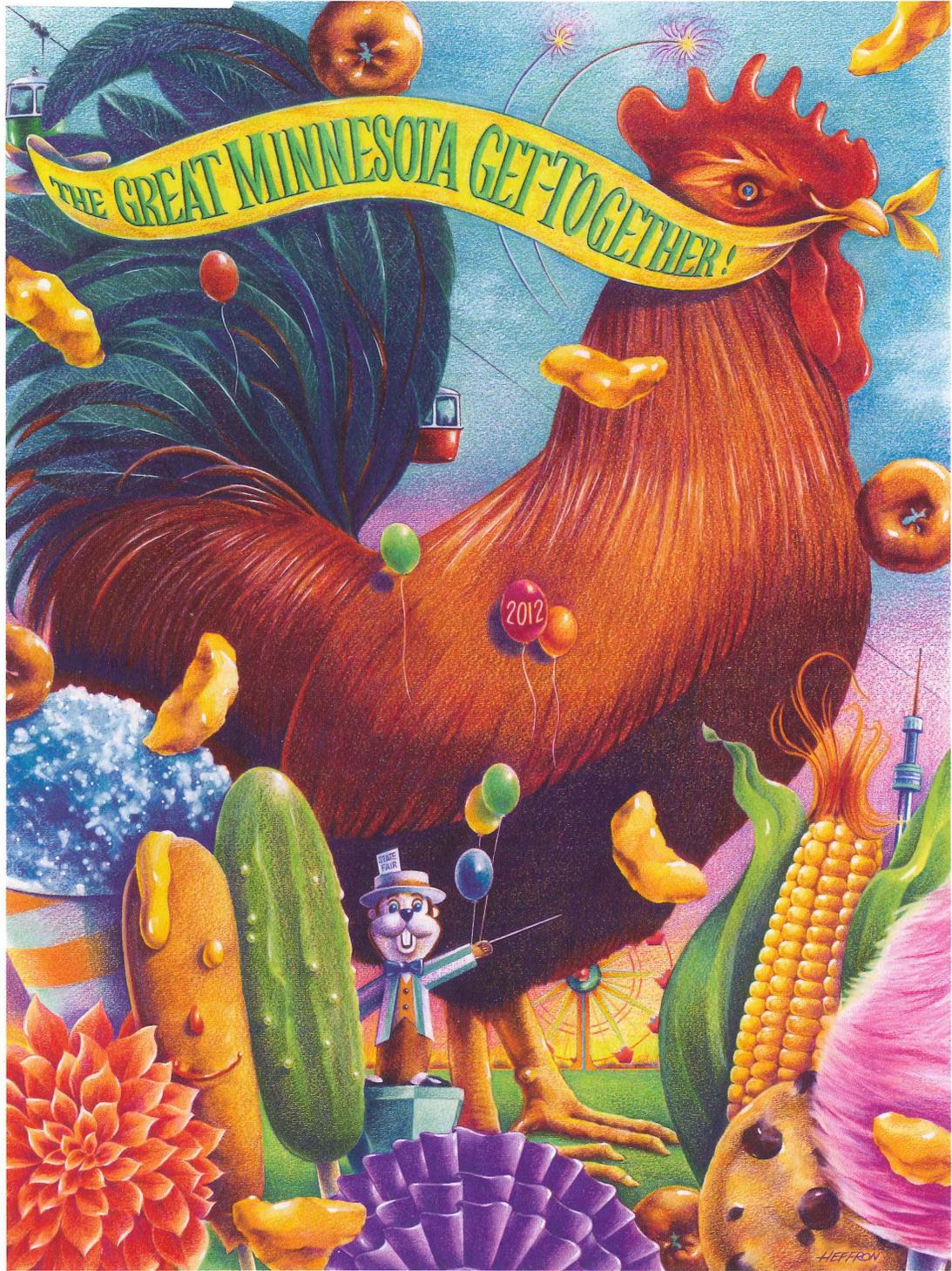




MINNESOTA STATE FAIR

13 - 0890



2012 Annual Report

Report of the

EXECUTIVE VICE PRESIDENT

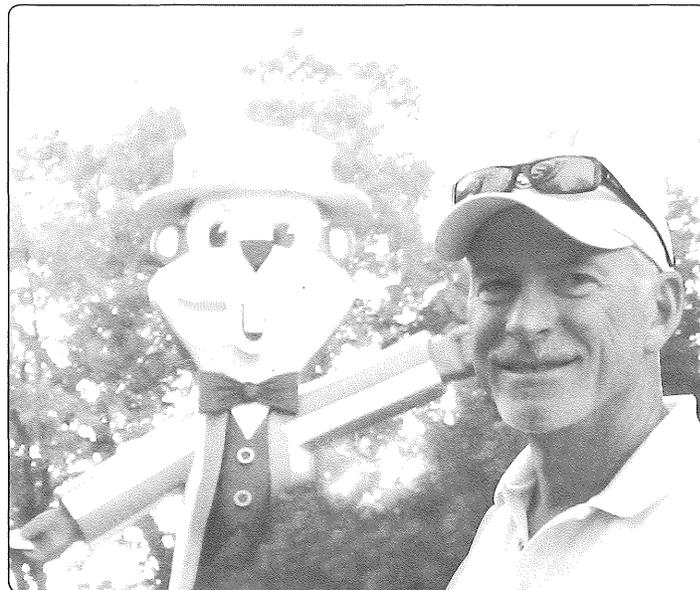
"Everything you see here and everyone that goes here represents a perfect cross section of Minnesota. Every important aspect of Minnesota is here at the fair."

With these words, Dan Spock of the Minnesota Historical Society simply, eloquently and brilliantly summed up the Great Minnesota Get-Together. Built on a rock solid foundation of agriculture, the historic State Fairgrounds are where Minnesotans go for education, celebration and the unique sense of renewal that can only happen with nearly 2 million close personal friends.

Dan spoke these words at a meeting in mid-May where we joined with the Historical Society and the State Fair Foundation to help plan for a future major exhibit area at the fair. The fair's newest neighborhood will be progressive and forward-looking while at the same time showing deep respect for the State Fair's storied past through displays of the fair's rich history.

In many ways, the new area will be a microcosm of the State Fair itself. The fair is the place where all of us are inspired to improve our lives in ways great and small. It's where we renew special friendships at one of the most special places in the world. And it's where we get down to serious fun during Minnesota's huge end-of-summer ritual.

The 2012 State Fair was an extraordinary event by every measure, as is detailed in the following pages. All of us



who have the privilege of serving the State Fair are keenly aware of our obligation to produce the very best fair in the world. You deserve no less. God bless, and I'll see you at the 2013 Great Minnesota Get-Together!

Jerry Hammer
Executive Vice President

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TOTAL ATTENDANCE: 1,788,512

THURSDAY, AUG. 23

Thrifty Thursday: 103,738

High: 86 Low: 70

Precipitation: .01 inches

FRIDAY, AUG. 24

Governor's Fire

Prevention Day: 117,040

High: 89 Low: 66

Precipitation: none

SATURDAY, AUG. 25

4-H Day: 152,646

High: 76 Low: 66

Precipitation: .06 inches

SUNDAY, AUG. 26

Minnesota Cooks Day: 185,485

High: 86 Low: 67

Precipitation: .01 inches

MONDAY, AUG. 27

Seniors, Kids &

MN State Patrol Day: 133,781

High: 87 Low: 61

Precipitation: none

TUESDAY, AUG. 28

Military Appreciation Day: 121,097

High: 84 Low: 66

Precipitation: none

WEDNESDAY, AUG. 29

Read & Ride Day: 118,193

High: 93 Low: 69

Precipitation: none

THURSDAY, AUG. 30

Seniors Day: 101,379

High: 92 Low: 72

Precipitation: none

FRIDAY, AUG. 31

MPR Day: 164,694

High: 86 Low: 63

Precipitation: none

SATURDAY, SEPT. 1

FFA Day: 226,863

High: 86 Low: 65

Precipitation: none

SUNDAY, SEPT. 2

Minnesota History Day: 210,836

High: 88 Low: 62

Precipitation: none

MONDAY, SEPT. 3

Kids & Last Chance Day: 152,760

High: 92 Low: 70

Precipitation: none

☆ 2012 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 (13-64) \$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, retired military, veterans and their families received an admission discount when they purchased a ticket at the gate and presented valid documentation of military service; all were admitted for \$7.

READ & RIDE DAY

Guests received a discount off regular admission when they presented a valid public library card when purchasing 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

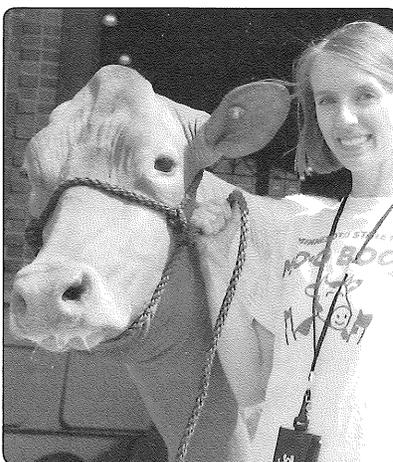
- Pre-fair \$4; Fair-time \$5

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

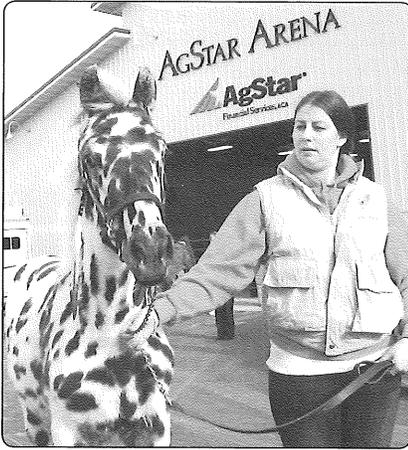


☆ OUR MISSION ☆

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 ★



AGSTAR ARENA
Fair fans, members of the agricultural community and media celebrated the Grand Opening of AgStar Arena on April 27, 2012, just in time for Minnesota Horse Expo. The 27,000-square-foot arena became the new home to many off-season events, as well as competitions

among 4-H, FFA and open class exhibitors during the State Fair. Complete with extensive seating and a top-of-the-line sound system, it replaced the 1960s Judging Arena and Horse Annex on Judson Avenue. The AgStar Arena project was supported by more than 200 contributions to the Minnesota State Fair Foundation.

NEW MINNESOTA HIGH SCHOOL RODEO CUTTING HORSE COMPETITION

Fair guests experienced the most athletic horses and riders working to separate cattle from the herd in the fast-action cutting horse competition. Courage, intuition and expert horsemanship were all part of this new competition at AgStar Arena.



★ CONTESTS & ACTIVITIES ★



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 High School took first place in Class B and Chequamegon High School from Park Falls, Wisc. won the Class C division.



MILK RUN

Kim Robinson of Bloomington and Nathan Campeau of Minneapolis were the overall female and male 5K Milk Run winners with times of 17:52 and 17:32 respectively.

40TH ANNUAL STATE FAIR AMATEUR TALENT CONTEST WINNERS

Open Division:

First place: Aria Stiles of Apple Valley, violin solo

Second place: Ashley Dubose of St. Paul, vocal solo

Third place: Rhythm & Swing Dance of St. Paul

Teen Division:

First place: Kaeli Patchen of Plymouth, vocal solo

Second place: Fanaka Ndege of Elk River, rap and dance performance

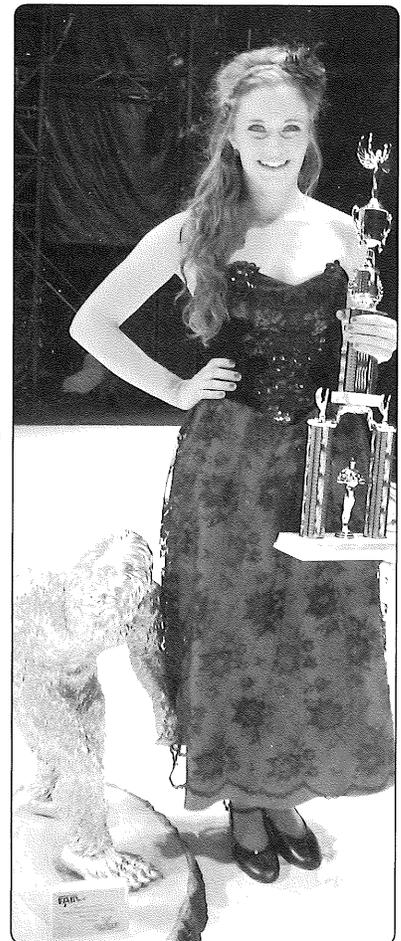
Third place: Derrick Holleman of Brooklyn Park, guitar solo

Preteen Division:

First place: Selena Brills of Blaine, vocal solo

Second place: Alaina Jane Wolff of Jackson, vocal and guitar solo

Third place: Grace Nollett of Blaine, vocal solo



Aria Stiles, first place, open division

★ NEW ENTERTAINMENT, EXHIBITS & ELEMENTS ★



2012 MINNESOTA STATE FAIR COMMEMORATIVE ART BY JOE HEFFRON

The 2012 Commemorative Art was the ninth in a series of annual artwork created exclusively for the State Fair. This was the second year the State Fair put out a call for submissions, and St. Paul artist Joe Heffron was selected from nearly 50 applicants. Heffron's piece captured the Great Minnesota Get-Together

with whimsical realism. His artwork showcases iconic elements of the fair with rich, vibrant colors.

