees was approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

After discussion, the following admission fee schedule was approved for the 2011 State Fair on a motion by Mr. Fox, seconded by Mr. Foss and carried (Aye-8; Nay-0):

Adults (13-64)	\$12
Seniors (65 and over)	\$10
Children (5-12)	\$10
Kids under 5	Free
Seniors & Kids Days promotions	\$7
Thrifty Thursday Adults & Seniors	\$10
Thrifty Thursday Children	\$7
Auto Parking	\$12
All-ages pre-fair discount	\$9

Mr. Hudalla reviewed the Society's current agreements with five building trades contractors providing a variety of services. After discussion, a three-year contract for painting services was approved for J.B. Nelson & Son, Inc., of Minneapolis on a motion by Mr. Paulson, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

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

	<b>Proposed</b>
North Midway Overnight Lot .....	\$400 per day
South Midway Overnight Lot .....	\$400 per day
15' and 20' Portable Bleachers .....	\$75 each
Newly Added Rental Items:	
Scissor Lift .....	\$20 per hour
Four-foot Portable Cooling Unit .....	\$100 per day
Three-foot Portable Cooling Unit .....	\$75 per day
Two-foot Portable Cooling Unit .....	\$75 per day
16-inch Portable Cooling Unit .....	\$50 per day
Coliseum Ice Rates	
(retroactive to the start of the 2010 - 2011 Ice Season)	
College or University game .....	\$650 per game
Hourly Rate .....	\$170 per hour
Non-Prime Hourly Rate .....	\$140 per hour
Open Skating-Rec Hockey-Long Blades:	
Daily Admission .....	\$4 per session
10-Punch Pass .....	\$30 (new)
Open Walking or Jogging 10-Punch Pass .....	\$20 (new)

After discussion, the rates were approved as proposed on a motion by Mr. Foss, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

Mr. Hammer was authorized to set staff salaries according to job classifications and ranges established by the Society board May 21, 2010, on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

The Society's legal representation by Fredrickson Byron P.A., and McGrann Shea Carnival Straughn & Lamb Chartered was approved on a motion by Mr. Merkins, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

Mr. Casey reported on the meeting of the Society's life member advisory committee conducted earlier that morning; the report was accepted on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

Ms. Pearson reported on the status of Grandstand entertainment bookings for the '11 State Fair. Information only; no action required.

The next meeting of the Society's board of managers was tentatively set for Monday, March 14.

The meeting was adjourned at 11:41 a.m. on a motion by Mr. Foss, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

## MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES Jan. 16 through March 13, 2011

### January

16-19 - Sinclair attended and spoke at the Western Fairs Association annual convention in Reno, Nev.

17-22 - Anderson attended the INTIX international conference and board meeting in San Francisco, Calif.

18 - Schuette and McGough met with representatives of KS95 Radio to discuss the '11 State Fair.

19 - Simon and Vavreck attended a meeting of the Midway Chamber of Commerce.

24 - Schuette and McGough met with Clear Channel Radio to discuss the '11 State Fair.

26 - Sinclair and Larson met with Dan O'Gara to discuss his concession operation for the '11 State Fair.

28-30 - The St. Paul Winter Carnival Snow Sculpting Competition was conducted at the Kidway lot.

27 - Larson met with representatives of Pactiv Corporation to discuss beverage cups for the '11 State Fair.

### February

3 - Schuette and McGough met with a representative of Around Town TV.

7-12 - Sinclair attended and spoke at the National Independent Concessionaires Association business expo in Tampa, Fla., and also attended Outdoor Amusement Business Association annual meeting, the International Independent Showmen's Association trade show and Florida State Fair.

8 - Schuette offered a presentation on State Fair marketing to students at Stillwater High School.

9 - Pearson, Schuette and McGough met with members of the State Fair Marketing Coalition to discuss the '11 fair.

14 - Larson met with Kennedy Concessions to discuss potential operations at the State Fair.

16 - Simon and Vavreck attended a meeting of the Midway Chamber of Commerce. Larson met with the Minnesota Farm Winery Association regarding their State Fair exhibit.

17 - Larson met with the Minnesota Turkey Growers to discuss their State Fair operations.

26 - March 4 - The Coliseum hosted Minnesota High School League Boys Hockey sectional playoff games.

### March

1 - Pearson and Anderson attended a Minnesota House Commerce and Regulatory Reform Committee hearing on a bill designed to benefit ticket scalpers. Mix and Dillon attended a seminar on social media law presented by Fredrickson & Byron law firm.

2 - The State Fair Foundation's finance committee met at the J.V. Bailey House. Pearson and Anderson attended a Minnesota Senate Commerce Committee hearing on the ticket scalper bill.

2-6 - Hammer and Sinclair attended the annual meeting of the Mid-West Fairs Association in Houston, Texas, and visited the Houston Livestock Show & Rodeo.

3 - The State Fair Foundation's development committee met at the J.V. Bailey

House. Larson, Simon and Doyle attended the Minneapolis Home & Garden Fair at the Minneapolis Convention Center.

5 - The Minnesota Intercollegiate Athletic Conference hockey championship was played at the Coliseum.

6-9 - Sinclair attended and spoke at the IAFE Fair Management Institute and Spring Seminar in Indianapolis, Ind.

7 - Larson met with representatives of Pactiv Corporation and R.J. Schinner regarding beverage cups for the '11 State Fair.

7-9 - Schuette attended the IAFE Spring Seminar in Indianapolis, Ind.

9 - Hammer attended a meeting of the State Fair Foundation's investment committee at the J.V. Bailey House. Pearson and Anderson attended a Minnesota House Commerce and Regulatory Reform Committee hearing on legislation benefiting ticket scalpers.

11 - Goodrich and LeFebvre attended the Minnesota Purebred Dairy Cattle Association all breeds convention in Mankato.

11-13 - The Minnesota Deer Classic and Outdoor Expo was held at the Coliseum.

#### **MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD 9 a.m. Monday March 14, 2011**

##### **Libby Conference Center, State Fairgrounds**

**Members present:** Denny Baker, president; Joe Fox, vice president; D.J. Leary, vice president; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

**Also present:** Jim Sinclair; Renee Pearson; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Cheryl Huber; Dennis Larson; Pam Simon; Gail Anderson; Brienna Schuette; Wally LeVesseur; Tiffany Lindbeck; Maria McCullough; Susan Lynskey; Brooke Dillon; Virginia Mold; Jesse Poppe; Lindsay Dickson.

President Baker called the meeting to order at 9:05 a.m.

Minutes from the Society board meetings, committee meetings and general business sessions conducted Jan. 14 through 16, 2011, were approved on a motion by Mr. Paulson, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Minutes covering interim activities from Jan. 16 through March 13 were approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Jacobson presented the February 2011 financial statement as follows:

#### **MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending February, 2011**

##### **OPERATING ACCOUNT ACTIVITY:**

Cash Balance-Jan. 31, 2011		\$3,217,139
Add: Cash Deposits	\$242,459	
Less: Payroll Ending Feb. 4	(182,773)	
Payroll Ending Feb. 18	(180,967)	
Cash Disbursements	(453,863)	(575,144)
Balance-Feb. 28, 2011		\$2,641,995

##### **BUILDING FUND ACTIVITY:**

Balance-Jan. 31, 2011		\$449
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Feb. 28, 2011		\$449

##### **CONSTRUCTION FUND ACTIVITY:**

Balance-Jan. 31, 2011		\$13,468
Add: Interest Earned		
Balance-Feb. 28, 2011		\$13,468

##### **CASH BALANCES FOR MONTH ENDING FEBRUARY 28:**

	<b>2010</b>	<b>2011</b>
General Fund	\$1,576,683	\$2,641,995
Petty Cash	20,600	25,600
Building Fund	449	449
Construction Fund	13,456	13,468
<b>Total Cash Balances</b>	<b>\$1,611,188</b>	<b>\$2,681,512</b>

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

Ms. Lindbeck and Mr. Sinclair presented requests to license French Meadow to sell beer and wine at the Living Green Expo (May 7 & 8) and Chop Liver LLC to sample beer at the St. Paul Summer Beer Fest (June 25); on a motion by Mr. Fox, seconded by Mr. Scapanski, licenses for both events were granted (Aye-9; Nay-0).

The board approved the following promotion for Wednesday Aug. 31 on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-9; Nay-0):

Read & Ride Day - A gate discount promotion for the day offering \$10 admission for adults (13 through 64), \$7 admission for children (5-12) and \$7 admission for seniors (65 and over) who present a valid library card at the gate, plus discounts and other promotions throughout the day for all fair guests on Mighty Midway and Kidway rides and games.

The following promotion was approved for Tuesday Aug. 30 on a motion by Mr. Merkins, seconded by Mr. Paulson and carried (Aye-9; Nay-0):

Military Appreciation Day - \$7 for active military, spouses and kids; \$7 for retired military; \$7 for military veterans. All must present valid documentation of military service.

Mr. Hammer, Ms. Pearson and Ms. Anderson reported on the current session of the state legislature and legislation that could affect the State Fair. Information only; no action taken.

Mr. Sinclair offered an update on activities of the sales division. Information only; no action taken.

Mr. Goodrich presented information on the status of various agricultural and creative contests set for the upcoming fair. Information only; no action taken.

Ms. Pearson provided an update on the status of entertainment bookings and marketing efforts for the '11 State Fair. Information only; no action taken.

Ms. Lindbeck gave a preview of the upcoming non-fair events season. Information only; no action taken.

Mr. Hudalla reported on capital and maintenance projects, a comprehensive transit study and State Fair recycling efforts. Information only; no action taken.

Mr. Foss, Mr. Hammer and Ms. Dickson reported on activities of the State Fair Foundation, followed by discussion on the Foundation's debt to the fair for start-up costs. On a motion by Mr. Leary, seconded by Mr. Fox and carried, further discussion on the debt was tabled until the June meeting of the board (Aye-9; Nay-0).