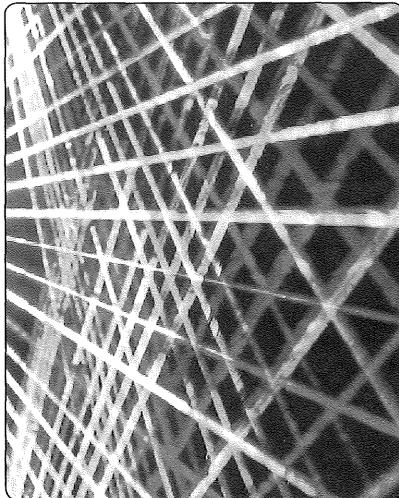
3RD LAIR SKATEPARK LESSONS

Riders featured in 3rd Lair SkatePark shows at The X-Zone were on hand to teach students the basics of skateboarding and BMX bike riding.



GREAT BIG SANDBOX

Located east of the Family Fair Stage in Baldwin Park, kids could dig, scoop, pour and burrow their toes in a sandbox made just for them.



LASERTAINMENT'S LASER HITZ SHOW

High-powered aerial laser beams danced above fair guests while colorful images lit up a gigantic screen – all choreographed to popular music from classic rock to the latest hits with a special patriotic finale. Outdoor shows were nightly at 9 p.m. at the intersection of Cosgrove Street and Randall Avenue.

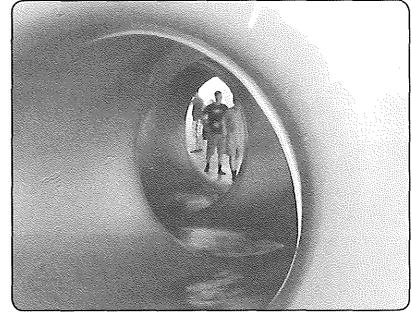
WORLD OF WONDERS PALACE OF ILLUSIONS

Nostalgic sideshow entertainment returned to the Mighty Midway with illusionists including sword swallows, fire breathers, escape artists and more.

LUMINARIUM

Soaring domes and extensive tunnels immersed fair guests in light and color as they walked through this monumental inflatable sculpture, described as a “sanctuary of the senses.” The

11,000-square-foot Luminarium, a creation of Architects of Air based in the United Kingdom, was located at the intersection of Cooper Street and Murphy Avenue.



PIANOS ON PARADE

Pianos on Parade is a project that places “artistically transformed” pianos around St. Paul to encourage residents and visitors to spontaneously engage in art and music with one another. One of the unique pianos, designed by Andrew Kurcan, was

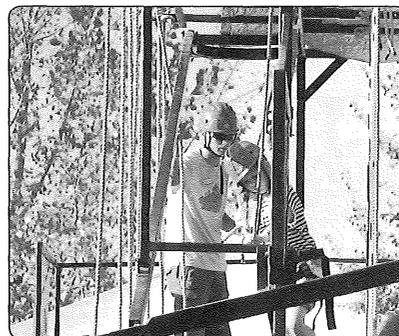
set up in Baldwin Park for all to play and enjoy during the 12 days of the State Fair.

12'12'12: TWELVE ARTISTS, TWELVE HOURS, TWELVE DAYS

Each day of the fair, a Minnesota artist created artwork from 9 a.m. to 9 p.m. in the Fine Arts Center. This special exhibition provided a window into the working



artist's world of how an art object is created. The participating artists worked in both 2D and 3D, and in a variety of media including sculpture, printmaking, drawing, fibers, photography, painting and installation. They included: Abigail Wood Anderson, Loretta Bebeau, Cheng-Khee Chee, Fred Cogelow, Gregory Euclide, Fawzia Khan, Ron Merchant, Kimber Olson, Dani Roach, Sean Smuda, Scott Stulen and Michelle Westmark.



BOY SCOUTS ADVENTURE SUMMIT

The Boy Scouts Adventure Summit was a free, interactive ropes climbing course and zip-line activity, located in The North Woods and brought to the fair by the Northern Star Council

Boy Scouts of America. Boys and girls ages 5 to 15 tested their climbing skills and conquered a tall zip-line.



MINNESOTA WINE COUNTRY

The Minnesota Wine Country exhibit, located on Underwood Street between Judson and Carnes Avenues, became the perfect place to discover how the North Star State's vineyards and wineries produce the finest wines. Guests were also able to purchase local wine with fresh, eclectic food pairings.

MINNESOTA CRAFT BREWERS GUILD

This brand new experience was located in the west hall of the Agriculture Horticulture Building and offered fair guests the opportunity to learn about Minnesota's brewing history, how craft beer is made and what's new in our state's growing craft brew industry. Guests were also able to talk with craft brewers and sample flights of Minnesota craft beers.



PEOPLE'S CHOICE AWARDS

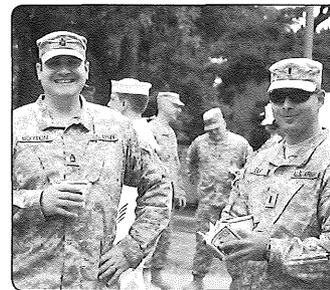
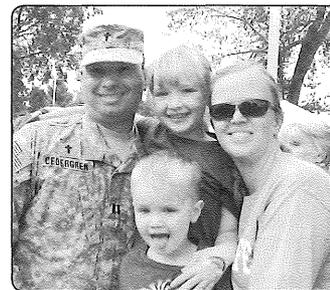
2012 marked the inaugural People's Choice Awards. Fair guests were invited to vote for their favorites in six categories. Voting began opening day of the fair and ran through

Tuesday, Aug. 28. The winners included:

- Best food or beverage: Turkey to Go Sandwich (Minnesota Turkey Growers Association)
- Best food or beverage value: All-You-Can-Drink Milk (Midwest Dairy Association)
- Best customer experience at a food vendor: Giggles' Campfire Grill
- Best non-food product or service: The Giant Slide
- Best non-food product or service value: ZRS Fossils & Gifts
- Best customer experience at a non-food vendor: Fair-Do's

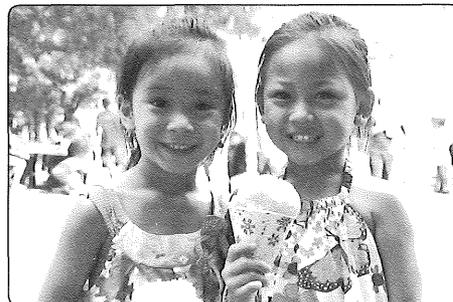
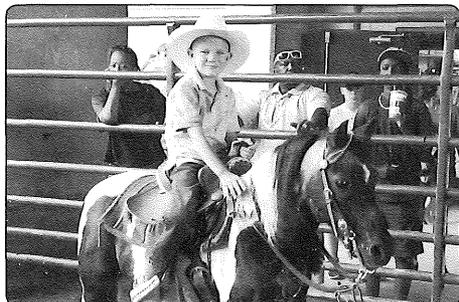
MILITARY APPRECIATION DAY'S WELCOME HOME CELEBRATION

After the inaugural Military Appreciation Day in 2011, a Welcome Home Celebration was added for 2012. Hundreds of uniformed service members from all branches marched from the flag-raising ceremony at the Leinie Lodge Bandshell to Carousel Park. At Carousel Park, the service members were greeted by military and state leaders, and everyone enjoyed a "Tribute to the Troops" concert by country artist Rockie Lynne.



☆ **2012 SPONSORS** ☆

- August Schell Brewing Co.
- Bic
- Butter Kernel
- Cal Spas
- Cargill
- CenturyLink
- Coca-Cola
- Cub Foods
- Gander Mountain
- Gold'n Plump
- Good Health Saunas
- Great River Energy
- Green Mill Restaurant
- Hill's Science Diet
- Jack Link's
- Jacob Leinenkugel Brewing Co.
- John Deere
- Kemps
- Midwest Dairy Association
- Minnesota Corn Growers Association
- Minnesota Farm Bureau Foundation
- Minnesota Livestock Breeders Association
- Minnesota State Lottery
- Mr. Bubble
- PreferredOne
- Sam's Club
- Sleep Number
- Sensodyne
- Summit Brewing Co.
- TCF
- T-Mobile
- Treasure Island Resort & Casino
- Xfinity



★ AWARDS & ACCOLADES ★



2012 MSF ALL-STAR MVP WINNERS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and outstanding service. Winners for 2012 were:

(Back) Nicklas Oelze, Sanitation; Chad Newton, Education; Janet Gramling, Finance;

(Front) Carrie Schorn, Little Farm Hands; Jamie Friday, Creative Activities Annex

MINNESOTA STATE FAIR RURAL YOUTH SCHOLARSHIPS

The Minnesota State Fair Rural Youth Scholarships were established in 1994 to help further the educational endeavors of young adults from greater Minnesota. Twenty 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 individuals were the 2012 recipients:

- Benjamin Bogard, Oronoco
- Kari Boyum, Wanamingo
- Maria Brekke, Shakopee
- Charlie Dicke, Goodhue
- Jaclyn Dingels, Redwood Falls
- Mitchell Donkers, Faribault
- Maggie Gadbois, Hugo
- Elizabeth Johnson, Sleepy Eye
- Christine Klecker, Amboy
- Evan Koep, Lakefield

- Lauryn Kugler, Erhard
- Miranda Lemke, Hutchinson
- Megan Nelson, Lindstrom
- Brent Meshke, Lake Crystal
- Megan Regnier, Canby
- Grady Ruble, Albert Lea
- Michael Schmitt, Rice
- Justin Siewert, Lake City
- Ashley Sobczak, Brooklyn Park
- John Weber, St. Paul

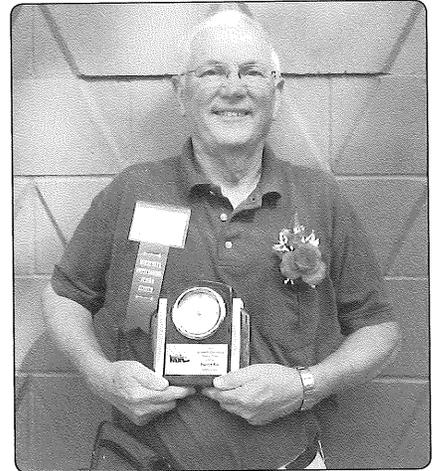
50 YEAR AWARD

In 2012, six awards were presented to individuals who have actively participated in the Minnesota State Fair for a half-century. They were:

- Melvin "Bud" Dorsey - Western Horse Exhibitor
- Mike Heffron - Member of the MSF Hall of Fame and Retired General Manager
- Gene Sanford - Livestock Exhibitor
- William Schneider - Concessionaire
- Leland Thiesen - 4-H and FFA
- Phyllis Urch - Poultry Exhibitor

PRINCESS KAY

Christine Reitsma of Sauk Centre was crowned the 59th Princess Kay of the Milky Way to serve as a goodwill ambassador for the dairy industry and the more than 4,000 Minnesota dairy farmers.



Outstanding Senior:
Darryl Hill of Owatonna



Outstanding Senior:
Annette Perry of New Ulm

OUTSTANDING SENIOR CITIZENS

Darryl Hill of Owatonna and Annette Perry of New Ulm were named Minnesota's 2012 Outstanding Seniors at the Leinie Lodge Bandshell on Seniors Day, Aug. 30. The two were honored for their outstanding commitment to community service since reaching the age of 65.

DOUGLAS K. BALDWIN AWARD

Kirby Schmidt, a member of the Marshall FFA Chapter, was named the recipient of the Douglas K. Baldwin Award, named in honor of Douglas K. Baldwin who served as the fair's general manager from 1951 to 1963. The Baldwin Award is presented to outstanding students in agriculture programs.

(Left) Princess Kay of the Milky Way:
Christine Reitsma of Sauk Centre

☆ HONORARY LIFE MEMBER ☆



The Minnesota State Fair annually elects one individual for honorary life membership in the Minnesota State Agricultural Society. Superintendent of Senior Citizens Marge Krueger is this year's honoree. Her mother held this role when the State Fair introduced the Senior Citizens Department in 1965. Marge fondly remembers assisting her with the various duties before and during the run of the fair. After her mother passed away in 1979, Marge was named superintendent and has led the Senior Citizens Department and Ramberg Senior Center since that time. She has been instrumental in the success of the Outstanding Senior Citizens Awards, which are presented annually on Seniors Day to two winners who have shown outstanding commitment to community service since reaching the age of 65. State Fair Human Resources Director Mary Miller, who has worked with Marge for nearly 25 years, says, "Marge is excellent at what she does. We are very lucky to have her. She takes care of each and every guest who walks through the doors of the Ramberg Senior Center, and those guests come back to visit her year after year. Her hard work and passion for senior citizens have made the Outstanding Senior Citizens Awards a well-respected and fine-tuned program integral to the Minnesota State Fair. Marge is a terrific ambassador for the fair and for seniors."

☆ 2012 STATE FAIR BOARD OF MANAGERS ☆

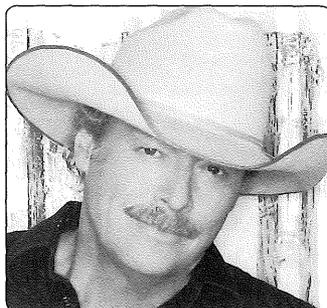
The Minnesota State Fair is governed by the Minnesota State Agricultural Society, which is charged exclusively with governance of the State Fair. Society delegates represent all 87 county fairs in Minnesota, along with a few dozen statewide agricultural groups. At its annual meeting each January, this group of delegates elects a 10-member board of managers to set policy and provide oversight for the fair. Nine members represent the Agricultural Society's nine regional districts and the 10th member (the president) serves at large.



(L-R, back row) Wally Wichmann, Balaton, 7th District; Sharon Wessel, Hamel, 3rd District; Joe Scapanski, Sauk Rapids, 6th District; Al Paulson, Shevlin, 9th District; Paul Merkins, Stewart, 2nd District; Ron Oleheiser, Grand Rapids, 8th District; Gordy Toenges, Alden, 1st District.

(L-R, front row) Joe Fox, Maplewood, 4th District Vice President; Jim Foss, Kenyon, President; D.J. Leary, Minneapolis, 5th District Vice President.

☆ GRANDSTAND ☆



Thursday, Aug. 23

BONNIE RAITT with special guest MAVIS STAPLES

7:30 p.m. • \$44.50, \$34.50 • Attendance: 8,085

Friday, Aug. 24

ALAN JACKSON with special guest JAMEY JOHNSON

7:30 p.m. • \$40 • Attendance: 10,773

Saturday, Aug. 25

BLAKE SHELTON with special guest SUNNY SWEENEY

7:30 p.m. • \$41, \$31 • Attendance: 12,712

Sunday, Aug. 26

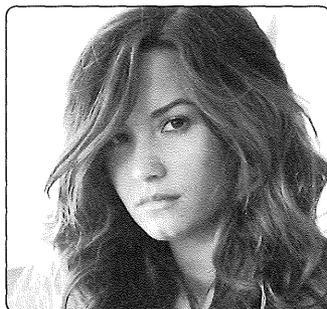
An Evening with ANITA BAKER

8 p.m. • \$38 • Attendance: 2,976

Monday, Aug. 27

THE HAPPY TOGETHER TOUR 2012 featuring THE TURTLES with FLO & EDDIE, THE MONKEES LEAD SINGER MICKY DOLENZ, GARY PUCKETT & THE UNION GAP, THE GRASS ROOTS and THE BUCKINGHAMS

8 p.m. • \$18 • Attendance: 6,604



Tuesday, Aug. 28

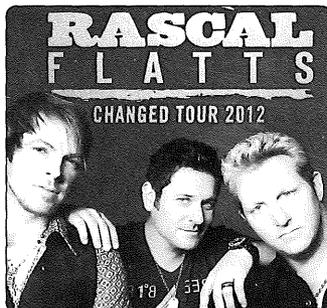
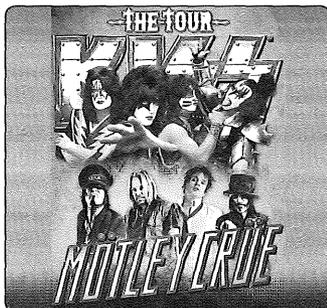
DEMI LOVATO with special guest HOT CHELLE RAE

7:30 p.m. • \$35 • Attendance: 5,567

Wednesday, Aug. 29

KISS AND MÖTLEY CRÜE

7 p.m. • \$81, \$71, \$51 • Attendance: 13,138 (sold out)



Thursday, Aug. 30

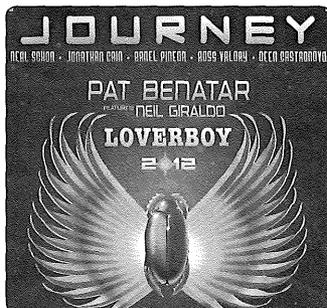
RASCAL FLATTS with special guests LITTLE BIG TOWN, ELI YOUNG BAND and EDENS EDGE

7 p.m. • \$63, \$53, \$43 • Attendance: 13,144 (sold out)

Friday, Aug. 31

MN MUSIC ON-A-STICK presented by 89.3 THE CURRENT featuring SEMISONIC, THE JAYHAWKS, DESSA, JEREMY MESSERSMITH, and LUCY MICHELLE AND THE VELVET LAPELLES

5 p.m. • \$35 • Attendance: 5,940



Saturday, Sept. 1

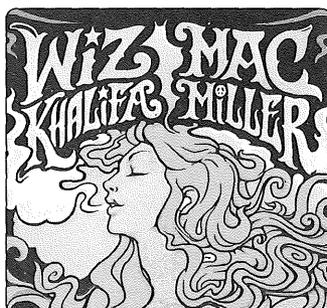
JOURNEY with special guests PAT BENATAR featuring NEIL GIRALDO, and LOVERBOY

7 p.m. • \$58, \$48, \$38 • Attendance: 13,127 (sold out)

Sunday, Sept. 2

40TH ANNUAL MINNESOTA STATE FAIR AMATEUR TALENT CONTEST FINALS

8 p.m. • Free - No Grandstand Ticket Required • Attendance: approx. 10,000



Monday, Sept. 3

WIZ KHALIFA AND MAC MILLER with special guest BIG K.R.I.T.

6:30 p.m. • \$39, \$29 • Attendance: 15,401 (sold out)

☆ FREE STAGES ☆

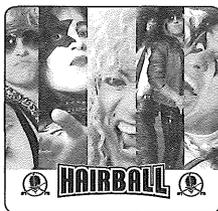
THE LEINIE LODGE BANDSHELL TONIGHT!



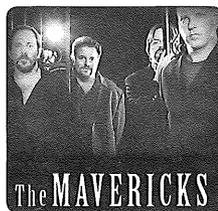
Aug. 23 & 24
DAWES



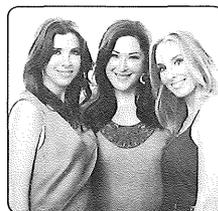
Aug. 25 & 26
THE FABULOUS THUNDERBIRDS



Aug. 27 & 28
HAIRBALL



Aug. 29 & 30
THE MAVERICKS



Aug. 31 & Sept. 1
WILSON PHILLIPS



Sept. 2 & 3
BETTYE LAVETTE

■ LEINIE LODGE BANDSHELL

- **Aug. 23 & 24:** Morgan Frazier, Tonic Sol-fa, JT Hodges
- **Aug. 25 & 26:** Robby Vee and his Rock 'n' Roll Caravan, Elizabeth Cook, Jeffery Broussard & The Creole Cowboys
- **Aug. 27 & 28:** The 34th Infantry Division "Red Bull" Band, Squeezebox, The Johnny Hiland Band
- **Aug. 29 & 30:** The Twin Cities Community Gospel Choir, New Odyssey, Mandy Barnett
- **Aug. 31 & Sept. 1:** Home Free, Wanda Jackson, Will Hoge
- **Sept. 2 & 3:** Mockingbird Sun, The Cleverlys, Big Sam's Funky Nation, The Bad Larrys

■ FAMILY FAIR AT BALDWIN PARK

- **Aug. 23 – Sept. 3:** Sean Emery, Monster Shop Bump'n with the BC Characters
- **Aug. 23 & 24:** T. Texas Terry's Comedy Wild West Show
- **Aug. 25 & 26:** Sheltered Reality
- **Aug. 27 & 28:** Kidsdance
- **Aug. 29 & 30:** In Capable Hands
- **Aug. 31 & Sept. 1:** Scott Land Marionettes
- **Sept. 2 & 3:** Bunny Clogs

■ RAMBERG SENIOR CENTER

- **Aug. 23 & 24:** The Mellow Fellows, Betty Rydell & Randi Rae
- **Aug. 25 & 26:** Sloughgrass, Patty and The Buttons
- **Aug. 27 & 28:** The Gallivanter, Hand Thunander
- **Aug. 29 & 30:** The Banjo Boys, The Jim Shannon Trio
- **Aug. 31 & Sept. 1:** The Prime Time Players, James Wedgwood Ventriloquist
- **Sept. 2 & 3:** Jim Berner's Music Legends, Rod Cerar Orchestra

■ INTERNATIONAL BAZAAR

- **Aug. 23 & 24:** Todd Menton, The Galactic Cowboy Orchestra
- **Aug. 25 & 26:** Dominic Gaudious, Yawo
- **Aug. 27 & 28:** Dirty Shorts Brass Band, Tom Mason and The Blue Buccaneers
- **Aug. 29 & 30:** Malamanya, Native Pride Dancers
- **Aug. 31 & Sept. 1:** CAAM Chinese Dance Theater,

Café Accordion Orchestra

- **Sept. 2 & 3:** BATO BATO! Breck Marimba Ensemble, Malek's Fishermen Band

■ BAZAAR AFTER DARK

- **Aug. 23 & 24:** Soul Tight Committee
- **Aug. 25 & 26:** The International Reggae All Stars
- **Aug. 27 & 28:** Davina & The Vagabonds
- **Aug. 29 & 30:** K-Libre 24
- **Aug. 31 & Sept. 1:** Hookers & Blow
- **Sept. 2 & 3:** Tropical Zone Orchestra

■ HERITAGE SQUARE

- **Aug. 23 & 24:** Tina & Lena, The Harris Brothers
- **Aug. 25 & 26:** The Cactus Blossoms, The Minnesota State Fiddle Contest
- **Aug. 27 & 28:** LeRoy's River Minstrels, The Sherwin Linton Show featuring Pam and The Cotton Kings
- **Aug. 29 & 30:** Craig Ebel and DyVersaCo, Sourdough Slim with Robert Armstrong
- **Aug. 31 & Sept. 1:** The Mouldy Figs, The Minnesota Flatpicking Guitar and Duet Championships
- **Sept. 2 & 3:** The Dale Pexa Band, Six Mile Grove

■ HERITAGE AT SUNDOWN

- **Aug. 23 & 24:** The Sweet Colleens
- **Aug. 25 & 26:** Caroline Smith & The Good Night Sleeps
- **Aug. 27 & 28:** JD McPherson
- **Aug. 29 & 30:** Monroe Crossing
- **Aug. 31 & Sept. 1:** The New Standards
- **Sept. 2 & 3:** Molly Maher & Erik Koskinen

■ THE X-ZONE

- **Aug. 23 – Sept. 3:** 3rd Lair SkatePark, Flippenout Extreme Trampoline Show

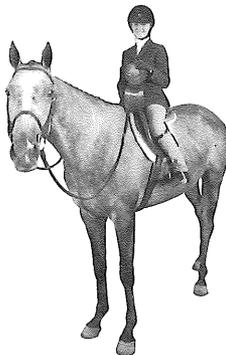
■ THE NORTH WOODS

- **Aug. 23 – Sept. 3:** Timberworks Lumberjack Show, Ron Schara's Minnesota Bound

WARNER COLISEUM

■ ENGLISH HORSE SHOW DATES & TIMES

- **Wednesday, Aug. 22:** 8 a.m.
- **Thursday, Aug. 23:** 9 a.m., 1 and 6 p.m.
- **Friday, Aug. 24:** 1 and 6:30 p.m.
- **Saturday, Aug. 25:** 6 p.m.
- **Sunday, Aug. 26:** 8:30 a.m., noon and 6 p.m.
- **Monday, Aug. 27:** 12:30 and 6 p.m.
- **Tuesday, Aug. 28:** 6 p.m.



■ HIGH SCHOOL RODEO DATES & TIMES

- **Wednesday, Aug. 29:** 6 p.m.
- **Thursday, Aug. 30:** noon and 6 p.m.
- **Friday, Aug. 31:** noon

■ WESTERN HORSE SHOW DATES & TIMES

- **Friday, Aug. 31:** 6 p.m.
- **Saturday, Sept. 1:** 6 p.m.
- **Sunday, Sept. 2:** 8 a.m., 12:30 and 6 p.m.
- **Monday, Sept. 3:** 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 enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2012, 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 partial comparative information has been derived from the Society's 2011 financial statements and, in our report dated May 17, 2012, we expressed unqualified opinions on the respective financial statements of the enterprise fund and the discretely presented component unit.

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 \$1,534,296 and \$1,648,737, respectively, as of and for the year ended October 31, 2012. 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. The financial statements of the Minnesota State Fair Foundation were not audited in accordance with *Government Auditing Standards*. 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 enterprise fund and the discretely presented component unit of the Society as of October 31, 2012, 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)

The financial statements include prior year partial comparative information, which does not include all of the information required in a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended October 31, 2011, from which such information was derived.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2013, 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 basic 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 required parts 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 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, Radosevich, & Co., P.A.

Minneapolis, Minnesota

April 30, 2013

MINNESOTA STATE FAIR

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, 2012 and 2011, 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 2012 and 2011 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 capital 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 to \$45.3 million during fiscal 2012. An increase in net operating income and foundation grants, continued investment in capital assets, along with a reduction in long-term debt resulted in the increase in net assets of \$3.0 million during fiscal 2012.

Over 86% of the Society's net assets - \$38.9 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

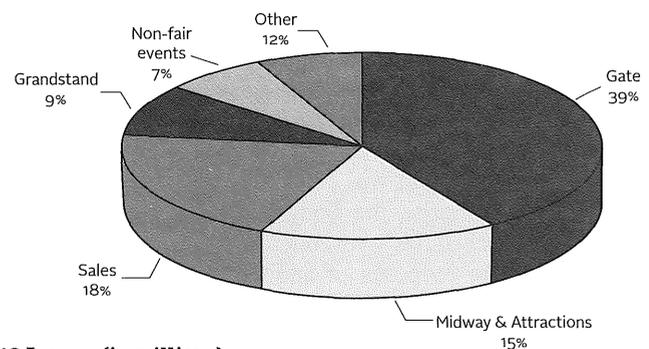
The State Fair realized an increase in net assets of \$3.0 million in 2012, based upon gross revenues of \$43.2 million and gross expenses of \$40.2 million. The previous year showed a net operating gain of \$1.7 million from income of \$41.3 million and expenses of \$39.6 million. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space, and the rental of fair facilities for non-fair events.