Approval for board members to travel out-of-state to the IAFE Zone 4 meeting in Mitchell, S.D., was granted on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

President Baker declared the meeting in executive session at 11:49 a.m. The executive session was adjourned on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

The board meeting was adjourned at 12:24 p.m. on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

#### **MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES March 14 to June 3, 2011**

##### **March**

17 - Pearson and Anderson met with a coalition of promoters, venue managers and sports teams to discuss legislation that favors ticket scalpers.

19-20 - The Minnesota Weapons Collectors Association presented their annual winter show at the Warner Coliseum.

25-27 - The Super Golf Sale, presented by Blue Star Productions, was held at the Warner Coliseum.

28-30 - Sinclair, Huber, Leach, Larson, Grans, Samec, Lynskey and board members Baker, Fox, Foss, Merkins, Wessel, Scapanski and Wichmann attended the IAFE Zone 4 spring meeting in Mitchell, S.D.

30 - Schuette presented a program on State Fair marketing to Como Park High School students.

31 - April 3 - The St. Paul Osman Temple Shrine Circus was presented at the Warner Coliseum.



## April

1 - Sinclair and Simon met with representatives of Crossroads Chapel to discuss their exhibit.

6 - The first of several leadership training sessions were held for State Fair full-time staff. Pearson met with representatives of I.A.T.S.E. Local 13 to discuss stagehand contracts for 2011-2013.

7 - Hammer, Simon and Casey met with representatives of the Cunningham Group to discuss Horse Barn and Sheep & Poultry Barn projects. Huber and Samec participated in a vendor show presented by the Minnesota Employees Recreation and Services Council.

9-10 - The Gopher State Timing Association Rod & Custom Spectacular was held at the Warner Coliseum.

11 - Schuette gave a presentation on State Fair marketing to students at Minnesota State University in Mankato.

12 - Sinclair, Jacobson and Hines met with Skyride owner Don McClure to discuss ride operations and ticketing for the upcoming fair.

15-17 - Munchkin Markets Children's Consignment Sale was held at the Merchandise Mart.

15-18 - Hammer, Sinclair, Pearson, Hudalla, Huber, Miller, Simon, Weinfurter and Schuette attended the IAFE Spring Management Conference in Louisville, Ky.; Pearson, Huber, Weinfurter and Schuette were awarded Certified Fair Executive honors during the conference.

16-17 - The Antique Spectacular Show & Flea Market, presented by Prime Promotions, was held at the Grandstand. The Minneapolis-St. Paul Spring Military Relics Show was conducted at the Progress Center. The Minnesota Weapons Collectors Show was held at the Education Building.

21 - Blood-borne pathogen training was presented for staff at the Libby Conference Center. Pearson met with representatives of I.A.T.S.E. Local 13 to finalize stagehands contracts for 2011-2013. Schuette and McGough met with representatives of Around Town Media.

22 - The first of several hiring and payroll training sessions for supervisory staff was held at Libby Conference Center.

26 - Several staff members participated in a webinar on revised Americans with Disabilities Act regulations.

27 - Sinclair and Simon met with representatives of the Minnesota Pollution Control Agency to discuss the Eco Experience exhibit partnership. Pearson, Schuette and McGough met with members of the MSF Marketing Coalition to discuss TV ads for the upcoming fair.

28 - Weinfurter and Buchda attended a talent showcase presented by G. L. Berg Agency in St. Cloud.

29-30 - The Active Living Bike Expo, presented by the Bike Alliance of Minnesota, was held at the Education Building.

29 - May 1 - The Minnesota Horse Expo was presented at the Warner Coliseum and livestock complex.

30 - The St. Paul Craftstravaganza was held at the Fine Arts Center.

## May

1 - The Northland Antique, Toy, Doll & Advertising Show was held at the Progress Center. Gopher State Buick's Spring Extravaganza & Swap Meet was conducted on Machinery Hill. Hammer and members of the board attended the 50th wedding anniversary celebration for Corinne and Denny Baker in Spicer.

4 - Anderson attended a meeting of the state Senate Judiciary & Public Safety Committee on legislation favoring ticket scalpers. Schuette presented a program on entrepreneurs at the State Fair to students at Irondale High School.

6-8 - The Sahara Sands Spring Classic Horse Show was conducted at the Warner Coliseum and livestock complex. The Friends School of Minnesota plant sale was presented at the Grandstand.

7-8 - The Living Green Expo was held at the Education Building, Creative Activities Building, Progress Center, 4-H Building, Arts Center and adjacent outdoor areas on Cosgrove Avenue.

9 - The fair's employment office opened its on-line registration system.

10 - Mix attended a meeting of the Ramsey County Employers Committee at the St. Paul WorkForce Center.

11 - Baker, Fox, Leary and Hammer met to discuss programming for the June 1-3 planning sessions of the board. Hammer participated in a meeting of the State Fair Foundation's finance committee. Miller and Mix attended a social media seminar presented by the Fredrickson Byron law firm. Schuette and Hughes met with representatives of Belmont Partners to discuss public relations for the Midwest Dairy Association at the fair.

12 - Anderson met with Dennis Scanlon of ETIX ticketing service.

12-15 - The FASH Saddlebred Horse Show was presented at the Warner Coliseum and livestock complex.

13-15 - The Art on a Line Watercolor Art Show & Sale, presented by the North Star Water Color Society, was held at the Fine Arts Center.

14 - The Minnesota Classic Car & Vintage Motorcycle Auction was held at the Grandstand. The Spring Model Railroad & Hobby Sale was held at Education Building.

14-15 - The Rubber Stamp, Scrap Book & Women's Expo was conducted at the Progress Center.

15 - The First Fifty Auto Parts Sale & Swap Meet was held on Machinery Hill.

16 - Anderson attended a meeting of Ticketing Services Group of the Upper Midwest at Target Field and was elected to its board of directors.

17 - Pearson attended an International Entertainment Buyers Association board meeting in Nashville, Tenn.

18 - The State Fair employee safety committee met at the Administration Building.

19 - Foss, Hammer and life member Schmidt participated in a meeting of the State Fair Foundation board at the Progress Center. Miller, Huber, Pittelko and Hayne attended a webinar on federal Department of Labor regulations.

20 - Former State Fair board member, past president and honorary life member Howard Recknor died in Albert Lea.

20-June 5 - ApplianceSmart presented the Major Appliance Liquidation Event at the Education Building.

21-22 - The Minnesota Comic Book Association's Springcon Comic Book Convention was conducted at the Grandstand.

24 - Members of the State Fair board, life members of the Society and State Fair staff attended funeral services for Howard Recknor in Hartland. Hammer and Pearson conducted fairgrounds tours for State Fair Foundation donors.

25 - Sinclair and Simon met with representatives of Crossroads Chapel to finalize details for their move to a new exhibit facility for the '11 fair.

25-30 - The Minnesota American Quarter Horse Association Corporate Challenge was presented at the Warner Coliseum and livestock facilities.

## **MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE SALES COMMITTEE & GOVERNING BOARD 9 a.m. Friday June 3, 2011 Ruttger's Bay Lake Lodge, Deerwood, Minn.**

### **MEETING OF THE SALES COMMITTEE**

**Members present:** Jim Foss, chairman; Joe Fox; D. J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio.

**Also present:** Cheryl Huber.

Chairman Foss called the meeting to order at 9 a.m.

On a motion by Mr. Fox, seconded by Mr. Paulson and carried, the commercial exhibit structure at 1362 Underwood St. was purchased from Dan Wozniak for \$217,000 and sold to the Greater St. Paul Association of Evangelicals for the same amount (Aye-8; Nay-0).

Hot Shot Thrill Rides was approved to present their Maxxx Super Flyyy attraction at Adventure Park for a percentage fee payment net of 7.125 percent sales tax on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Mr. Hammer presented the following list of ticketed attraction price recommendations for consideration:

Concessionaire	Attraction	2010 Ticket Price	Proposed 2011 Ticket Price(s)
D.M.C., Inc.	Skyride	\$3 one-way* \$5 round trip	\$3.50 one way \$5 round trip*
Hot Shot Thrill Rides	<u>Sling Shot</u>	\$25 *	\$30 single rider** \$55 two (2) riders
Hot Shot Thrill Rides	<u>Maxxx Super Flyyy***</u>		\$15
Skyfair, Inc.	SkyGlider	\$3 one-way* \$5 round trip	\$3.50 one-way \$5 round trip*
Skyscraper Two, Ltd.	<u>Skyscraper</u>	\$25*	\$30 single rider** \$55 two (2) riders
Tinsley Amusements, Inc.	Carousel	\$2*	\$2.50

\* = Ticket price previously approved on 1/16/11

\*\* = Early Bird Special - \$25 per rider (2010 price/save \$5 per rider) from opening until 1 p.m. weekdays

\*\*\* = New ticketed percentage attraction located in Adventure Park

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

After discussion, the ticket prices were approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Mr. Hammer presented a list of new commercial exhibits, Midway and Kidway attractions. Information only; no action taken.

The committee meeting adjourned at 9:35 a.m. on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

#### MEETING OF THE GOVERNING BOARD

**Members present:** Denny Baker, president; Joe Fox, vice president; D. J. Leary, vice president; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

**Also present:** Cheryl Huber.

President Baker called the meeting to order at 9:35 a.m.

After review, the minutes of the board meeting conducted March 14, 2011, were approved on a motion by Ms. Wessel, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

The board offered its congratulations to all State Fair staff members who have earned Certified Fair Executive recognition from the International Association of Fairs & Expositions - especially Ms. Huber, Ms. Pearson, Ms. Schuette and Ms. Weinfurter who earned their certification earlier this year - on a motion by Mr. Fox, seconded by Mr. Foss and carried (Aye-9; Nay-0).