Although weather during the 2012 Fair was some of the hottest on record, the conditions did not wilt overall attendance (second largest total). Net income and operating gain increased primarily due to strong attendance and spending by guests; a very successful grandstand

REVENUE, EXPENSE AND CHANGES IN NET ASSETS

| | 2012 | 2011 |
|--|--------------|--------------|
| Revenue | | |
| Ticket sales | \$26,807,000 | \$26,422,000 |
| Activities | 10,360,000 | 9,881,000 |
| Other | 5,041,000 | 4,488,000 |
| Non-operating revenue | | |
| Grant revenue | 1,022,000 | 560,000 |
| Total revenue | 43,230,000 | 41,351,000 |
| Expense | | |
| Activities, support and administrative | 26,382,000 | 25,759,000 |
| General operations | 13,871,000 | 13,848,000 |
| Total expense | 40,253,000 | 39,607,000 |
| Changes in net assets | 2,977,000 | 1,744,000 |
| Beginning net assets | 42,348,000 | 40,604,000 |
| Ending net assets | 45,325,000 | 42,348,000 |

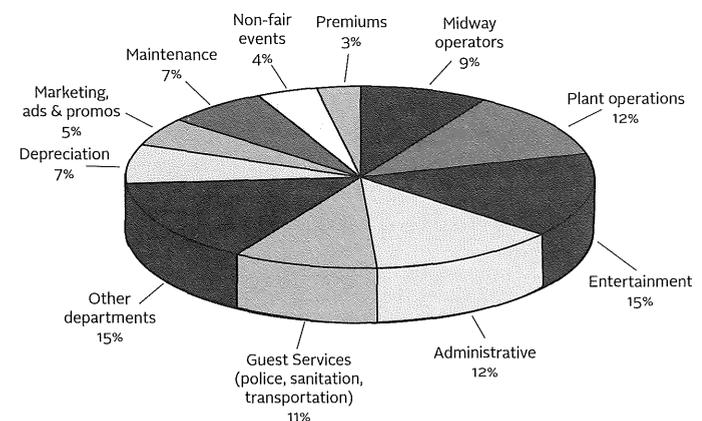
2012 INCOME (\$43.2 Million)



2012 Income (in millions)

- Gate - \$17.0
- Midway & Attractions - \$6.4
- Sales - \$7.7
- Grandstand - \$4.1
- Non-fair events - \$2.9
- Other - \$5.1

2012 EXPENSE (\$40.2 Million)



2012 Expense (in millions)

- Midway operators - \$3.7
- Plant operations - \$5.0
- Entertainment - \$6.1
- Administrative - \$5.0
- Marketing ads & promos - \$1.9
- Premiums - \$1.3
- Guest services (police, sanitation, transportation) - \$4.3
- Other departments - \$5.8
- Depreciation - \$2.7
- Maintenance - \$2.9
- Non-fair events - \$1.5

line-up and an increase in grant income. Expenses also rose due to the increasing cost to provide the programming, support, and maintenance required to present and conduct the annual Fair.

In a typical year, ticket sales represent two-thirds of the State Fair's gross annual income. In 2012, the ticket sales total of \$26.8 million was earned chiefly through sales of outside gate and parking tickets (\$17.0 million), Mighty Midway and Kidway tickets (\$5.7 million), and Grandstand tickets (\$4.1 million).

As with most business enterprises, expenses are very diverse. The State Fair provides extensive services to fair visitors that include police protection (\$1.3 million), sanitation (\$1.1 million) and Park & Ride bus service (\$1.9 million). Other expenses include Grandstand and free entertainment (\$6.1 million), fairgrounds plant operations (\$5.0 million) and maintenance and depreciation of State Fair facilities (\$5.6 million).

A detailed breakdown of the State Fair's income and expenses is included in the Revenues and Expenses Supporting Schedule on pages 24–27.

CONDENSED STATEMENT OF NET ASSETS

| | 2012 | 2011 |
|--|---------------------|---------------------|
| Current & other assets | \$ 10,635,000 | \$ 10,752,000 |
| Capital assets | <u>47,341,000</u> | <u>45,674,000</u> |
| Total assets | 57,976,000 | 56,426,000 |
| Long term bonds and notes | 9,052,000 | 9,585,000 |
| Other liabilities | <u>3,599,000</u> | <u>4,493,000</u> |
| Total liabilities | 12,651,000 | 14,078,000 |
| Invested in capital assets, net of related debt | 38,867,000 | 35,309,000 |
| Restricted | 1,303,000 | 2,331,000 |
| Unrestricted | <u>5,155,000</u> | <u>4,708,000</u> |
| Total net assets | <u>\$45,325,000</u> | <u>\$42,348,000</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 Works Progress Administration (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 2012, the State Fair invested \$4,362,000 in capital improvements. Projects included \$3,007,000 for the construction of the new Ag Star Arena; \$405,000 for roof replacement on the Progress Center; \$303,000 to remodel the interior of the Education Building; and \$201,000 on the continuing upgrade of the fairgrounds-wide fiber optic system. 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.

Additional information on capital assets can be found in note 3 of the accompanying financial statements.

■ Long-Term Liabilities

During fiscal 2012, the Society issued a \$9,052,000 refunding revenue note to retire the outstanding revenue bond and revenue note. 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 accompanying 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

| | 2012 | 2011 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents - unrestricted | \$ 8,096,573 | \$ 7,313,738 |
| Cash and cash equivalents - restricted | 1,303,193 | 1,457,452 |
| Accounts receivable | 885,000 | 607,087 |
| Prepaid expenses | 162,012 | 149,575 |
| Note receivable - current | 21,600 | 21,600 |
| Accrued interest receivable | 627 | 10,111 |
| Total current assets | \$ 10,469,005 | \$ 9,559,563 |
| Non-current assets: | | |
| Cash and cash equivalents - restricted debt service reserve | - | 873,405 |
| Receivable due from Minnesota State Fair Foundation | 122,944 | 254,286 |
| Note receivable | 43,200 | 64,800 |
| Capital Assets, not being depreciated | 2,503,439 | 2,503,439 |
| Capital Assets, net of related depreciation | 44,837,794 | 43,170,801 |
| Total non-current assets | \$ 47,507,377 | \$ 46,866,731 |
| Total assets | \$ 57,976,382 | \$ 56,426,294 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,900,444 | \$ 1,777,753 |
| Accrued salaries | 184,358 | 139,985 |
| Unearned revenue | 172,830 | 131,383 |
| Bond and note interest payable | 28,778 | 61,368 |
| Bond payable - current | - | 500,000 |
| Note payable - current | 1,075,000 | 460,000 |
| Unclaimed property payable | - | 9,621 |
| Total current liabilities | \$ 3,361,410 | \$ 3,080,110 |
| Noncurrent liabilities: | | |
| Bond payable due in more than one year | \$ - | \$ 7,285,000 |
| Note payable due in more than one year | 7,977,000 | 2,300,000 |
| Deferred gain on debt refunding | (502,894) | - |
| Unamortized bond discount | - | (149,254) |
| Unamortized note discount | (74,750) | (30,808) |
| Compensated absences | 693,968 | 598,452 |
| Other post employment benefit obligations | 1,196,961 | 994,290 |
| Total non-current liabilities | \$ 9,290,285 | \$ 10,997,680 |
| Total liabilities | \$ 12,651,695 | \$ 14,077,790 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | \$ 38,866,877 | \$ 35,309,302 |
| Restricted for: | | |
| Debt service | 1,302,743 | 2,316,934 |
| Capital improvements | 450 | 13,923 |
| Unrestricted | 5,154,617 | 4,708,345 |
| Total net assets | \$ 45,324,687 | \$ 42,348,504 |
| Total liabilities and net assets | \$ 57,976,382 | \$ 56,426,294 |

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

■ Minnesota State Fair Foundation Statement of Net Assets

For the years ended October 31

| | 2012 | 2011 |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,053,264 | \$ 1,431,203 |
| Investments | 78,516 | 18,599 |
| Accounts receivable | 1,834 | 1,050 |
| Contributions receivable, net | 385,717 | 590,975 |
| Prepaid expenses and other assets | 6,024 | 10,509 |
| Merchandise inventory | 3,650 | 3,848 |
| Property and equipment, net of accumulated depreciation of \$15,033 and \$22,765, respectively | <u>5,291</u> | <u>10,297</u> |
| Total assets | <u>\$ 1,534,296</u> | <u>\$ 2,066,481</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable | \$ 3,873 | \$ 3,619 |
| Accrued expenses | 22,680 | 19,990 |
| Payable due to the Minnesota State Agricultural Society | <u>122,944</u> | <u>254,286</u> |
| Total Liabilities | 149,497 | 277,895 |
| Net Assets | | |
| Unrestricted: | | |
| Undesignated | 278,085 | 187,476 |
| Board designated for fine arts | 23,047 | 17,343 |
| Board designated for endowment | <u>2,790</u> | <u>2,532</u> |
| Total unrestricted net assets | 303,922 | 207,351 |
| Temporarily restricted | 936,298 | 1,550,316 |
| Permanently restricted | <u>144,579</u> | <u>30,919</u> |
| Total net assets | <u>1,384,799</u> | <u>1,788,586</u> |
| Total liabilities and net assets | <u>\$ 1,534,296</u> | <u>\$ 2,066,481</u> |

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

For the years ended October 31

| | 2012 | 2011 |
|--|----------------------|----------------------|
| OPERATING REVENUES | | |
| Ticket sales | \$ 26,807,135 | \$ 26,421,782 |
| Activities | 10,359,507 | 9,880,529 |
| Other | <u>4,967,875</u> | <u>4,402,369</u> |
| Total operating revenues | \$ 42,134,517 | \$ 40,704,680 |
| OPERATING EXPENSES | | |
| Administrative | \$ 5,030,799 | \$ 5,026,247 |
| Activities and support | 21,351,887 | 20,732,503 |
| Premiums | 1,262,352 | 1,182,027 |
| Plant operations | 5,029,726 | 4,964,051 |
| Plant maintenance | 2,910,516 | 3,094,759 |
| Other | 1,522,137 | 1,474,569 |
| Depreciation | <u>2,695,030</u> | <u>2,605,186</u> |
| Total operating expenses | \$ 39,802,447 | \$ 39,079,342 |
| Operating income | \$ 2,332,070 | \$ 1,625,338 |
| NON OPERATING REVENUES (EXPENSES) | | |
| Investment income | \$ 72,773 | \$ 80,269 |
| Grant revenue | 1,022,279 | 560,457 |
| Interest expense | (450,939) | (515,802) |
| Gain on sale of building | - | 5,400 |
| Loss on disposal of capital assets | <u>-</u> | <u>(10,947)</u> |
| Total non-operating revenues (expenses) | \$ 644,113 | \$ 119,377 |
| Change in net assets | \$ 2,976,183 | \$ 1,744,715 |
| Total net assets, beginning of year | \$ 42,348,504 | \$ 40,603,789 |
| Net assets, end of year | \$ 45,324,687 | \$ 42,348,504 |

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

■ Minnesota State Fair Foundation Statement of Activities

For the Year Ended October 31

| | 2012 | | | | 2011 | | | |
|---|-------------------|------------------------|------------------------|---------------------|-------------------|------------------------|------------------------|------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| REVENUES | | | | | | | | |
| Contributions | \$ 151,303 | \$ 462,269 | \$ 113,660 | \$ 727,232 | \$ 142,318 | \$ 1,206,314 | \$ 30,919 | \$ 1,379,551 |
| Support from the Minnesota State Agricultural Society | 211,969 | - | - | 211,969 | 190,429 | - | - | 190,429 |
| In-Kind Contributions | 94,314 | - | - | 94,314 | 229,317 | - | - | 229,317 |
| Special Events, Net of Direct Benefits of \$51,965 and \$41,364, Respectively | 37,691 | - | - | 37,691 | 26,843 | - | - | 26,843 |
| Interest and Dividends | 2,700 | 1,493 | - | 4,193 | 5,129 | 676 | - | 5,805 |
| Unrealized Gains on Investments | 206 | 5,026 | - | 5,232 | 10 | 67 | - | 77 |
| Miscellaneous Income | - | - | - | - | 4,043 | - | - | 4,043 |
| Net Assets Released from Restrictions | 1,082,806 | (1,082,806) | - | - | 400,829 | (400,829) | - | - |
| Total | 1,580,989 | (614,018) | 113,660 | 1,080,631 | 998,918 | 806,228 | 30,919 | 1,836,065 |
| Merchandise Sales and Commissions | 224,538 | - | - | 224,538 | 298,260 | - | - | 298,260 |
| Less: Cost of goods sold | (60,219) | - | - | (60,219) | (82,678) | - | - | (82,678) |
| Net Merchandise Sales and Commissions | 164,319 | - | - | 164,319 | 215,582 | - | - | 215,582 |
| Total Revenues | 1,745,308 | (614,018) | 113,660 | 1,244,950 | 1,214,500 | 806,228 | 30,919 | 2,051,647 |
| EXPENSES | | | | | | | | |
| Grants to the Minnesota State Agricultural Society | 1,022,279 | - | - | 1,022,279 | 560,457 | - | - | 560,457 |
| Payroll | 400,103 | - | - | 400,103 | 368,360 | - | - | 368,360 |
| Production Expenses | 72,224 | - | - | 72,224 | 53,212 | - | - | 53,212 |
| Contract Services | 45,947 | - | - | 45,947 | 42,611 | - | - | 42,611 |
| Office Expenses | 41,799 | - | - | 41,799 | 22,346 | - | - | 22,346 |
| Occupancy | 33,711 | - | - | 33,711 | 37,815 | - | - | 37,815 |
| Business Expenses | 20,560 | - | - | 20,560 | 24,176 | - | - | 24,176 |
| Travel and Meetings | 3,241 | - | - | 3,241 | 3,556 | - | - | 3,556 |
| Other Expenses | 8,873 | - | - | 8,873 | 12,218 | - | - | 12,218 |
| Total Expenses | 1,648,737 | - | - | 1,648,737 | 1,124,751 | - | - | 1,124,751 |
| CHANGE IN NET ASSETS | 96,571 | (614,018) | 113,660 | (403,787) | 89,749 | 806,228 | 30,919 | 926,896 |
| Net assets - Beginning | 207,351 | 1,550,316 | 30,919 | 1,788,586 | 117,602 | 744,088 | - | 861,690 |
| NET ASSETS - ENDING | \$ 303,922 | \$ 936,298 | \$ 144,579 | \$ 1,384,799 | \$ 207,351 | \$ 1,550,316 | \$ 30,919 | 1,788,586 |