Interim minutes covering the period March 14 through June 3, 2011, were passed on a motion by Mr. Merkins, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Action taken earlier by the board's sales committee was approved on a motion by Mr. Scapanski, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Hammer presented the financial statement for April, 2011:

#### MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending April 30, 2011

##### GENERAL FUND ACTIVITY:

Cash Balance-Mar. 31, 2011		\$2,612,725
Add: Cash Deposits	\$1,506,340	
Less: Payroll Ending Apr. 1, 2011	(184,868)	
Payroll Ending Apr. 15, 2011	(212,521)	
Payroll Ending Apr. 29, 2011	(202,536)	
Cash Disbursements	(753,668)	152,747
Cash Balance-Apr. 30, 2011		\$2,765,472

##### BUILDING FUND ACTIVITY:

Balance-Mar. 31, 2011	\$449
Add: Interest Earned	
Securities Purchased	
Less: Securities Redeemed	
Balance-Apr. 30, 2011	\$449

##### CONSTRUCTION FUND ACTIVITY:

Balance-Mar. 31, 2011	\$13,470
Add: Interest Earned	
Balance-Apr. 30, 2011	\$13,470

##### CASH BALANCES FOR MONTH ENDING APRIL 30:

	2010	2011
Operating Account	\$912,757	\$2,765,472
Petty Cash	5,600	25,600
Building Fund	449	449
Construction Fund	13,457	13,470
<b>Total Cash Balances</b>	<b>\$932,263</b>	<b>\$2,804,991</b>

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

Mr. Hammer presented State Fair Resolution 11-01 authorizing the amendment of the State Fair 2009 Subordinated Indebtedness Note to extend the maturity thereof and authorizing certain other actions. The complete resolution is on file at the Society offices on the State Fairgrounds. The resolution was approved on a motion by Mr. Foss, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Hammer presented payroll projections for the upcoming fair totaling \$2.4 million for 78 departments. After discussion, the projections were approved on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Hammer reported on the Office of the Legislative Auditor's audit of the Society's books and accounts for fiscal 2010. Information only; no action taken.

Mr. Hammer reviewed the 2011 session of the Minnesota Legislature and its potential impact on the Society. Information only; no action taken.

Mr. Hammer gave an update of construction and maintenance projects currently underway at the fairgrounds. Information only; no action taken.

Mr. Hammer presented the following 2011 State Fair entertainment contracts for consideration:

CONTRACTOR	DATES	TERMS	VENUE
Americana Fireworks Display Co. (Fireworks)	8/25-9/5	\$35,000.00	Grandstand Production
P.E.S.O., Inc. (Concert Ushers)	8/25-9/5	Payable upon receipt of invoice \$16/hour per person	Grandstand Production
A.S.I.A., Inc. (Concert Security)	8/25-9/5	Payable upon receipt of invoice \$18.10/hour per person	Grandstand Production
Premier Global Production Company, Inc. (Lighting)	8/25-9/5	\$26,500.00	Grandstand Production
Mark Anderson (Grandstand Superintendent)	8/25-9/5	\$17,950.00	Grandstand Production
Clair Brothers Audio, Inc. (GS Sound)	8/25-9/5	\$70,177.00	Grandstand Production
Eat Your Heart Catering (Grandstand Catering)	8/25-9/5	\$15,000.00 plus final payment due upon receipt of invoice	Grandstand Production
Premier Global Production Company, Inc. (Grandstand Roof)	8/25-9/5	\$86,000.00	Grandstand Production
Ronnie Dunn	8/25	\$100,000.00 flat	Grandstand
Reba's Business, Inc. f/s/o Reba McEntire	8/25	\$300,000.00 plus 80% over \$500,000.00	Grandstand

Def Lepp, Inc. f/s/o Def Leppard	8/26	\$450,000.00 plus 90% over \$550,000.00	Grandstand
Big Time Rush	8/27	\$100,000.00 plus 80% over \$200,000.00	Grandstand
Flower Power Concerts, Inc. f/s/o Happy Together Tour 2011	8/29	\$55,000.00 plus 80% over \$155,000.00	Grandstand
Ericho, Inc. f/s/o Eric Church	8/31	\$40,000.00 flat	Grandstand
Tokeco, Inc. f/s/o Toby Keith	8/31	\$350,000.00 plus 90% over \$490,000.00	Grandstand
Cardenas Marketing Network f/s/o Marc Anthony	9/1	\$400,000.00 plus 80% over \$540,000.00	Grandstand
International Artists f/s/o Marc Anthony	9/1	\$40,000.00 flat	Grandstand
Minnesota Public Radio f/s/o A Prairie Home Companion	9/2	60% off net box office receipts	Grandstand
RS Entertainment, Inc. f/s/o Ricky Skaggs	8/27-28	\$37,500.00 flat	Bandshell Tonight!
Top Ten, Inc. f/s/o Don Felder	8/29-30	\$45,000.00 flat	Bandshell Tonight!
Tapes 'n Tapes	9/4-5	\$17,500.00 flat	Bandshell Tonight!
Will Hoge Touring, Inc. f/s/o Will Hoge	8/25-26	\$6,000.00 flat	Bandshell Day
Paulette Carlson Entertainment f/s/o Paulette Carlson	8/29-30	\$8,000.00 flat	Bandshell Day
Ted Lange f/s/o Squeezebox	8/31-9/1	\$3,000.00 flat	Bandshell Day
Tom Lewis f/s/o Heybale!	8/31-9/1	\$7,5000.00 flat	Bandshell Day
Tonic Sol-fa, Inc.	9/2-3	\$8,000.00 flat	Bandshell Day
Raymond Berg's Music Works, Inc. f/s/o Sisters of Swing in Concert	8/25-26	\$3,200.00 flat	Bazaar Day
John Wright dba New Folk Productions f/s/o Lehto & Wright	8/25-26	\$3,500.00 flat	Bazaar Day
Douglas Vickers Little f/s/o Charanga Tropical	8/27-28	\$4,000.00 flat	Bazaar Day
Ukrainian American Youth Association f/s/o Cheremosh Ukrainian Dance Ensemble	8/27-28	\$2,000.00 flat	Bazaar Day
Chris Hepola f/s/o Brass Messengers	8/29-30	\$2,400.00 flat	Bazaar Day
Chuck Thiel f/s/o Chuck Thiel & The Jolly Ramblers	8/29-30	\$2,000.00 flat	Bazaar Day
Native Pride Productions, Inc. f/s/o Native Pride Dancers	8/31-9/1	\$3,500.00 flat	Bazaar Day
Craig Gallas f/s/o Exotik-A-GoGo	8/31-9/1	\$3,000.00 flat	Bazaar Day
Daniel A. Newton f/s/o Cafe Accordion Orchestra	9/2-3	\$3,000.00 flat	Bazaar Day
Jack Brass Band f/s/o Jack Brass Band	9/2-3	\$2,750.00 flat	Bazaar Day

Laura MacKenzie f/s/o Laura MacKenzie Trio	9/4-5	\$3,500.00 flat	Bazaar Day
Donna Torres-Pena f/s/o Mariachi Flor Y Canto	9/4-5	\$3,600.00 flat	Bazaar Day
Terence J. Walsh f/s/o Belfast Cowboys	8/25-26	\$3,000.00 flat	Bazaar at Night
James Rodriguez f/s/o Free and Easy	8/27-28	\$3,000.00 flat	Bazaar at Night
Rubber Soul Entertainment f/s/o Rubber Soul – Beatles Tribute	8/29-30	\$3,000.00 flat	Bazaar at Night
Pearl Productions, LLC f/s/o Ronn Easton's All Star Soul Revue	8/31-9/1	\$2,200.00 flat	Bazaar at Night
Elisa Wright f/s/o Boiled in Lead	9/2-3	\$4,000.00 flat	Bazaar at Night
Josh Taulbee f/s/o High & Mighty	9/4-5	\$3,000.00 flat	Bazaar at Night
BC Characters, Inc. f/s/o Monster Shop Bumpn' with the BC Characters	8/25-9/5	\$30,360.00 flat	Family Fair at Baldwin Park
Sean Emery f/s/o Sean Emery	8/25-9/5	\$11,400.00 flat	Family Fair at Baldwin Park
Greg Frisbee f/s/o Greg Frisbee	8/29-30	\$1,800.00 flat	Family Fair at Baldwin Park
Koo Koo Kanga Roo, LLC F/s/o Koo Koo Kanga Roo	8/27-28	\$2,000.00 flat	Family Fair at Baldwin Park
Howard Walstein f/s/o Kidsdance	8/31-9/1	\$2,000.00 flat	Family Fair at Baldwin Park
Kenny Ahern f/s/o Kenny Ahern	9/2-3	\$1,700.00 flat	Family Fair at Baldwin Park
Sheltered Reality f/s/o Sheltered Reality	9/4-5	\$2,100.00 flat	Family Fair at Baldwin Park
Past Presentations, LLC (Log Cabin)	8/25-9/5	\$5,900.00 flat	Heritage Square
Roger Abrahamson (Woodturner)	8/25-9/5	\$3,400.00 flat	Heritage Square
David Mariette (Blacksmith)	8/25-30	\$2,050.00 flat	Heritage Square
Premier Global Production Company Inc. (Heritage Square Stage)	8/25-9/5	\$6,500.00 flat	Heritage Square
Joel Miller (Blacksmith)	8/31-9/5	\$2,800.00 flat	Heritage Square
Dan Sparkman f/s/o Milk Run	8/28	\$50.00 flat	Milk Run
Rick Recker f/s/o Milk Run	8/28	\$350.00 flat	Milk Run
Rock-It The Robot, Inc. f/s/o Rock-it The Robot	8/25-9/5	\$11,400.00 flat	Misc. Attractions
Lumberjack Sports International, Inc. f/s/o IRONJACK Timber Team	8/25-9/5	\$34,000.00 flat	North Woods
Ron Schara Enterprises, LLC f/s/o Ron Schara's Minnesota Bound	8/25-9/5	\$8,000.00 flat	North Woods
Robert G. Summerbell f/s/o Wacky Wheeler	8/25-9/5	\$6,300.00 flat	Parade
Paul Husby f/s/o St. Anthony Park Community Band	8/26	\$100.00 flat	Parade
Twin Cities Unicycle Club f/s/o Twin Cities Unicycle	8/26	\$400.00 flat	Parade

St. Paul Police Department f/s/o St. Paul Police Band	8/27	\$250.00 flat	Parade
PedalPub Twin Cities, LLC f/s/o PedalPub	8/27	\$430.00 flat	Parade
Tri-State Judging Association (Parade Judges)	8/25-9/4	\$2,200.00 flat	Parade
Richard Dufault (Parade Judge)	8/25-9/4	\$2,420.00 flat	Parade
Jeff Goldsmith (Parade Judge)	8/25-9/4	\$1,710.00 flat	Parade
Nick Wishard f/s/o Nicholas Wishard	8/27	\$450.00 flat	Talent Contest
Eric Roberts f/s/o The Twilight Hours	8/27-28	\$6,000.00 flat	Heritage At Sundown
Kerry Christensen f/s/o Kerry Christensen Master Yodeler	8/25-26	\$2,600.00 flat	Heritage Square Day
David R. Melgaard f/s/o The Top Notchmen	8/25-26	\$1,500.00 flat	Heritage Square Day
Minnesota State Fiddler's Association (MSF Fiddle Contest)	8/27-28	\$3,175.00 flat	Heritage Square Day
Wild Goose Chase Cloggers f/s/o Wild Goose Chase Cloggers	8/27-28	\$2,000.00 flat	Heritage Square Day
Barbary Coast Productions, Inc. f/s/o Barbary Coast Dixieland Show Band	8/29-30	\$3,300.00 flat	Heritage Square Day
Wallace R. Pikal f/s/o Wally Pikal	8/29-30	\$2,000.00 flat	Heritage Square Day
The High 48s, LLP f/s/o The High 48s Bluegrass Band	8/31-9/1	\$2,250.00 flat	Heritage Square Day
Tommy Horton f/s/o Tommy Horton Show	8/31-9/1	\$5,500.00 flat	Heritage Square Day
Minnesota Bluegrass and Old Time Music Association, Inc. (MSF Guitar Contest)	9/2-3	\$3,175.00 flat	Heritage Square Day
Richard O. Kimmel f/s/o Dick Kimmel & Adam Granger	9/2-3	\$1,600.00 flat	Heritage Square Day
Becky Livermore f/s/o Barefoot Becky & The Ivanhoe Dutchmen	9/4-5	\$3,400.00 flat	Heritage Square Day
Stephen R. Kaul f/s/o Steve Kaul & The Brass Kings	9/4-5	\$1,250.00 flat	Heritage Square Day
Jennifer L. Markey f/s/o Jennifer Markey	8/25-26	\$1,000.00 flat	Ramberg Center
The Mellow Fellows f/s/o The Mellow Fellows	8/25-26	\$700.00 flat	Ramberg Center
David A. Fruehauf f/s/o The Banjo Boys	8/27-28	\$1,000.00 flat	Ramberg Center
Thomas Carl Colosimo f/s/o The Squires	8/27-28	\$1,400.00 flat	Ramberg Center
Patrick J. Gallivan f/s/o The Gallivanter	8/29-30	\$600.00 flat	Ramberg Center
Julie A. Ternes f/s/o Julie Lee's White Rose Band	8/31-9/1	\$1,500.00 flat	Ramberg Center
James P. Berner f/s/o Jim Berner's Music Legends	8/31-9/1	\$800.00 flat	Ramberg Center
Knock Wood LLC f/s/o James Wedgwood	9/2-3	\$1,700.00 flat	Ramberg Center
Sheldon Barthel f/s/o The Blazers	9/2-3	\$1,000.00 flat	Ramberg Center

John Kolstad f/s/o Papa John & The Cool Club	9/4-5	\$1,000.00 flat	Ramberg Center
Arvid E. Johnson Jr. f/s/o Red Johnson	9/4-5	\$1,000.00 flat	Ramberg Center

Action Sports of Minnesota dba 3rd Lair Skatepark 8/25-9/5 \$45,475.00 flat X-Zone

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

The following board-hosted functions during the fair were approved on a motion by Mr. Merkins, seconded by Mr. Paulson and carried (Aye-9; Nay-0): Minnesota Federation of County Fairs board lunch, Friday Aug. 26; Society Hall of Fame and Life Members lunch, Sunday Aug. 28; and Minnesota Livestock Breeders Association breakfast, Thursday Sept. 1.

Motorcycle parking fee for the 2011 State Fair was set at \$6 on a motion by Mr. Leary, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

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

President Baker declared the meeting in executive session at 11:22 a.m. The session ended at 11:44 a.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

The board meeting was adjourned at 11:44 a.m. on motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

### MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

**June 1 through Aug. 25, 2011**

#### June

3-5 - The Great American Gem Show & Sale was held at the Progress Center.

4 - Children's Hospitals & Clinics of Minnesota Reunion was held at the Grandstand and various neighboring streets.

4-5 - The Clinton Anderson Walkabout Tour was conducted at the Warner Coliseum and Horse Barn. The Minnesota Antique Dealers Show was presented at the Fine Arts Center.

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

6-9 - The 4-H Youth Leadership Event was held at the 4-H Building and Baldwin Park.

8 - Blood-borne pathogen training for staff was conducted at the Libby Conference Center.

7 - A meeting of all full-time staff was conducted at Libby Conference Center. Hammer met with McGrann Shea representation to discuss the '11 state legislative session and its potential impact on the State Fair. Category 6 Racing Squad conducted a bicycle race on streets north of Dan Patch Avenue.

8 - Commemorative artwork for the 2011 State Fair, created by artist Steve Thomas of Lino Lakes, was unveiled at the J. V. Bailey House.

8-12 - The Region 10 Arabian Horse Show was held at the Warner Coliseum and livestock complex.

9 - Hammer spoke at a meeting of the Metropolitan Area Management Association. Mix attended a meeting of the St. Paul Human Resources Association.

10-11 - The Viking Chapter of the Antique Motorcycle Club of America hosted the AMCA's National Meet at the Progress Center and Campgrounds. Shuttle parking for the Minnesota State High School League track and field championships was provided at the parking lots south of Como Avenue.

14 - Category 6 Racing Squad bicycle races were held on various streets north of Dan Patch Avenue.

17-19 - The Minnesota Street Rod Association's Back To The '50's Weekend utilized the entire fairgrounds and various exhibit buildings.

21 - Miller, Huber and Mix attended a seminar conducted by Fredrikson Byron PA on new Americans with Disabilities Act regulations. Category 6 Racing Squad bicycle races were held on various streets north of Dan Patch Avenue.

22-25 - The Tanbark Cavalcade of Roses Horse Show was held at the Warner Coliseum and livestock complex.



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

24-25 - The Twin Cities Book Fair, presented by the Minnesota Antiquarian Booksellers Association, was held at the Progress Center. Cat's Pajamas Productions conducted the Vintage Clothing, Jewelry & Textile Show at the Fine Arts Center.

24-26 - The Star of the North Antique Show, presented by Townsend Promotions, was held at the Education Building.

25 - Pet-A-Palooza presented by CBS Radio was held on Machinery Hill. St. Paul Summer Beer Fest was held at the International Bazaar.

28 - Category 6 Racing Squad bicycle races were held on streets north of Dan Patch Avenue.

29 - A staff training session on electrical safety was conducted at the Libby Conference Center.

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

## July

2-3 - The south Como parking lots were used by the Twin Cities Hmong Festival, held at Como Park.

6 - Fire extinguisher training was conducted for staff at the Service Building.

8-10 - The Super Golf Sale, presented by Blue Star Promotions, was held at the Education Building.

9 - The Ethiopian Kids Community Summer Mehager was held at the International Bazaar.

11-14 - FirstHand Research Prototype Vehicle Testing was held on Machinery Hill streets.

12 - Wells Fargo conducted a company event at the Progress Center and Campgrounds. A pre-fair emergency management systems meeting at the Libby Conference Center was attended by staff from multiple departments.

13-17 - The American Quarter Horse Association Region 3 Experience Horse Show was held at the Warner Coliseum and livestock complex.

16 - Sinclair attended the Wisconsin State Fair Foundation's pre-fair fundraising event at the Wisconsin State Fairgrounds in Milwaukee.

16-19 - Anderson attended a board meeting of the International Ticketing Association in Orlando, Fla.

19 - The employee safety committee met at the Libby Conference Center. Sinclair and Hines met with David Garrett of Haas & Wilkerson Insurance to discuss ride, game and attractions insurance coverage.

20 - Metro Transit's Bus Roadeo was held on the south Como parking lot.

22-24 - Car Craft's Summer Nationals Car Show was held throughout the fairgrounds.

23 - Grandstand parking lots were used for shuttle parking for a U2 concert at the University of Minnesota's TCF Bank Stadium.

23-25 - Pearson, Anderson and LeVesseur attended the Delaware State Fair in Harrington.

28 - Sinclair, Simon, Larson and Doyle participated in a meeting of the State Fair's commercial exhibitors communication committee at the Libby Conference Center.

31 - The Cops 'n' Rodders Law Enforcement car show was held on Machinery Hill.

## August

1 - A meeting of all full-time staff including presentation of length of service awards was held at the Libby Conference Center. Sinclair met with John and Jim Keenan to discuss Ye Old Mill operations.

4-7 - The North Central Reining Futurity & Derby Show was held at the Warner Coliseum and livestock complex.

8 - Pre-fair fairgrounds security procedures were implemented.

10 - Orientation for Care & Assistance staff was conducted at the Libby Conference Center.

11-12 - Huber and Simon toured Rochester as a possible site for the 2013 IAFE Zone 4 meeting.

13 - Guest services staff orientation was held at the Libby Conference Center.