■ Minnesota State Fair Statement of Cash Flows

For the years ended October 31

| | 2012 | 2011 |
|--|-----------------------|-----------------------|
| Cash flow from operating activities: | | |
| Cash received from operations | | |
| Ticket sales | \$ 26,676,900 | \$ 28,452,271 |
| Activities | 9,982,635 | 9,954,304 |
| Other | 5,369,858 | 4,180,971 |
| Cash payment for operating expenses | | |
| To suppliers of goods or services | (27,685,899) | (27,455,123) |
| To employees for services | (8,862,970) | (8,609,186) |
| Net cash provided by operating activities | \$ 5,480,524 | \$ 6,523,237 |
| Cash flow from capital and related financing activities | | |
| Payments for acquisition and construction of capital assets | \$ (4,325,151) | \$ (2,890,095) |
| Payments on note receivable | 21,600 | 56,934 |
| Principal payments on revenue bond and revenue note | (960,000) | (940,000) |
| Interest payments on revenue bond and revenue note | (483,529) | (502,863) |
| Proceeds from issuance of refunding bonds and revenue notes | 9,052,000 | - |
| Payments on refunded bonds and revenue notes | (9,585,000) | - |
| Other payments on refunding bond issue | (397,582) | - |
| Net cash provided (used) by capital and related financing activities | \$ (6,677,662) | \$ (4,276,024) |
| Cash flow from non-capital financing activities | | |
| Grant revenue | 870,052 | 257,956 |
| Cash flow from investing activities | | |
| Interest earnings | 82,257 | 80,638 |
| Net increase (decrease) in cash and cash equivalents | (244,829) | \$ 2,585,807 |
| Cash and cash equivalents, beginning of year | 9,644,595 | 7,058,788 |
| Cash and cash equivalents, end of year | \$ 9,399,766 | \$ 9,644,595 |
| Reconciliation of operating income to net cash provided by operating activities | | |
| Operating income | \$ 2,332,070 | \$ 1,625,338 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation | 2,695,030 | 2,605,186 |
| Other non-operating revenues and cash expenses | 152,227 | 190,529 |
| Changes in assets and liabilities | | |
| Assets: (increase) decrease | | |
| Accounts receivable | (146,571) | 1,896,113 |
| Prepaid expenses | (12,437) | 6,416 |
| Liabilities: increase (decrease) | | |
| Accounts payable | 76,198 | (141,419) |
| Accrued salaries | 44,373 | 28,814 |
| Compensated absences | 95,516 | 49,968 |
| Unearned revenue | 41,447 | (13,247) |
| Other post employment benefit obligations | 202,671 | \$ 275,539 |
| Total adjustments | \$ 3,148,454 | \$ 4,897,899 |
| Net cash provided by operating activities | \$ 5,480,524 | \$ 6,523,237 |

Supplemental disclosure of non-cash transactions

For fiscal year 2012 and 2011, accounts payable included capitalized expenses of \$75,641 and \$38,770, respectively. For fiscal year 2012 and 2011, the Society received in-kind contributions totaling \$152,227 and \$302,501, respectively. In fiscal 2011, the Society 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. The Foundation is presented as a discretely presented component unit in these financial statements.

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board standards. 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.

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 2012.

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.

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 expenses at the lower of cost or market on the first-in, first-out basis. Prepaid expenses 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 2015.

When necessary, the Society utilizes an allowance for uncollectable accounts to value its receivables. However, the Society considers all of its receivables to be collectible.

The basic financial statements include prior year partial comparative information in total but not at the level of detail required for a

presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statement for the year ended October 31, 2011, from which the summarized information was derived.

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. Minnesota State Statute Section 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, 2012, according to the bank records, the Society had short-term investments of \$8,647,363 that were invested in repurchase agreements that are backed by U.S. agency underlying securities. After adjusting the bank balance of \$1,724,122 for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$752,403. Cash and cash equivalents totaled \$9,399,766. At October 31, 2012, all deposits were fully covered by federal depository insurance, surety bonds, or collateral held by the Society's agent in the Society's name.

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

| | 2012 | 2011 |
|-----------------------------------|--------------------|--------------------|
| Cash Equivalents - Restricted | | |
| Building Account | \$ 450 | \$ 450 |
| Debt Service Account | 1,302,743 | 1,443,529 |
| Debt Service Reserve Account | - | 873,405 |
| Construction Account | - | 13,473 |
| Total Restricted Cash Equivalents | 1,303,193 | 2,330,857 |
| Cash Equivalents - Unrestricted | 8,096,573 | 7,313,738 |
| Total Cash Equivalents | <u>\$9,399,766</u> | <u>\$9,644,595</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 investments, this is the risk that in the event of a failure of the counterparty to an investment transaction, the Society would not be able to recover the value of its 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 type 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, 2012, the Society's investment in a Bremer Bank repurchase agreement had underlying securities consisting of government agencies that were all rated AAA 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, 2012, the Society's investments include the following percentages of specific issuers: Bremer Bank repurchase agreement 100.0 %.

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.

NOTE 3: PROPERTY, STRUCTURES, UTILITIES & EQUIPMENT

| | Beginning Balance 11/01/11 | Increases | Decreases | Ending Balance 10/31/12 |
|--|----------------------------|---------------------|-----------|-------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$2,503,439 | - | - | \$2,503,439 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 75,364,350 | 3,815,373 | - | 79,179,723 |
| Utility systems | 10,194,732 | 385,372 | - | 10,580,104 |
| Personal property | 1,227,956 | 161,278 | - | 1,389,234 |
| Total capital assets, being depreciated | 86,787,038 | 4,362,023 | - | 91,149,061 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (36,883,171) | (2,189,877) | - | (39,073,048) |
| Utility systems | (5,942,137) | (321,217) | - | (6,263,354) |
| Personal property | (709,929) | (183,936) | - | (893,865) |
| Total accumulated depreciation | \$ 43,616,237 | (2,695,030) | - | (46,311,267) |
| Total capital assets, being depreciated, net | 43,170,801 | 1,666,993 | - | 44,837,794 |
| Total capital assets, net | <u>\$45,674,240</u> | <u>\$ 1,666,993</u> | <u>-</u> | <u>\$ 47,341,233</u> |

NOTE 4: LONG-TERM OBLIGATIONS

| | Balance 11/01/11 | Additions | Deletions | Balance 10/31/11 | Due With One Year |
|------------------------|------------------|--------------|----------------|------------------|-------------------|
| Revenue bonds | \$ 7,785,000 | \$ - | \$(7,785,000) | \$ - | \$ - |
| Revenue note | \$ 2,760,000 | - | (2,760,000) | - | - |
| Refunding revenue note | - | 9,052,000 | - | 9,052,000 | 1,075,000 |
| Total | \$10,545,000 | \$ 9,052,000 | \$(10,545,000) | 9,052,000 | \$ 1,075,000 |

In fiscal year 2012, the Society issued a \$9,052,000 Revenue Refunding Note, Series 2012. The proceeds of this issue were used to refund, in advance of their stated maturities, the 2013 through 2023 maturities of the Society's Revenue Bonds, Series 2003, and the 2013 through 2017 maturities of the Revenue Note, Series 2008. The Revenue Note, Series 2008 was refunded during the current fiscal year. The Revenue Bonds, Series 2003 was refunded during the current fiscal year and proceeds were deposited with an escrow agent to provide for all future debt service payments on the Revenue Bonds. As a result, the 2003 Series Revenue Bonds are considered to be defeased and the liability has been removed from the financial statements. As of October 31, 2012, \$7,285,000 of defeased revenue bond debt is outstanding.

The issuance reduced the Society's total future debt service payments by \$696,218 and resulted in a present value savings of \$623,905. The note is a special, limited liability 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. Operating revenues at October 31, 2012 were \$42,134,517 which exceeds the amount required for payment of principal and interest in 2013. The interest rate is 2.53% and matures September 15, 2022.

Annual debt service requirements to maturity for the State Fair Revenue Refunding Note, Series 2012 is as follows:

| | Principal | Interest |
|-----------|--------------------|--------------------|
| 2013 | \$ 1,075,000 | \$ 227,743 |
| 2014 | 1,086,000 | 201,818 |
| 2015 | 1,090,000 | 174,342 |
| 2016 | 1,104,000 | 146,765 |
| 2017 | 1,110,000 | 118,834 |
| 2018-2022 | <u>3,587,000</u> | <u>276,960</u> |
| | <u>\$9,052,000</u> | <u>\$1,146,462</u> |

Compensated Absences:

| | Balance 11/01/11 | Additions | Retirements | Balance 10/31/12 |
|----------------------------------|---------------------|----------------|------------------|---------------------|
| Severance benefits payable | \$ 286,590 | \$ 68,420 | \$ (4,004) | \$ 351,006 |
| Vacation benefits payable | \$ 311,862 | 400,634 | (369,534) | 342,962 |
| | <u>\$ 598,452</u> | <u>469,054</u> | <u>(373,538)</u> | <u>\$ 693,968</u> |

NOTE 5: SHORT TERM OBLIGATIONS

During fiscal year 2012, the Society renewed a working capital line of credit in the amount of \$1.5 million, with a maturity date of June 30, 2013, for possible short-term financing of fair operations. No short-term financing was necessary in fiscal 2012.

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 \$4,691,910 for 2012 and \$4,599,335 for 2011. Total Society payroll was \$9,111,841 for 2012 and \$8,934,693 for 2011. 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 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 \$226,754 for 2012, \$223,238 for 2011, and \$206,666 for 2010.

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 EMPLOYMENT BENEFIT OBLIGATIONS

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 Employment 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. The plan does not issue a publicly available financial report. An actuarial valuation of the 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 (ARC) | \$ 291,944 |
| Interest on net OPEB obligation | 39,772 |
| Adjustment to annual required contribution | <u>(57,500)</u> |
| Annual OPEB cost | 274,216 |
| Contributions during the year | (71,545) |
| Increase (decrease) in net OPEB obligation | 202,671 |
| Net OPEB obligation beginning of year | <u>994,290</u> |
| Net OPEB obligation end of year | <u>\$1,196,961</u> |

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

| Fiscal Year Ended | Annual OPEB cost | Employer Contribution | Percentage of Annual OPEB Cost Contribution | Net OPEB Obligation |
|----------------------|---------------------|--------------------------|---|------------------------|
| October 31, 2010 | \$396,428 | \$42,423 | 10.7% | \$718,751 |
| October 31, 2011 | \$401,949 | \$126,410 | 31.5% | \$994,290 |
| October 31, 2012 | \$274,216 | \$71,545 | 26.1% | \$1,196,961 |

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, 2012 GASB 45 actuarial valuation. As of October 31, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$2,307,373 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,307,373. The annual covered payroll was \$4,599,335, and the ratio of the UAAL to the annual covered payroll was 50.2 percent. Actuarial valuations of an ongoing plan involve estimates of the value of

reported amounts and assumptions about the probability occurrence of events far in to the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial assumptions include a 4% discount rate; an inflation rate of 3%; and an annual medical trend rate of 9% initially, reduced by decrements of one half percent to an ultimate rate of 5% after 8 years. OPEB benefits were calculated under the Projected Unit Credit method and the unfunded actuarial accrued liability (\$2,307,373) 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 | 4 |
| Active plan members | 73 |
| Total members | 77 |

NOTE 8: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables: Accounts receivable balances for the years ended October 31

| | 2012 | 2011 |
|-------------------|-------------------|-------------------|
| Tickets | \$ 133,856 | \$ 3,621 |
| Activities | 524,193 | 147,321 |
| Other | <u>226,951</u> | <u>456,145</u> |
| Total receivables | <u>\$ 885,000</u> | <u>\$ 607,087</u> |

Payables: Accounts payable balances for the years ended October 31

| | 2012 | 2011 |
|------------------|---------------------|---------------------|
| Administration | \$ 302,801 | \$ 290,361 |
| Activities | 676,175 | 499,293 |
| Plant operations | 446,534 | 600,898 |
| Capitalized | 75,641 | 38,770 |
| Other | <u>\$ 399,293</u> | <u>\$ 348,431</u> |
| Total payables | <u>\$ 1,900,444</u> | <u>\$ 1,777,753</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 preservation, restoration and improvement of the Minnesota State Fairgrounds, and to support State Fair educational, agricultural, and scientific programs. The

Foundation is supported primarily from public and private contributions, merchandise sales, in-kind contributions and volunteer time. Foundation financial statements can be obtained by writing to: Minnesota State Fair Foundation, 1265 Snelling Avenue North, St. Paul, Minnesota 55108.