16 - 2011 Outstanding Senior Citizens judging was held at the Libby Conference Center.

18 - The Minnesota State Fair Foundation's Taste of the Fair event was held at the International Bazaar.

20 - The State Fair's Around The Fair committee hosted a pancake breakfast and pre-fair program for seasonal and full-time staff at the 4-H Building.

23 - A preview of the 100th State Fair Fine Arts Exhibition was held at the Fine Arts Center.

24 - Princess Kay of the Milky Way was crowned during ceremonies presented by the Midwest Dairy Association at the Bandshell. A pre-fair reception and preview of the Eco Experience was conducted by the Minnesota Pollution Control Agency.

25 - The 2011 Great Minnesota Get-Together opened at 6 a.m.

## MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD 10 a.m. Friday Aug. 26, 2011 Officers Quarters, State Fairgrounds

**Members present:** Denny Baker, president; Joe Fox, vice president; Jim Foss; Paul Merkins; Sharon Wessel; Joe Scapanski; Wally Wichmann; Ron Oleheiser; Al Paulson; Jerry Hammer, secretary.

**Also present:** Marshall Jacobson; Kent Harbison; Sarah Psick; Bill McGrann.

President Baker called the meeting to order at 10:05 a.m.

Minutes of the Society's board and sales committee meetings conducted June 3, 2011, were reviewed and approved on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Minutes of the Society's board meeting conducted Aug. 24, 2011, were approved on a motion by Mr. Foss, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

Minutes of interim activities covering the period June 3 through Aug. 24, 2011, were approved on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Mr. Jacobson presented the July, 2011 financial statement as follows:

## MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending July 31, 2011

### OPERATING ACCOUNT ACTIVITY:

Cash Balance-June 30, 2011		\$2,540,498
Add: Cash Deposits	\$2,132,347	
Less: Payroll Ending July 8	(335,415)	
Payroll Ending July 22	(255,407)	
Cash Disbursements	(2,125,393)	(583,868)
Cash Balance-July 31, 2011		\$1,956,630

### BUILDING FUND ACTIVITY:

Balance-June 30, 2011		\$450
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-July 31, 2011		\$450

### CONSTRUCTION FUND ACTIVITY:

Balance-June 30, 2011		\$13,471
Add: Interest Earned		1
Balance-July 31, 2011		\$13,472

### CASH BALANCES FOR MONTH ENDING JULY 31:

	2010	2011
Operating Account	\$1,649,896	\$1,956,630
Petty Cash	19,425	21,500
Building Fund	449	450
Construction Fund	13,458	13,472
<b>Total Cash Balances</b>	<b>\$1,683,228</b>	<b>\$1,992,052</b>

After discussion, the statement was approved as presented on a motion by Mr. Paulson, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Ms. Psick and Mr. McGrann reviewed the alleged 2011 session of the Minnesota Legislature and legislation affecting the Society. Ms. Psick and Mr. McGrann were commended for their report and for their firm's efforts on the Society's behalf on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

The report of the Office of the Legislative Auditor on the Society's financial activity for fiscal 2010 was approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

On a motion by Mr. Paulson, seconded by Mr. Wichmann and carried, staff and the board's executive committee were authorized to begin a request-for-proposal process to seek auditing services for fiscal 2011 and present a recommendation to the board at its November, 2011 meeting (Aye-8; Nay-0).

Mr. Hammer presented the following list of entertainment contracts for consideration:

CONTRACTOR	DATES	TERMS	VENUE
Freestyle Productions, Inc.	8/25-9/5	\$57,800 flat	Grandstand Production
Def Leppard Touring, Inc. f/s/o Def Leppard <i>Revised from June 2011 Board Approval List</i>	8/26	\$375,000 plus 80% of 90% over \$550,000	Grandstand Artist
Evan Watson f/s/o Evan Watson	8/26	\$500 flat	Grandstand Artist
Heart Amalgamated, Inc. f/s/o Heart	8/26	\$75,000 plus 20% of 90% over \$550,000	Grandstand Artist
Big Time Rush <i>Revised from June 2011 Board Approval List</i>	8/27	\$100,000 plus 80% over \$200,500	Grandstand Artist
Days Difference, LLC f/s/o Days Difference	8/27	\$500 flat	Grandstand Artist
The Vegas Syn f/s/o Adelitas Way	8/28	\$1,000 flat	Grandstand Artist
AB Touring LLC f/s/o Alter Bridge	8/28	\$52,875 plus 15% over \$245,000	Grandstand Artist
Southern Squire, LLC f/s/o Black Stone Cherry	8/28	\$5,000 flat	Grandstand Artist
Emphatic, LLC f/s/o Emphatic	8/28	\$250 flat	Grandstand Artist
My Darkest Days Touring USA f/s/o My Darkest Days	8/28	\$20,000 flat	Grandstand Artist
Theory of a Dead Man, LLC f/s/o Theory of a Deadman	8/28	\$57,875 plus 65% over \$245,000	Grandstand Artist
American International Artists, Inc. f/s/o Sam Yahel	8/30	\$3,600 flat	Grandstand Artist
Danette, Inc. f/s/o Steely Dan	8/30	\$250,000 plus 80% over \$353,600	Grandstand Artist
Danette, Inc. f/s/o Steely Dan <i>(tour publicity)</i>	8/30	\$1,000 flat	Grandstand Artist
Danette, Inc. f/s/o Steely Dan <i>(catering buyout)</i>	8/30	\$700 flat	Grandstand Artist
Cardenas Marketing Network f/s/o Marc Anthony <i>Revised from June 2011 Board Approval List</i>	9/1	\$325,000 plus 90% over \$408,000 <i>(less \$32,500 deposit made on August 8, 2011)</i>	Grandstand Artist

Potential Lunch Winners, Inc. f/s/o Motion City Soundtrack	9/3	\$30,000 flat	Grandstand Artist
Weezer Touring Inc. f/s/o Weezer	9/3	\$175,000 plus 80% over \$305,000	Grandstand Artist
M5 Touring, Inc. f/s/o Maroon 5	9/5	\$143,750 plus 40% over \$410,000	Grandstand Artist
M5 Touring, Inc. f/s/o Maroon 5 <i>(catering buyout)</i>	9/5	\$750 flat	Grandstand Artist
Matt Nathanson Touring, Inc. f/s/o Matt Nathanson	9/5	\$10,000 flat	Grandstand Artist
Trainline Touring, LLC f/s/o Train	9/5	\$143,750 plus 40% over \$410,000	Grandstand Artist
Trainline Touring, LLC f/s/o Train <i>(catering buyout)</i>	9/5	\$1,200 flat	Grandstand Artist
Morris Day Entertainment	8/25-8/26	\$40,850 = artist's remaining amount, less agent commission -\$900 = 2% tax on the original 45k guarantee	Bandshell Tonight
Pyramid Entertainment Group	8/25-8/26	\$4,150 flat 2% removed from Artist monies	Bandshell Tonight
The Midtown Men, LLC	8/31-9/1	\$40,000 flat	Bandshell Tonight
Zydyco, Inc. f/s/o Dr. John	9/2-9/3	\$35,000 flat	Bandshell Tonight
Amanda Shaw	8/25-8/26	\$6,000 flat	Bandshell Day
Rena's Kitchen Music, LLC f/s/o Bob Wootton	8/25-8/26	\$7,000 flat	Bandshell Day
Jonesville, Inc. f/s/o Jason Jones	8/27-8/28	\$7,000 flat	Bandshell Day
Marcia Ball Band, Inc.	8/27-8/28	\$14,000 flat	Bandshell Day
QSB Entertainment LLC f/s/o Quebe Sisters	8/27-8/28	\$8,250 flat	Bandshell Day
34th Infantry Division "Red Bull" Band	8/29-8/30	\$4,000 flat	Bandshell Day
Street Corner Symphony, Inc.	8/29-8/30	\$10,000 flat	Bandshell Day
The Wright Brothers, LLC	8/31-9/1	\$10,000 flat	Bandshell Day
Jana Anderson Music, LLC	9/2-3	\$6,000 flat	Bandshell Day
Jamieson Brown Music, Inc. f/s/o Junior Brown	9/2-3	\$10,000 flat	Bandshell Day
Free Range Music f/s/o The Bad Larrys	9/4-5	\$5,000 flat	Bandshell Day
The Cleverlys	9/4-5	\$8,000 flat	Bandshell Day
Joe Robinson	9/4-5	\$5,000 flat	Bandshell Day
The McClymonds, LLC	9/4-5	\$11,000 flat	Bandshell Day
Jack Brass Band	9/2-3	\$3,100 flat	Bazaar Day