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, 2012 and 2011, no allowance for uncollectible contributions receivable has been recorded since management believes all pledges are collectible.

Contributions receivable at October 31, 2012 and 2011 represent the present value of receivable due. Present value is determined using discount rates ranging from 1% to 3.5%. The expected collection periods of the contributions receivable at October 31, 2012 are as follows:

| Year ending October 31 | Amount |
|----------------------------|-------------------|
| 2013 | \$337,332 |
| 2014 | 44,667 |
| 2015 | <u>5,000</u> |
| Total | 386,999 |
| Less: unamortized discount | <u>1,282</u> |
| Total | <u>\$ 385,717</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 and changes in net assets 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. The Foundation currently does not have any conditional pledges.

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.

NOTE 10: RELATED PARTY TRANSACTIONS

In accordance with an agreement between the Foundation and the Society, the Society 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 October 31, 2012, the Foundation has \$122,944 of outstanding payables due to the Society for payroll and other compensation-related expenses. The October 31, 2011 outstanding payable balance totaled \$254,286. The Society contributed payroll expenses of \$161,758 during fiscal 2012 and and \$151,632 during fiscal 2011.

The employees of the Society have made significant contributions of their time to the Foundation's activities. These uncompensated services are included in the agreement between the Society 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, 2012, the Foundation granted \$806,500 for the new construction of the Ag-Star Judging Arena; fair-time educational and artistic experiences valued at \$116,522; recognition pavers and benches valued at \$58,737, and various other miscellaneous gifts valued at \$40,520, for a grant total of \$1,022,279 during fiscal 2012.

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.

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 | 2009 | 10/31/09 |
| | 2012 | 10/31/12 |
| Actuarial value of plan assets | 2009 | \$ - |
| | 2012 | \$ - |
| Actuarial accrued liability | 2009 | \$2,988,572 |
| | 2012 | \$ 2,307,373 |
| Total unfunded actuarial liability | 2009 | \$2,988,572 |
| | 2012 | \$ 2,307,373 |
| Funded ratio (1) | 2009 | 0% |
| | 2012 | 0% |
| Annual covered payroll | 2009 | \$ 4,284,124 |
| | 2012 | \$ 4,599,335 |
| Ratio of unfunded actuarial liability to annual covered payroll | 2009 | 69.8% |
| | 2012 | 50.2% |

(1) 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

2012

2011

OPERATING REVENUE

Ticket sales:

| | | |
|---------------------------|-------------------|-------------------|
| Carnival | \$ 5,754,941 | \$ 5,943,293 |
| Grandstand | 4,062,990 | 3,451,438 |
| Outside gate | 15,889,965 | 15,857,819 |
| Parking | 1,099,239 | 1,169,232 |
| Total ticket sales | 26,807,135 | 26,421,782 |

Activities:

| | | |
|-------------------------|-------------------|------------------|
| Box office | 601,957 | 614,823 |
| Campgrounds | 119,135 | 106,345 |
| Carnival | 120,760 | 88,282 |
| Competition | 296,436 | 303,870 |
| Entertainment | 178,525 | 44,290 |
| Fine Arts | 39,268 | 59,014 |
| Forage | 125,142 | 120,920 |
| 4-H auction | 493,590 | 405,512 |
| Public Safety | 9,044 | 10,462 |
| Sales | 8,375,650 | 8,127,011 |
| Total activities | 10,359,507 | 9,880,529 |

Other:

| | | |
|------------------------|------------------|------------------|
| Beef Expo | 110,004 | 112,495 |
| Licensee Utilities | 231,372 | 222,627 |
| Miscellaneous | 118,810 | 50,408 |
| Non-fair events | 2,817,211 | 2,623,187 |
| Sale of bulk milk | 13,369 | 14,206 |
| Sale of market animals | 111,908 | 105,306 |
| Sponsorships | 1,015,938 | 851,550 |
| Telephone | 84,324 | 65,806 |
| Utility assessments | 464,939 | 356,784 |
| Total other | 4,967,875 | 4,402,369 |

Total operating revenue

42,134,517

40,704,680

OPERATING EXPENSES

For the years ended October 31

Administrative:

| | | |
|-----------------------------|---------|-----------|
| Administrative Services | 301,029 | 303,629 |
| Annual meeting | 32,623 | 39,043 |
| Auditing Services | 44,851 | 52,320 |
| Bad debt | 440 | 112 |
| Computer | 309,016 | 315,399 |
| Dues and subscriptions | 25,502 | 17,068 |
| Insurance | 222,868 | 227,722 |
| Legal services | 127,009 | 81,012 |
| Managerial services | 448,681 | 491,645 |
| Medical insurance | 983,142 | 1,029,558 |
| Paid leave | 706,827 | 702,501 |
| Postage and mailing service | 96,673 | 108,533 |
| Printing and supplies | 103,572 | 81,120 |
| Retirement fund | 242,844 | 242,617 |
| Social security | 722,901 | 658,205 |
| Support services | 126,773 | 110,333 |
| Telephone | 222,625 | 247,588 |
| Travel expense | 87,483 | 90,567 |
| Unemployment compensation | 96,347 | 108,772 |

| | | |
|-------------------------------------|-------------------|-------------------|
| Workers compensation | 129,593 | 118,503 |
| Total administrative | 5,030,799 | 5,026,247 |
| Activities and Support: | | |
| Admissions | 175,610 | 180,843 |
| Advertising | 1,015,440 | 976,273 |
| Bee culture | 10,350 | 9,923 |
| Beef Expo | 76,306 | 78,641 |
| Box office | 312,505 | 263,077 |
| Campground | 67,342 | 60,617 |
| Carnival | 4,285,403 | 4,503,787 |
| Cattle | 168,278 | 146,410 |
| Christmas trees | 6,819 | 6,217 |
| Competition | 558,784 | 602,333 |
| Creative activities | 73,531 | 71,895 |
| Dairy products | 1,776 | 2,512 |
| Dog trials | 3,263 | 3,116 |
| Education | 33,020 | 31,897 |
| Farm crops | 26,108 | 27,301 |
| FFA | 94,041 | 95,035 |
| Finance | 290,024 | 278,111 |
| Fine arts | 37,834 | 37,343 |
| Flower and agriculture shows | 52,050 | 50,350 |
| Flowers | 14,314 | 11,972 |
| Forage | 165,217 | 169,424 |
| 4-H Club | 221,673 | 208,275 |
| Free entertainment | 1,649,315 | 1,459,353 |
| Fruit | 12,046 | 11,575 |
| Gate tickets | 300,502 | 304,880 |
| Goats | 6,783 | 7,628 |
| Goats - Boer | 2,462 | 2,668 |
| Grandstand - concerts | 4,486,825 | 4,142,509 |
| Heritage exhibits | 55,848 | 11,711 |
| Horse and rodeo | 176,466 | 150,948 |
| Llamas | 3,378 | 3,649 |
| Marketing | 462,851 | 501,689 |
| Park & Ride | 1,911,515 | 1,827,704 |
| Parking | 158,689 | 189,135 |
| Poultry | 20,036 | 17,665 |
| Publications | 372,363 | 356,950 |
| Public safety | 1,272,354 | 1,246,232 |
| Sales | 1,193,625 | 1,197,991 |
| Sanitation | 1,083,611 | 985,389 |
| Senior citizens | 7,723 | 8,240 |
| Sheep | 8,433 | 9,067 |
| Swine | 18,986 | 18,273 |
| Ticket audit | 7,188 | 7,524 |
| Ticket promotion | 379,810 | 388,912 |
| Trams | 36,750 | 35,300 |
| Transportation | 26,871 | 24,786 |
| Vegetables | 7,769 | 7,373 |
| Total activities and support | 21,351,887 | 20,732,503 |
| Premiums: | | |
| Bee culture | 4,229 | 3,610 |
| Beef expo | 22,305 | 21,704 |
| Cattle | 123,037 | 114,337 |
| Christmas trees | 2,815 | 3,025 |
| Creative activities | 14,786 | 14,501 |
| Dairy products | 1,425 | 1,425 |
| Dog trials | 1,110 | 1,110 |

| | | |
|--------------------------------|------------------|------------------|
| Education | 11,072 | 12,220 |
| Farm crops | 18,191 | 18,788 |
| FFA | 71,966 | 79,331 |
| Fine arts | 13,900 | 17,300 |
| Fine arts sales | 39,248 | 59,014 |
| Flowers | 2,719 | 2,714 |
| 4-H Auction | 493,490 | 405,512 |
| 4-H Club | 73,850 | 73,948 |
| Fruit | 2,335 | 2,494 |
| Goats - Dairy | 14,997 | 15,826 |
| Goats - Boer | 1,228 | 1,186 |
| Horse | 86,415 | 85,725 |
| Llama | 4,240 | 4,330 |
| Poultry | 10,588 | 9,253 |
| Rural youth scholarships | 20,000 | 20,000 |
| Sale of bulk milk | 13,368 | 11,791 |
| Sale of market animals | 116,158 | 115,231 |
| Sheep | 32,934 | 33,406 |
| Swine | 35,641 | 36,153 |
| Talent Contest | 25,620 | 13,620 |
| Vegetables | 4,685 | 4,473 |
| Total premiums | 1,262,352 | 1,182,027 |
| Other: | | |
| Miscellaneous | 74,183 | 42,787 |
| Non-fair events | 1,400,413 | 1,384,290 |
| Veterinarian service | 47,541 | 47,492 |
| Total other | 1,522,137 | 1,474,569 |
| Plant operations: | | |
| Architectural and engineering | 50,177 | 90,137 |
| Fire and police service | 277,374 | 245,755 |
| Fuel, oil and gasoline | 118,133 | 127,498 |
| Greenhouse | 224,167 | 230,549 |
| Operations | 1,324,347 | 503,090 |
| Property tax and assessments | - | 404 |
| Salaries and contract services | 797,873 | 1,254,582 |
| Set-up and take-down | 1,347,422 | 1,521,817 |
| Signs | 80,773 | 67,670 |
| Supplies | 156,868 | 76,078 |
| Utilities | 489,150 | 658,118 |
| Water and sewer | 163,442 | 188,353 |
| Total plant operations | 5,029,726 | 4,964,051 |
| Plant maintenance: | | |
| Electric system | 712,265 | 446,537 |
| Fence and fixtures | 26,032 | 36,666 |
| Gas system | 8,270 | 1,357 |
| Land | 99,437 | 151,275 |
| Personal property | 216,171 | 325,072 |
| Sewer system | 104,486 | 148,046 |
| Streets and sidewalks | 280,319 | 282,618 |
| Structures | 1,026,153 | 1,431,689 |
| Vehicles | 254,610 | 193,301 |
| Water system | 182,773 | 78,198 |
| Total plant maintenance | 2,910,516 | 3,094,759 |
| Depreciation: | | |
| Electric system | 167,200 | 154,731 |
| Fence and fixtures | 52,302 | 53,643 |
| Gas system | 627 | 627 |
| Land improvement | 78,113 | 78,122 |

| | | |
|---|----------------------------|----------------------------|
| Personal property | 183,936 | 206,788 |
| Sewer system | 137,887 | 138,680 |
| Streets & sidewalks | 47,308 | 45,095 |
| Structures | 2,012,155 | 1,910,998 |
| Water system | 15,502 | 15,502 |
| Total depreciation | 2,695,030 | 2,605,186 |
| TOTAL OPERATING EXPENSES | 39,802,447 | 39,079,342 |
| Operating income | 2,332,070 | 1,625,338 |
| NON-OPERATING REVENUE (EXPENSES) | | |
| Investment income | 72,773 | 80,269 |
| Grant revenue | 1,022,279 | 560,457 |
| Interest expense | (450,939) | (515,802) |
| Gain on sale of building | - | 5400 |
| Loss on disposal of capital assets | - | (10,947) |
| Net non-operating revenue | 644,113 | 119,377 |
| CHANGE IN NET ASSETS | <u>\$ 2,976,183</u> | <u>\$ 1,744,715</u> |



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 enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society), as of and for the year ended October 31, 2012, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated April 30, 2013. We did not audit the financial statements of the Minnesota State Fair Foundation as of and for the year ended October 31, 2012. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Society in a separate letter dated April 30, 2013.

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, Radoszewich, & Co., P.A.

Minneapolis, Minnesota
April 30, 2013

**MINNESOTA STATE AGRICULTURAL SOCIETY
ANNUAL MEETING**

January 12-13-14-15, 2012

DoubleTree by Hilton Hotel, Bloomington

The 153rd 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 Thursday Jan. 12 at the DoubleTree Hotel in Bloomington, Minn.

MEETING OF THE SALES COMMITTEE

5 p.m. Thursday Jan. 12, 2012

Members present: Jim Foss, chairman; Joe Fox; D.J. Leary; 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; Cheryl Huber; Mary Miller; Danyl Vavreck; Carol Doyle; Chris Leach; Julie Samec; Renae Korslien.

Chairman Foss called the meeting to order at 5:04 p.m.

Mr. Sinclair reviewed the report of '11 State Fair sales revenue, originally distributed at the Nov. 10, 2011, meeting of the board. After further discussion, the report was approved as submitted on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-7; Nay-0).

Mr. Sinclair presented the following percentage attractions for the '12 State Fair:

| CONCESSIONAIRE | ATTRACTION | 2011% | 2012% |
|-------------------------------------|--|-------------------|-------------------|
| 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% |
| Hot Shot Thrill Rides | <u>Maxxx Super Flyyy</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 Midway Rides and Shows Games of Skill | 43% 41% 23% | 43% 41% 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 corresponding percentages were approved as presented on a motion by Mr. Paulson, seconded by Mr. Scapanski and carried (Aye-7; Nay-0).

Mr. Sinclair presented ticket prices for the percentage attractions as follows:

| CONCESSIONAIRE | ATTRACTION | 2012 TICKET PRICE(S) |
|------------------------------|---|---|
| Big Adventures, Inc. | <u>Turbo Bungy</u> | \$5.00 |
| D.M.C., Inc. | Skyride | \$3.50 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> | \$30 single/\$55 for 2 riders Early Bird \$25 per rider from opening to 1 p.m. |
| Hot Shot Thrill Rides, Inc. | <u>Maxxx Super Flyyy</u> | \$15.00 |
| 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 (Advance Purchase) | \$.75 single \$20.00 for 28 tickets (\$.714 per ticket) \$30.00 for 44 tickets (\$.682 per ticket) \$10.00 for 20 tickets (\$.500 per ticket) |
| River Raft Ride, Inc. | Raft Ride Pirate Tag | \$4.00 \$3.00 |
| Skyfair, Inc. | SkyGlider | \$3.50 one way \$5.00 round trip |
| Skyscraper Two, Ltd. | <u>Skyscraper</u> | \$30 single/\$55-2 riders Early Bird \$25 per rider from opening to 1 p.m. |
| Spinless Wonders | Butterfly House | \$3.00 |
| Tinsley Amusements, Inc. | Carousel | \$2.50 |
| 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., 8/23 (Thrifty Thursday), Mon., 8/27 (Seniors & Kids Day), Thurs., 8/30 (Seniors Day) and Mon., Labor Day, 9/3 (Kids and Last Chance Day)

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

Following discussion, the percentage attraction ticket prices were approved on a motion by Mr. Scapanski, seconded by Ms. Wessel and carried (Aye-7; Nay-0).

Mr. Larson presented the following concessionaires recommended for beer and wine licenses during the '12 State Fair:

| | | |
|--|----------|---|
| Andrus Concessions, Inc. (Robert and Joseph Andrus) | Block 42 | 1774 Carnes Ave., Arcade Bldg. Malt Beverages |
| Ballpark Café, Inc. (Daniel and David Theisen) | Block 35 | 1312 Underwood St., Crossroads Bldg. Malt Beverages |
| Tres-C, Inc. dba Café Caribe (Joel and Mary Chesin) | Block 42 | 1770 Carnes Ave., Arcade Bldg. Malt Beverages |
| Chicago Dogs, Inc. (Bruce and Anne, Chesin) | Block 35 | 1670 Dan Patch Ave., Arcade Bldg. Malt Beverages |
| Coasters, Inc. (Paul and Diana Hohenwald) | Block 42 | 1804 Carnes Ave., The Garden Malt Beverages |

| | | |
|--|----------|---|
| Dino's Gyros (Constantin, Vona & Jason Adamidas) | Block 36 | 1701 Carnes Ave. Malt Beverages |
| Werner's Frontier, Inc. (Richard Werner) | Block 42 | 1790 Carnes Ave., Arcade Bldg., Malt Beverages |
| Baxters BBQ, Inc. dba Famous Dave's (Randy Jernberg) | Block 28 | 1801 Dan Patch Ave., Bldg. 289A Malt Beverages |
| French Creperie (Marc & Tracy Veziez) | Block 36 | 1711 Carnes Ave. Minnesota Produced Wine |
| Giggles Campfire Grill LLC (Timothy Weiss) | Block 19 | 1520 Cooper St. Malt Beverages |
| H.M.H. of St. Paul, Inc. dba Shanghaied Henri's (Henry & Ellen Hanten) | Block 47 | 1658 Judson Ave., International Bazaar Malt Beverages |
| Hildebrand Concessions, Inc. (Janice Hildebrand) | Block 28 | 1755 Dan Patch Ave., Grandstand Malt Beverages |
| CMK Investments dba Leinie Lodge (Robert J. Kirschner) | Block 34 | 1302 Cooper St., Bandshell Malt Beverages |
| Lancer Management Services, Inc. (Glenn Baron) | Block 50 | 1784 Judson Ave., Coliseum Malt Beverages |
| Mintahoe, Inc. for MN Farm Wine Assoc. (Kelvin Lee) | Block 44 | 1271 Underwood St. Minnesota Produced Wine |
| Midway Men's Club (Michael Wright) | Block 30 | 1354 Underwood St. Malt Beverages |
| MJ Financial Group, Inc., dba Ragin Cajun (Ronald Jacob) | Block 35 | 1670 Dan Patch Ave., The Garden Malt Beverages |
| O'Gara's at The Fair (Daniel & Kris O'Gara) | Block 34 | 1626 Dan Patch Ave. Malt Beverages |
| T.W. Concessions dba Buffalo Burgers (Jerry Woldorsky) | Block 27 | 1839 Dan Patch Ave., Heritage Square Malt Beverages |
| Three Amigos, Inc. dba Tejas (Wayne Kostroski and Mark Haugen) | Block 35 | 1670 Dan Patch Ave., The Garden Malt Beverages |

After discussion, the concessionaires were approved for beer and wine licenses on a motion by Ms. Wessel, seconded by Mr. Oleheiser and carried (Aye-7; Nay-0).

Mr. Larson presented the following list of concessionaires recommended for multiple-site licenses at the '12 fair:

| CONCESSION-EXHIBIT | 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 |
| 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 |
| Netterfields Lemonade and Popcorn | Popcorn, Caramel Corn, Sausage, Corn Dogs, Burgers | 2 |
| Orange Treet Sales | Orange Treat Drink - 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, Caramel 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 |
| James Hartley | Cotton Candy | 4 |
| Lancer Management Services, Inc. | Food, Beverages & Beer (Coliseum) | 4 |
| Schroder Concessions, Inc. | Popcorn, Caramel Corn, Cara- mel 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 licenses were approved as recommended on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-7; Nay-0).

The sales committee meeting was adjourned at 5:26 p.m. on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-7; Nay-0).

MEETING OF THE BOARD OF MANAGERS 9 a.m. Friday Jan. 13, 2012

Members present: Denny Baker, president; Joe Fox, vice president; D.J. Leary, vice president; Jim Foss; Ron Oleheiser; Joe Scapanski; Al Paulson; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary. President Baker called the meeting to order at 9 a.m. and declared the meeting in executive session.

The executive session was concluded and the meeting adjourned at 9:45 a.m.

MEETING OF THE BOARD OF MANAGERS 10:15 a.m. Friday Jan. 13, 2012

Members present: Denny Baker, president; Joe Fox, vice president;

D.J. Leary, vice president; Jim Foss; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

Also present: Renee Pearson; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Michelle Butler; Brienna Schuette; Sean Casey; Gail Anderson; Chris Leach; Wally LeVesseur; Theresa Weinfurter; Pam Mix; Julie Samec; Kay Cady; Frank Parisi; Bill McGrann; Peter Cooper; Sarah Psick; Joe Bagnoli.

President Baker called the meeting to order at 10:16 a.m.

Mr. McGrann, Mr. Bagnoli and Ms. Psick provided an update on the upcoming session of the Minnesota Legislature and issues that may have an impact on the Society. President Baker offered thanks to the team for their work on the fair's behalf. Information only; no action taken.

Mr. Cooper offered a report on the Society's 2003 initiative that granted the Society legislative authority to issue revenue bonds, background on bonding as a means of financing improvements to State Fair facilities and the status of revenue bonds issued in '03 and a revenue note issued in '08. Information only; no action taken.

Mr. Hammer and Mr. Jacobson offered detailed reports on fiscal '11 sources of revenue and expense, cash flow, capital improvements, maintenance and depreciation. The proposed operating budget for fiscal 2012 was presented by Mr. Hammer, followed by discussion on the budget's relationship to improvements and maintenance projects. Information only; no action taken.

The meeting adjourned at 11:59 a.m. on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-8; Nay-o).

MEETING OF THE PLANNING COMMITTEE

10:15 a.m. Saturday Jan. 14, 2012

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; Sean Casey, ex officio.

Also present: Jim Sinclair; Renee Pearson; Marshall Jacobson; Mary Miller; Cheryl Huber; Swan Melstrom; Chris Leach; Steve Grans; Chris Schaeppi; Brienna Schuette; Wally LeVesseur; Michelle Butler; Beth Schuldt; Gail Anderson; Mary Pittelko; Julie Samec; Frank Parisi.

Chairman Paulson called the meeting to order at 10:16 a.m.

Mr. Hudalla reviewed capital improvements and maintenance projects completed during fiscal '11. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented recommended improvements and maintenance projects for '12 totaling \$6.8 million. Following is a summary of the complete project list, including projects previously approved at the Nov. 10, 2011, meeting of the board:

2012 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

| | |
|--------------------------------|---------------------------|
| A. Structure Improvements: | <u>\$ 3,620,000</u> |
| B. Land Improvements: | |
| BI. Fencing & Fixtures | _____ - |
| BII. Land | _____ - |
| BIII. Sewer System | _____ - |
| BIV. Streets & Sidewalks | _____ - |
| BV. Water Distribution System | _____ - |
| BVI. Gas Distribution System | _____ - |
| BVII. Land Purchases | _____ - |
| TOTAL Land Improvements | \$ _____ - |
| C. Personal Property | <u>\$ 122,000</u> |
| D. Electric Plant: | <u>\$ 332,000</u> |
| TOTAL Improvements | <u>\$4,074,000</u> |
| E. Structure Maintenance: | <u>\$ 971,000</u> |
| F. Land Maintenance: | |
| FI. Fencing & Fixtures | <u>54,500</u> |

| | |
|-------------------------------|--------------------------|
| FII. Land | <u>60,000</u> |
| FIII. Sewer System | <u>118,000</u> |
| FIV. Streets & Sidewalks | <u>316,000</u> |
| FV. Water Distribution System | <u>96,000</u> |
| FVI. Gas Distribution System | <u>2,500</u> |
| TOTAL Land Maintenance | <u>\$ 647,000</u> |

| | |
|-----------------------------------|----------------------------|
| G. Personal Property Maintenance: | <u>\$ 223,300</u> |
| H. Vehicle Maintenance: | <u>\$ 218,000</u> |
| I. Electric Plant Maintenance: | <u>\$ 655,200</u> |
| TOTAL Maintenance | <u>\$ 2,714,500</u> |

| | |
|---|---------------------------|
| TOTAL Maintenance & Improvements | <u>\$6,788,500</u> |
|---|---------------------------|

Following review and discussion, Ms. Wessel moved, Mr. Oleheiser seconded and motion carried that the '12 improvements and maintenance budget be approved by the committee as presented and recommended to the full board for approval (Aye-8; Nay-o). 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 planning committee meeting adjourned at 10:52 a.m. on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-o).

SOCIETY DISTRICT CAUCUSES
1:45 p.m. Saturday Jan. 14, 2012

Society delegates from the first, seventh and ninth 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. 15. Selected were Gordy Toenges of Alden (first district), Wally Wichmann of Balaton (seventh district) and Al Paulson of Shevlin (ninth district).

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.

**MEETING OF THE BOARD OF MANAGERS
11 a.m. Sunday Jan. 15, 2012**

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

Also present: Jim Sinclair; Renee Pearson; Brian Hudalla; Marshall Jacobson; Mary Miller; Cheryl Huber; Gail Anderson; Dennis Larson; Sean Casey; Swan Melstrom; Brienna Schuette; Chris Leach; Pam Simon; Carol Doyle; Wally LeVesseur; Theresa Weinfurter; Pam Mix; Michelle Butler; Tiffany Lindbeck; Steve Grans; Danyl Vavreck; Susan Lynskey; Chris Noonan; Lara Hughes; Shannon Buchda; Julie Samec; Maria McCullough; Jesse Poppe; Kay Cady; Kent Harbison.

President Foss called the meeting to order at 11:10 a.m.

Ms. Huber administered oaths of office to newly-elected board members as follows:

Jim Foss of Kenyon, president (one-year term); D.J. Leary of Minneapolis, fifth district vice president (two-year term); Gordy Toenges of Alden, first district manager (two-year balance of unexpired three-year term); Wally Wichmann of Balaton, seventh district manager (three-year term); Al Paulson of Shevlin, ninth district manager (three-year term).

On a motion by Mr. Fox, seconded by Mr. Wichmann and carried, Jerry Hammer of St. Paul was re-appointed to a one-year term as executive vice president of the Society (Aye-9; Nay-0). Ms. Huber administered the oath of office to Mr. Hammer.