DeSelby Productions, Inc. f/s/o Boiled in Lead	9/2-3	\$4,000 flat	Bazaar at Night
Spoon Man Inc.	8/25-26	\$1,800 flat	Family Fair at Baldwin Park
Gary Neol, f/s/o Doggies Of the Wild West	8/25-9/5	\$14,400 flat	Misc. Attractions
Duane H. Rolstad	8/25-28	\$720 flat	Old Iron Show
Clarence John Deschene	8/25-9/5	\$1,440 flat	Old Iron Show
Elwyn Juenke	8/25-9/5	\$2,160 flat	Old Iron Show
James Birk	8/25-9/5	\$2,100 flat	Old Iron Show
Joseph J. Schimml	8/25-28	\$720 flat	Old Iron Show
John Morley	8/29-9/1	\$240 flat	Old Iron Show
Gordon Joseph Lefebvre	8/25-28	\$240 flat	Old Iron Show
Robert D. Wilson	8/25-9/5	\$1,800 flat	Old Iron Show
Christopher J. Chadwick	8/25-9/5	\$720 flat	Old Iron Show
David M. Lewerer	8/25-9/5	\$1,440 flat	Old Iron Show
Derold V. McDonough	8/25-9/5	\$2,520 flat	Old Iron Show
DeVon Lark	8/25-9/5	\$1,080 flat	Old Iron Show
Glen William Westphal	8/25-9/5	\$720 flat	Old Iron Show
James M. Quirk	8/25-9/5	\$2,160 flat	Old Iron Show
Steve L. McDonough	8/25-9/5	\$2,160 flat	Old Iron Show
Lee Jason Sackett	8/25-9/5	\$6,300 flat	Old Iron Show
Steven G. Bauer	8/25-9/5	\$2,700 flat	Old Iron Show
Kenneth Scott	8/29-9/5	\$480 flat	Old Iron Show
William A. Griesbach	8/29-9/1	\$840 flat	Old Iron Show
Norbert Anderson	8/25-9/5	\$590 flat	Parade
Crow River Drumline Association f/s/o Phoenix Drumline	8/25-26	\$1,500 flat	Parade
Ernest James Torok f/s/o Pig's Eye Jass Band	8/25-9/5	\$560 flat	Parade
Susan M. Hirschmugl f/s/o Upstanding Stilts	8/25-9/5	\$3,900 flat	Parade
Minneapolis First Pathfinder Fundraiser	8/25 & 28 9/1 & 4	\$800 flat	Parade
Minnesota Pipes and Drums	8/27	\$1,200 flat	Parade
Women's Drum Center	8/27 & 28 9/3 & 4	\$800 flat	Parade
University of Minnesota	8/28	\$1,500 flat	Parade
Barebones Productions	8/31-9/5	\$2,400 flat	Parade
Minnesota "Over 60" Band	9/2	\$400 flat	Parade
Erin Hinck	9/5	\$50 flat	Talent Contest
Chris Koza f/s/o Rogue Valley	8/25-26	\$4,000 flat	Heritage At Sundown
John Munson f/s/o Twilight Hours	8/27-28	\$6,000 flat	Heritage At Sundown
Fiddle Pal, LLC f/s/o Barley Jacks	8/29-30	\$3,000 flat	Heritage At Sundown
Derek Dickerson f/s/o Deke Dickerson	8/31-9/1	\$4,000 flat	Heritage At Sundown

Alisco Music, Inc. f/s/o Alison Scott	9/2-3	\$3,000 flat	Heritage At Sundown
White Iron Band	9/4-5	\$4,000 flat	Heritage At Sundown
Minnesota Bluegrass and Old Time Music Association	9/2-3	\$3,175 flat	Heritage Square Day
John Barrett f/s/o Fairlanes	8/29-30	\$1,200 flat	Ramberg Center
Knock Wood LLC f/s/o James Wedgwood	9/2-3	\$1,700 flat	Ramberg Center
Arvid E. Johnson f/s/o Red Johnson	9/4-5	\$1,000 flat	Ramberg Center
Flippenout Productions, LLC	8/25-9/5	\$32,000 flat	X-Zone

After discussion, the contracts were approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

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).

Mr. Hammer presented the list of State Fair Scholarship winners as follows:

Laura Bachmeier of Apple Valley; Isaiah Bauck of New York Mills; Samantha Berg of Pipestone; Casey Boerner of Watertown; Kailey Davis of Glenville; Matthew Duff of Hampton; Angie Esselman of Hamburg; Anna Hayes of Lafayette; Maxwell Herrera of Cologne; Stephanie Kasper of Owatonna; Katie Loppnow of Lake City; Jason May of Randolph; Matthew Purfeerst of Faribault; Emily Scholtz of Comfrey; Jacob Sjostrom of Lafayette; Kelly Sobczak of Brooklyn Park; Andrew Thies of Arlington; Rachel Wilking of Tracy; Katie Winslow of Fountain and Rita Wulf of Hancock.

After review, the scholarships were approved on a motion by Mr. Foss, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Mr. Hammer presented a report on sponsorship activities for 2011 including cash sponsorships totaling \$832,500. After discussion, the report was approved on a motion by Mr. Foss, seconded by Mr. Scapanski and carried (Aye-8; Nay-0).

The meeting adjourned at 11:23 a.m. on a motion by Mr. Paulson, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

#### **MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD 10 a.m. Sunday Sept. 4, 2011**

##### **Officers Quarters, State Fairgrounds**

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

**Also present:** Kent Harbison.

President Baker called the meeting to order at 10:04 a.m.

Minutes of the board meeting conducted Aug. 26 were reviewed and approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

##### **Minutes of the Honorary Life Member Advisory Committee meeting of Aug. 28, 2011, were presented by Mr. Hammer:**

**Members present:** Bob Lake, chairman; Lyle Steltz; Clarice Schmidt; Bill Korff; Jim Grass; Vern Prokosch; Don Simons; Duane Smith; Eileen Roehlke; Rich Keenan and Dave Johnson.

**Also present:** Cheryl Huber.

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

Mr. Korff moved that the committee's meeting minutes from Jan. 17, 2011 meeting be approved. The motion was seconded by Mr. Simons and carried. (Aye-10; Nay-0).

After discussion, Mr. Simon moved that Denny Baker be considered by the board as the 2012 nominee for Honorary Life Membership in the Society. The motion was seconded by Mr. Grass and carried (Aye-10; Nay-0).

Chairman Lake declared the meeting adjourned at 11:30 a.m.

After discussion, the minutes were approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-8; Nay-0).

The Life Member Committee's recommendation that Denny Baker be nominated for Honorary Life Membership at the Society's January 2012 annual meeting was approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Mr. Hammer provided an update of the 2011 State Fair. Information only; no action taken.

The board authorized an annual contribution of \$3,000 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 Ms. Wessel, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Hammer reviewed the new arena construction project, set to start in mid-October. Information only; no action required.

It was moved by Mr. Paulson, seconded by Mr. Fox 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 2011 international convention in Las Vegas, Nev. (Aye-8; Nay-0).

The dates for the 2012 Minnesota State Fair were set for Thursday Aug. 23 through Labor Day, Monday Sept. 3 on a motion by Mr. Fox, seconded by Mr. Foss and carried (Aye-8; Nay-0).

The next meeting of the Society's board of managers was set for Thursday Nov. 10, 2011, on a motion by Mr. Paulson, seconded by Mr. Fox and carried (Aye-8; Nay-0).

A ticket price reduction for the Super Maxx Fly attraction from \$15 to \$10 per rider, retroactive to Sept. 2, was approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

The meeting adjourned at 11:10 a.m. on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-8; Nay-0).

## **MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES Aug. 25 through Nov. 10, 2011**

### **August**

25 - Society President Denny Baker presided over opening ceremonies for the 2011 Great Minnesota Get-Together at the Bandshell. During the ceremony, St. Paul police officers Jermaine Davis, Jason Giampolo, Todd Ludvik and Justin Tiffany were presented with State Fair Hero Awards for taking heroic action that saved lives near the fairgrounds during the 2010 State Fair.

29 - The State Fair hosted a meeting of the Roseville Rotary Club at the Blue Ribbon Picnic Area.

30 - The State Fair's first-ever Military Appreciation Day was conducted, featuring a variety of special activities and discounted admission for active, retired and military veterans.

### **September**

1 - Joan Oja of Itasca County and Ron Erickson of Ramsey County were named Minnesota's Outstanding Senior Citizens during ceremonies conducted at the Bandshell.

4 - At a special Grandstand ceremony, five staff members were recognized with State Fair All Star MVP Awards for outstanding performance - Ahalithia Harut, Progress Center; Jill Nathe, Competition; Troy Sabean, Greenhouse; Eric Sawatzke, Miracle of Birth Center; and Grace Woodis, Employment Services.

5 - The 2011 Great Minnesota Get-Together concluded with attendance of 1,769,872 - one of the best-attended in State Fair history. Visitors included Jim Tucker, president of the International Association of Fairs & Expositions headquartered in Springfield, Mo.; Lena Jouldijan and Mark Entner of the San Diego County Fair in Del Mar, Calif.; Gerard Kiernan of the Eastern States Exposition in West Springfield, Mass.; Natalie Alford, Pam Moore, Ray Starling and Chrissy Waggett of the North Carolina State Fair in Raleigh; Rollie McKubbin of the Iowa State Fair in Des Moines; Carey Harveycutter of the Salem Fair & Exposition in Salem, Virginia; Ken Karns of the Western Fair in London, Ontario; Outdoor Amusement Business Association Chairman Bill Johnson of Chicago, Ill.; Rick Frenette and Adam Heffron of the Wisconsin State Fair in Milwaukee; Steve Felsberg, Lauren Funderburk and Tim Wilson of the South Carolina State Fair in Columbia; and Namie Iida of Tokyo, Japan.

9 - The first of several fall hazardous waste drop-offs for Ramsey County residents was conducted at the South Como parking lot.

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

16-19 - The Minnesota State 4-H Horse Show was held at the Warner Coliseum and livestock complex.

17 - The TC Model Railroad Club's model railroad and hobby sale was conducted at the Education Building.

18 - The Antique Motorcycle Club fall swap meet was held at the north parking lots.

21 - The State Fair's employee safety committee met at the Administration Building. Anderson participated in an INTIX board meeting

22-26 - The Western Saddle Club Horse Show was presented at the Warner Coliseum and livestock complex.

23-25 - Munchkin Market's Children's Consignment Sale was held at the Merchandise Mart.

24 - My Healthy Beginning Experience was presented at the Grandstand. The St. Paul Ward 4 neighborhood cleanup was held on the north parking lots. The University of Minnesota utilized Grandstand parking lots for Gopher football parking.

24-25 - The Antique Mission Furniture Show was held at the Progress Center. The Rubber Stamp & Scrapbook Expo was conducted at the Dairy Building. The Minnesota State 4-H Dog Show was held at the 4-H Building and surrounding outside areas.

28 - The State Fair Foundation conducted a volunteer appreciation event at the Progress Center. Anderson attended a meeting of Ticketing Services Group in Minneapolis.

30 - Sinclair and Simon met with representatives of the St. Paul Police K-9 Foundation to discuss Pet Center operations.

30 - Oct. 2 - The Fall Arabian Horse Show was presented at the Warner Coliseum and livestock complex.

### **October**

1 - The St. Paul Junior League's Next-To-New Sale was held at the Dairy Building. MnPAW Animal Adoption Event was conducted at the International Bazaar.

1-2 - The Antique Spectacular Show & Flea Market, presented by Prime Promotions, was held at the Grandstand and infield. The Fall Military Relic Show, presented by Minneapolis St. Paul Military Relic Collectors, was conducted at the Progress Center. The Minnesota Weapons Collectors Fall Show & Sale was held at the Education Building.

1-4 - Pearson and Dungan participated in the International Entertainment Buyers Association conference in Nashville, Tenn., where Pearson was named "Fair Entertainment Buyer of the Year."

2 - The Midwest Fall Swap Meet & Antique Auto Show was held on the north parking lots.

3-4 Huber and Simon visited the Tulsa State Fair in Tulsa, Okla.

4-9 - Mid-States Horse Shows' Harvest Horse Show was held at the Warner Coliseum and livestock complex.

5 - Schuette spoke to students at Stillwater High School regarding State Fair marketing.

5-8 - The Camp du Nord & Widjiwagan YMCA Garage Sale was held at the Merchandise Mart.

6 - Sinclair and Simon met with representatives of the Minnesota Pollution Control Agency to review Eco Experience operations during the '11 fair. Huber and Miller attended an informational session on staff insurance for the coming year.

6-9 - The Title Nine Women's Athletic Apparel Sale was held at the Dairy Building.

7-8 - Twin Cities Oktoberfest, presented by HMF of St. Paul, was presented at the Progress Center.

8-9 - Half Price Books, Records & Magazines, Inc. presented the Half Price Books Clearance Event at the Grandstand.



14 - Sinclair met with John and Jim Keenan to review Ye Old Mill operations and improvements.

14-15 - The Vintage Clothing, Jewelry & Textile Show was held at the Fine Arts Center.

14-16 - Townsend Productions' Star of the North Antique Show was held at the Education Building.

15 - Twin Cities Classic Car & Vintage Motorcycle Auction was conducted at the Grandstand. The Minnesota Comic Book Association's Fallcon Comic Book Convention was presented at the Grandstand.

15-16 - Minnesota Equifest was held at the Warner Coliseum and livestock complex.

16 - The Twin Cities Roadsters Swap Meet was held at the north parking lots.

17 - Senior staff participated in the first of four planning sessions for the 2012 State Fair.

18 - Sinclair, Simon and Larson met with Jim Smart to discuss food and beverage concession menu offerings at the fair.

19 - Anderson attended a board meeting of Ticketing Services Group.

20-23 - The Minnesota Beef Expo, presented by the Minnesota State Fair, was presented at the Warner Coliseum and livestock complex.

21-23 - Anderson, Hudalla, Jacobson and Pearson attended the North Carolina State Fair in Raleigh, N.C.

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

22-30 - Como Zoo utilized the South Como parking lot as a park and ride facility for its annual Zoo Boo event.

25-27 - Schuette participated in judging for IAFE Hall of Honor Communications Awards in Springfield, Mo.

27 - Foss, Schmidt and Hammer participated in a meeting of the State Fair Foundation board at the corporate headquarters of Grain Millers, Inc., in Eden Prairie.

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

29-30 - The Minnesota Weapons Collectors Show & Sale was held at the Warner Coliseum.

## November

1 - Barris, Butler, Dickson, Goldstein, Huber, Hughes, LeVesseur, Noonan, Schuette and Vavreck participated in the first round of judging for 2012 State Fair Commemorative Art finalists.

2 - Schuette, Hughes and Noonan met with representatives of Bellmont Partners – the PR counsel for the Midwest Dairy Association.

8 - Barnett, Hayne and Melstrom attended a seminar on OSHA presented by the Minnesota Department of Health.

9 - Baker, Fox, Leary, Hammer and Jacobson met with staff of Arthur Cobb & Associates to review the audit search process. The State Fair employee safety committee met at the Administration Building. Schuette spoke to students at Irondale High School about State Fair marketing.

9-10 - Sinclair attended and spoke at the Rocky Mountain Association of Fairs convention in Billings, Mont.

10 - Miller, Mix and Leach attended an employment law seminar presented by the Fredrikson & Byron law firm.

## MINNESOTA STATE AGRICULTURAL SOCIETY MEETINGS OF THE GOVERNING BOARD AND SALES AND PLANNING COMMITTEES 9 a.m. Thursday Nov. 10, 2011 Libby Conference Center, State Fairgrounds

**Members present:** Denny Baker, president; Joe Fox, vice president; D.J. Leary, vice president; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

**Also present:** Brian Hudalla; Mark Goodrich; Renee Pearson; Marshall Jacobson; Cheryl Huber; Dennis Larson; Dani Vavreck; Gail Anderson; Michelle Butler; Sean Casey; Swan Melstrom; Brienna Schuette; Wally LeVesseur; Steve Grans; Nikki Hines; Julie Samec; Lara Hughes; Chris Noonan; Kent Harbison.

President Baker called the meeting to order at 9:02 a.m., and asked for a moment of silence to acknowledge the passing of State Fair Hall of Famer and former FFA Superintendent Paul Day, who died Nov. 9.

President Baker turned the meeting over to Sales Committee Chairman Jim Foss.

## MEETING OF THE SALES COMMITTEE

**Members present:** Jim Foss, chairman; Joe Fox; D.J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio; Dennis Larson, ex officio.

**Also present:** Brian Hudalla; Mark Goodrich; Renee Pearson; Marshall Jacobson; Cheryl Huber; Dani Vavreck; Gail Anderson; Michelle Butler; Sean Casey; Swan Melstrom; Brienna Schuette; Wally LeVesseur; Steve Grans; Nikki Hines; Julie Samec; Lara Hughes; Chris Noonan; Kent Harbison.

Chairman Foss called the meeting to order at 9:05 a.m.

Mr. Larson and Ms. Vavreck presented a detailed report of sales division revenue for the 2011 State Fair totaling \$9.8 million. The report included a breakdown of earnings from commercial exhibits, food sales, attractions and Mighty Midway and Kidway operations. The revenue report will be reviewed by committee members and considered for acceptance at the next meeting of the sales committee in January 2012.

On a motion by Mr. Paulson, seconded by Ms. Wessel and carried, the Epiphany Dining Hall structure at 1271 Underwood St. was purchased by the Society for \$125,000 (Aye-8; Nay-0). The structure was sold to the Minnesota Farm Winery Association for \$125,000 on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (8-0; Nay-0).

The meeting of the sales committee was adjourned at 9:48 a.m. on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-8; Nay-0).

## MEETING OF THE PLANNING COMMITTEE

**Members present:** Al Paulson, chairman; Joe Fox; D. J. Leary; Jim Foss; Paul Merkins; Ron Oleheiser; Joe Scapanski; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio; Brian Hudalla; ex officio; Mark Goodrich, ex officio; Sean Casey, ex officio.

**Also present:** Renee Pearson; Marshall Jacobson; Cheryl Huber; Dennis Larson; Dani Vavreck; Gail Anderson; Michelle Butler; Swan Melstrom; Brienna Schuette; Wally LeVesseur; Steve Grans; Nikki Hines; Julie Samec; Lara Hughes; Chris Noonan; Kent Harbison.

Chairman Paulson called the meeting to order at 9:48 a.m.

Mr. Hudalla offered a report on the status of State Fair facilities and upcoming capital improvements and maintenance projects. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented for consideration a list of standard maintenance projects for 2012 totaling \$1.4 million, plus two capital improvements projects totaling \$2.9 million. After discussion, the projects were approved on a motion by Mr. Foss, seconded by Mr. Fox and carried (Aye-8; Nay-0). The projects will be incorporated into the fair's 2012 capital improvements and maintenance budgets to be reviewed by the planning committee at its next meeting, set for January '12.

The meeting adjourned at 9:58 p.m. on a motion by Ms. Wessel, seconded by Mr. Scapanski and carried (Aye-8; Nay-0).

## MEETING OF THE GOVERNING BOARD

**Members present:** Denny Baker, president; Joe Fox, vice president; D.J. Leary, vice president; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

**Also present:** Brian Hudalla; Mark Goodrich; Renee Pearson; Marshall Jacobson; Cheryl Huber; Dennis Larson; Dani Vavreck; Gail Anderson; Michelle Butler; Sean Casey; Swan Melstrom; Brienna Schuette; Wally LeVesseur; Steve Grans; Tiffany Lindbeck; Maria McCullough; Jesse Poppe; Nikki Hines; Julie Samec; Lara Hughes; Chris Noonan; Kay Cady; Lindsay Dickson; Kent Harbison; Arthur Cobb; Steve Laidle.

President Baker called the meeting to order at 10:08 a.m.

Minutes of the board meeting conducted Sept. 4, 2011, were reviewed and approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Aug. 25 through Nov. 9, 2011, were approved on a motion by Mr. Merkins, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

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

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

The board's executive committee, Mr. Jacobson, and Arthur Cobb and Steve Laidle of Arthur Cobb & Associates presented background on the search process to secure auditing services for the Society for fiscal 2011. After discussion, the firm of Malloy, Montague, Karnowski, Radosevich & Co., P.A. of Minneapolis was approved as Society auditor on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-8; Nay-0; Mr. Paulson abstained).

Mr. Jacobson presented the October financial statement as follows:

**MINNESOTA STATE FAIR  
CASH TRANSACTION SUMMARY  
Month Ending October 31, 2011**

**GENERAL FUND ACTIVITY:**

Cash Balance-Sept. 30, 2011		\$7,445,538
Add: Cash Deposits	\$4,951,686	
Less: Payroll Ending Oct. 14	(231,221)	
Payroll Ending Oct. 28	(219,049)	
Cash Disbursements	(4,261,393)	240,023
Cash Balance-Oct. 31, 2011		\$7,685,561

**BUILDING FUND ACTIVITY:**

Balance-Sept. 30, 2011		\$450
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Oct. 31, 2011		\$450

**CONSTRUCTION FUND ACTIVITY:**

Balance-Sept. 30, 2011		\$13,472
Add: Interest Earned		
Balance-Oct. 31, 2011		\$13,472

**CASH BALANCES FOR MONTH ENDING OCTOBER 31:**

	2010	2011
General Fund	\$4,685,712	\$7,685,561
Petty Cash	5,600	21,500
Building Fund	449	450
Construction Fund	13,466	13,472
<b>Total Cash Balances</b>	<b>\$4,705,227</b>	<b>\$7,720,983</b>

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

Mr. Jacobson presented for review a report of fair-period payroll for 78 departments totaling \$2.4 million. After discussion, the report was approved on a motion by Mr. Foss, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Goodrich reported on competitive events for agriculture, education and the creative arts during the '11 State Fair, featuring more than 14,000 participants who entered nearly 37,000 animals, agricultural products, education projects and creative works. The report was accepted on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Ms. Pearson reviewed the 2011 State Fair's entertainment and marketing program, including a detailed analysis of Grandstand operations that resulted in gross income of \$5.2 million and net revenue to the fair of \$1.1 million. Her report was accepted on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-9; Nay-0). Also, the board congratulated Ms. Pearson on being named "Fair Talent Buyer of the Year" by the International Entertainment Buyers Association earlier this fall.

Ms. Lindbeck reported on the fair's 2011 schedule of 110 non-fair events, which was the busiest season ever. Her report was accepted on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Foss, Mr. Hammer and Ms. Dickson reviewed activities of the State Fair Foundation, and presented the following resolution 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, 2011, will be called due no earlier than November 1, 2012.

On a motion by Mr. Fox, seconded by Mr. Paulson and carried, the resolution was adopted as presented (Aye-9; Nay-0).

Ms. Huber provided a report on the upcoming joint conventions of the Society, the Minnesota Federation of County Fairs and the Midwest Showmen's Association Jan. 13-15, 2012. Staff was authorized to schedule Society business meetings during the convention beginning Thursday Jan. 12 on a motion by Ms. Wessel, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

President Baker, on behalf of the board, commended State Fair staff for their ongoing efforts to produce the Great Minnesota Get-Together.

Mr. Leary moved, Mr. Fox seconded and motion carried to move the meeting into executive session at 12:16 p.m. (Aye-9; Nay-0).

The meeting was reopened at 12:51 p.m. on a motion by Mr. Leary, seconded by Mr. Foss and carried (Aye-9; Nay-0).

Mr. Fox moved, Ms. Wessel seconded and motion carried to provide financial support of up to \$3,500 for events associated with Jim Sinclair's service as chairman of the International Association of Fairs & Expositions during the upcoming international convention of the IAFE (Aye-9; Nay-0).

The meeting was adjourned at 12:57 p.m. on a motion by Mr. Leary, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY  
MINUTES OF INTERIM ACTIVITIES  
Nov. 10, 2011, through Jan. 12, 2012**

**November**

10 - Anderson hosted a Ticketing Services Group meeting at the Libby Conference Center. Miller, Mix and Schuldt attended the Fredrickson & Byron Employment Law Seminar in Minneapolis.

19 - Hamline University held the Turkey Trot 5K Run & Walk on various roadways around the fairgrounds.

21 - Hammer, Cady and Dave Johnson met with Al Levine, Dean of the University of Minnesota's College of Food, Agriculture & Natural Resources, to discuss potential exhibits in the Agriculture-Horticulture Building. Sinclair, Simon, Larson, Doyle, Schuette, Hughes, Casey, Vavreck, Butler and LeFebvre met with representatives of the Minnesota Departments of Health and Agriculture to review the 2011 fair and discuss initiatives for 2012.

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

26 - Dec. 1 - Board members Baker, Fox, Leary, Foss, Merkins, Oleheiser, Paulson, Scapanski, Wessel and Wichmann along with staff members Hammer, Sinclair, Goodrich, Hudalla, Huber, Jacobson, Miller, Larson, Simon, Anderson, Dungan, Weinfurter, Schuette, LeVesseur, Mix, Donnelly, Leach and Hines attended the IAFE's International Convention in Las Vegas, Nev.; Sinclair concluded his term as IAFE chairman during the convention.

**December**

1 - Hughes attended an open house at Belmont Partners Public Relations.

7 - Sinclair, Larson and Simon met with representatives of the Minnesota Craft Brewers Guild to discuss their interest in fair participation. Schuette gave a presentation on State Fair marketing to students at the University of St. Thomas.

8 - Sinclair and Simon met with Crossroads Chapel representatives to discuss their operations. Pearson, Schuette, McGough, Hughes and Noonan met with representatives of the State Fair Marketing Coalition to review 2011 and begin planning for 2012.

12 - Sinclair, Hudalla, Goodrich, Blakey, Simon, Leach, Grans, Donnelly and Counsel Joe Bagnoli met with Lt. Matt Sokol and Inspector Roger Istvanovich of the Minnesota Department of Public Safety to discuss commercial vehicle inspections near the fairgrounds.

13 - Senior Staff reviewed the status of State Fair facilities and prioritized projects for upcoming budget discussions.

15 - Hammer attended a farewell event for Falcon Heights City Administrator Justin Miller.

20 - Hughes and Noonan participated in a Twitter for Business webinar presented by Minnesota Women in Marketing and Communications.

23 - Weinfurter and Schuette visited Freestyle Productions to discuss information kiosks.

#### **January**

3 - Sinclair and Simon met with Steve Bannie of the Minnesota Purebred Dog Breeders Association to discuss their activities and programming for the 2012 State Fair.

4 - Senior staff met to finalize budget recommendations for 2012 capital and maintenance projects.

9 - Pearson and McGough met with Minnesota Public Radio staff to discuss MPR promotions at the 2012 State Fair.

10 - Foss, Oleheiser, Huber and Simon attended the Wisconsin Association of Fairs meeting at the Wisconsin Dells; Huber and Simon participated in planning discussions for the IAFE Zone 4 spring conference.

### **GENERAL BUSINESS SESSION OF THE SOCIETY**

#### **8 a.m. Sunday Jan. 15, 2012**

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 Baker opened the meeting and asked Secretary Jerry Hammer for his report.

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

President Baker called for a report of the credentials committee by Tim Sperry of Chisago 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 Livestock Breeders' Association did not file with the Secretary of State by 12/20/11.

Minnesota Duroc Breeders did not file with the Secretary of State by 12/20/11.

State Grange of Minnesota did not file with the Secretary of State.

Minnesota Holstein Association did not file with the Secretary of State.

President Baker called for a report of the resolutions committee. Committee member Dan Johnson of Lyon County presented the following resolutions for consideration by the Society:

**1. Resolved**, that the Minnesota State Agricultural Society declare its gratitude to the 1,769,872 guests of the 2011 Minnesota State Fair and acknowledge that their dedication and patronage made it an incredible success by all measures.

**2. Resolved**, that we acknowledge the Society's main purpose is to serve its guests and to do our best in presenting a highest-quality exposition that is truly worthy of our loyal patrons.

**3. Resolved**, that the Society confirm that its mission in producing this time-honored tradition and culturally rich event is to educate and involve guests by providing a world-class showcase that is innovative, entertaining and fun. Therefore, we commit to presenting 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.

**4. Resolved**, that the Society acknowledge the success of the Minnesota State Fair is achieved through the efforts of many people. Let it be further resolved that the society recognize the dedicated individuals who contributed to the success of the incredible 2011 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 realizes invaluable benefits from its association with other expositions and its affiliations with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association and Midwest Showmen's Association. Let it be further resolved that the Society

will continue its strong relationships with these and other organizations dedicated to the agriculture, entertainment and amusement industries.

**6. Resolved**, we recognize with sadness and regret the loss of Society members and State Fair friends in the last year including: Nick Cenaiko Sr., concessionaire; Fred W. Collier, food concessionaire; Paul Day, long-time FFA superintendent and Hall of Fame Member; Joe Fischler long-time employee and Hall of Fame Member; Erliss Grass, swine exhibitor; Robert C. Kirch, food concessionaire; Steve Lampi, food concessionaire; Eugene LaVaque, food concessionaire; Gordon Lee, parking department employee; Larry Ludtke, telephone department employee; Dave Manninen, assistant technology education superintendent; John McNulty, retired State Fair police officer; Howard Recknor, former State Fair board member and Society life member; Father Bernard Reiser, developer of the Epiphany Church Dining Hall; Donald Saima, senior citizens department employee; Caroline "Lynn" Staff, food concessionaire; Leo Stans, 2009 State Fair Commemorative Artist; and Duane Straight, food concessionaire.

**7. Resolved**, that the Society extend its sincere thanks and appreciation to all contributed to the success of its 153rd annual meeting.

The resolutions were adopted as read.

President Baker called for a report of the membership committee by Dennis Van Moorliehem of Sibley County, who presented the following report:

The membership committee respectively recommends the following change to the Society: Inactive member is Minnesota Chester White Association.

The recommendation was adopted.

Vice President Fox assumed the chair to conduct the election for the office of president of the Society for a term of one year. Jim Foss of Kenyon was elected and assumed the chair.

President Foss then proceeded to conduct elections as follows: D.J. Leary of Minneapolis was elected to a two-year term as fifth district vice president; Gordy Toenges of Alden was elected to serve the two-year balance of an unexpired three-year term as first district manager; Wally Wichmann of Balaton was re-elected to a three-year term as seventh district manager; Al Paulson was re-elected to a three-year term as ninth district manager; and retiring Society president Denny Baker of Spicer was elected to honorary life membership in the Society.

There being no further business to be brought before the Society, President Foss declared the 153rd annual meeting of the State Agricultural Society adjourned.









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