Minutes of the board meeting conducted Nov. 10, 2011, 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, 2011, through Jan. 12, 2012, were approved on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for Dec. 31, 2011, as follows:

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

OPERATING ACCOUNT ACTIVITY:

| | | |
|-----------------------------|-------------|-------------|
| Cash Balance-Nov. 30, 2011 | | \$5,948,418 |
| Add: Cash Deposits | \$183,465 | |
| Less: Payroll Ending Dec. 9 | (185,632) | |
| Payroll Ending Dec. 23 | (200,797) | |
| Cash Disbursements | (1,660,542) | (1,863,506) |
| Cash Balance-Dec. 31, 2011 | | \$4,084,912 |

BUILDING FUND ACTIVITY:

| | |
|---------------------------|-------|
| Balance-Nov. 30, 2011 | \$449 |
| Add: Interest Earned | 1 |
| Securities Purchased | |
| Less: Securities Redeemed | |
| Balance-Dec. 31, 2011 | \$450 |

CONSTRUCTION FUND ACTIVITY:

| | |
|-----------------------|----------|
| Balance-Nov. 30, 2011 | \$13,474 |
| Add: Interest Earned | |
| Balance-Dec. 31, 2011 | \$13,474 |

CASH BALANCES FOR MONTH ENDING DECEMBER 31:

| | 2010 | 2011 |
|--------------|-------------|-------------|
| General Fund | \$3,972,559 | \$4,084,912 |
| Petty Cash | 5,600 | 6,100 |

| | | |
|----------------------------|--------------------|--------------------|
| Building Fund | 449 | 450 |
| Construction Fund | 13,468 | 13,474 |
| Total Cash Balances | \$3,992,076 | \$4,104,936 |

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

The following standing committee appointments for 2012 were reviewed by President Foss:

Finance Committee - Merkins, chairman; Fox; Leary; Oleheiser; Paulson; Wichmann; Foss, ex officio; Hammer, ex officio; Jacobson, ex officio.

Governmental Affairs Committee - Leary, chairman; Fox; Merkins; Scapanski; Toenges; Wessel; Foss, ex officio; Hammer, ex officio; Sinclair, ex officio; Pearson, ex officio; Hudalla, ex officio.

Honors Committee - Fox, chairman; Paulson; Miller; Pearson; Sinclair; Foss, ex officio; Hammer, ex officio.

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

Operations Committee - Oleheiser, chairman; Fox; Merkins; Toenges; Wessel; Wichmann; Foss, ex officio; Hammer, ex officio; Hudalla, ex officio; Leach, ex officio.

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

Public Affairs Committee - Fox, chairman; Leary; Oleheiser; Paulson; Wessel; Wichmann; Foss, ex officio; Hammer, ex officio; Pearson, ex officio; Schuette, ex officio.

Rules & Premium Lists Committee - Wessel, chairman; Leary; Merkins; Oleheiser; Paulson; Scapanski; Foss, ex officio; Hammer, ex officio; Goodrich, ex officio; Butler, ex officio; LeFebvre, ex officio.

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

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

President Foss presented the following board liaison and superintendent appointments for 2012:

Administration - Leary

Employment Office - Fox (Debbie Edman, superintendent)
Seniors - Wichmann (Marge Krueger, superintendent)

Competition - Paulson

Bee Culture - Scapanski
Beef Cattle - Toenges (Chuck Schwartau, superintendent)
Christmas Trees - Scapanski (Greg Ustruck, superintendent)

Creative Activities - Wessel (Curt Pederson, superintendent)
Dairy Cattle - Oleheiser (Deb Kraus, superintendent)
Dairy & Boer Goats - Wichmann
(Kevin LeVoor & Gretchen Sankovitz, superintendents)

Dairy Products - Fox (Lisa Radamacher, superintendent)
Dog Trials - Leary (JoAnna Yund, superintendent)
Education - Wessel (Florence Newton, superintendent)
Farm Crops - Scapanski (Ron Kelsey, superintendent)
FFA - Paulson (Duane Hutton, superintendent)
Fine Arts - Oleheiser (Jim Clark, superintendent)
Flowers - Scapanski (Phyllis Andrews, superintendent)
4H - Wessel (Brad Rugg, superintendent)
Fruits - Scapanski (Louis Quast, superintendent)
Horses - Paulson (Leo Fourre, superintendent)
Llamas - Toenges (Jen Rouillard, superintendent)
Milking Parlor - Fox (Doris Mold, superintendent)
Miracle of Birth Center - Merkins (Jim Ertl, superintendent)
Poultry - Leary (John Thomforde, superintendent)
Sheep - Scapanski (Jo Bernard, superintendent)
Swine - Merkins (Jerry Hawton, superintendent)
Vegetables - Scapanski (Phil Klint, superintendent)

Entertainment - Wichmann

Grandstand Production - Paulson (Mark Anderson, superintendent)

Heritage Exhibits - Toenges (Jan Bankey, superintendent)

Finance - Merkins

Fair-time Payroll - Leary

Ticket Audit - Fox (Dick Reinhardt, superintendent)

Ticket Sales - Merkins

Marketing - Fox

Operations - Oleheiser

Admissions - Oleheiser (Dave Woodis, superintendent)

Park & Ride - Wichmann (Dick Anderson, superintendent)

Parking - Toenges (Jim Benz, superintendent)

Public Safety - Merkins (Art Blakey, chief of police)

Sanitation - Scapanski (Brad Vier, superintendent)

Sales - Paulson

Attraction Ticket Takers - Leary (Jerri Longlet, superintendent)

The board liaison and department superintendent appointments were approved on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

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

OPERATIONS COMMITTEE MEETING

Present: Ron Oleheiser, chairman; Joe Fox; Paul Merkins; Gordy Toenges; Sharon Wessel; Wally Wichmann; Jim Foss, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio.

Chairman Oleheiser called the meeting to order.

Mr. Hammer presented the following gate admission policy for the '12 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 Ms. Wessel, seconded by Mr. Fox and carried (Aye-5; Nay-0).

Chairman Oleheiser declared the operations committee meeting adjourned.

PUBLIC AFFAIRS COMMITTEE MEETING

Present: Joe Fox, chairman; D.J. Leary; Ron Oleheiser; Al Paulson; Sharon Wessel; Wally Wichmann; Jim Foss, ex officio; Jerry Hammer, ex officio; Renee Pearson, ex officio; Brienna Schuette, ex officio.

Chairman Fox called the meeting to order.

Ms. Schuette presented advertising, marketing and publications budgets for 2012. After discussion, the budgets were approved on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-5; Nay-0).

The public affairs committee meeting was adjourned on a motion by Mr. Paulson, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

RULES & PREMIUM LIST COMMITTEE MEETING

Present: Sharon Wessel, chairman; D.J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Jim Foss, ex officio; Jerry Hammer, ex officio; Michelle Butler, ex officio.

Chairman Wessel called the meeting to order.

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 2012 operating budget on a motion by Mr. Paulson, seconded by Mr. Merkins and carried (Aye-5; Nay-0).

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

FINANCE COMMITTEE

Present: Paul Merkins, chairman; Joe Fox; D.J. Leary; Ron Oleheiser; Al Paulson; Wally Wichmann; Jim Foss, ex officio; Jerry Hammer, ex officio; Marshall Jacobson, ex officio.

Chairman Merkins called the meeting to order.

Mr. Hammer presented for discussion the 2012 operating budget, which was reviewed by the board Jan. 13; after further discussion, the budget was approved by the committee on a motion by Mr. Paulson, seconded by Mr. Fox and carried (Aye-5; Nay-0).

Mr. Hammer presented the 2012 improvements and maintenance budget, which was approved Jan. 14 by the board's planning committee; the budget was approved by the finance committee on a motion by Mr. Oleheiser, seconded by Mr. Paulson and carried (Aye-5; 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. Oleheiser, seconded by Mr. Fox 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. Paulson, seconded by Mr. Oleheiser and carried (Aye-5; Nay-0).

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

President Foss 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-9; Nay-0).

After discussion, the following admission fee schedule was approved for the 2012 State Fair on a motion by Ms. Wessel, seconded by Mr. Merkins and carried (Aye-9; 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 four building trades contractors providing a variety of services. After discussion, three-year contracts for Toltz, King, Duvall & Anderson of St. Paul (architectural and design) and Collins Electric, Inc., of St. Paul (electric) were approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-9; Nay-0).

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

AgStar Arena

| | |
|---|-----------|
| Commercial rate | \$850 |
| Livestock/Equine rate | \$750 |
| Livestock/Equine rate* - arena only..... | No charge |
| Livestock/Equine rate** - arena only..... | \$550 |
| Livestock/Equine rate - stalls only | \$200 |

*Rental rate based on renting facility in conjunction with the Warner Coliseum and for practice and exercise purposes only.

** Rental rate based on renting facility in conjunction with the Warner Coliseum and for competitive activities and seminar purposes only.

Equipment Rental

| | |
|-----------------------|----------------|
| Rope stanchions | \$1 |
| Bike racks..... | \$2.50 |
| Portable heater | \$125/unit/day |

After discussion, the rates were approved on a motion by Mr. Paulson, seconded by Mr. Scapanski and carried (Aye-9; 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. Scapanski, 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. Leary, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Leach 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. Paulson, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Ms. Pearson reported on the status of Grandstand entertainment bookings for the '12 State Fair. Information only; no action required.

The next meeting of the Society's board of managers was tentatively set for Monday March 22.

The meeting was adjourned at 12:05 p.m. on a motion by Mr. Paulson, seconded by Mr. Fox and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MINUTES OF INTERIM ACTIVITIES**

Jan. 16 through March 22, 2012

January

16-20 - Anderson participated in the International Ticket Association annual conference in Orlando, Fla.

17 - Sinclair and Simon met with representatives of Anderson Corporation regarding their interest in a permanent exhibit facility.

18 - Pearson, Schuette, Barris, Dickson, Hughes and fine arts

superintendent Jim Clark completed judging for the fair's '12 commemorative art.

20 - Pearson attended a meeting of the Minnesota Ticketing Coalition in Minneapolis.

23 - Huber, Larson, Simon and Lynskey met with Chad Schlumbaum of Hometown Mobility to discuss stroller and wheelchair rental services for the '12 State Fair. Pearson participated in a meeting of the International Entertainment Buyers Association board in Nashville, Tenn.

26 - Sinclair and Simon met with representatives of Home Depot to discuss their interest in a permanent exhibit facility. Pearson, Schuette, McGough, Hughes and Noonan met with the State Fair Marketing Coalition and representatives of Spunk Design Co. to discuss State Fair brand identity.

February

1 - Federally-mandated Right To Know training was conducted for full time staff.

2 - Hammer attended the 2012 St. Paul Winter Carnival Vulcan Conclave where the State Fair was presented with the Vulcan's Sampson Award for hosting the annual Vulcan Snow Sculpture event. Sinclair and Hines met with Don McClure to discuss Skyride operations.

6-11 - Sinclair attended and spoke at the National Independent Concessionaires Association Business Expo in Tampa, Fla., and while there attended the Florida State Fair and the International Showmen's Association Trade Show.

8 - Foss and Hammer participated in an orientation session for new members of the State Fair Foundation board. A course in defensive driving was conducted by the Minnesota Safety Council for 53 staff members. Schuette and McGough met with representatives of Around Town Media, LLC to discuss the upcoming fair.

9 - Leach, Schaeppi, Miller, Mix, Schuldts and Donnelly attended a seminar on hiring practices presented by the Fredrickson & Byron law firm.

9-11 - Larson and Simon attended the IAFE Spring Seminar in Tampa, Fla., the Florida State Fair and the International Independent Showmen's Association Trade Show.

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

15 - Hammer met with Falcon Heights City Administrator Bart Fischer to discuss mutual issues. Huber and Miller attended a session on employee benefits presented by the State Department of Employee Relations.

16 - Schuette offered a presentation on State Fair marketing to students at Park High School in Cottage Grove.

20-24 - Anderson participated in training at Etix headquarters in Raleigh, N.C.

22 - Schuette, McGough and Hughes met with representatives of Beyond The Yellow Ribbon regarding Military Appreciation Day at the '12 fair.

23 - Sinclair, Larson and Simon met with representatives of the Minnesota Craft Brewers Guild to discuss the possibility of exhibiting at the '12 State Fair.

24 - Schuette presented a program on entrepreneurship at the State Fair for students at Roseville High School.

28 - Hughes met with representatives of Belmont Partners Public Relations to discuss butter sculpting at the upcoming fair.

March

2 - Sinclair and Simon met with representatives of the Minnesota Center for Glass Arts to discuss an exhibit at the '12 State Fair.

8 - Hudalla, Leach and Grans met with representatives of the University of Minnesota to discuss extension of the agreements for the University's use of fairgrounds property for parking and the U's inter-campus transitway.

9 - Goodrich and LeFebvre met with the Minnesota Purebred Dairy Cattle Association in Morton.

9-11 - The Minnesota Deer Classic & Outdoor Expo was held at the Warner Coliseum.

13 - Goodrich, Butler and LeFebvre met with University of Minnesota veterinarian Dr. Tim Goldsmith to discuss plans for management of livestock emergencies.

13-14 - CPR and first aid training courses were conducted for full time staff.

14 - Sinclair testified before the Minnesota House Transportation Policy and Finance committee on a bill regarding tandem trailer transport of equipment by State Fair commercial exhibitors.

15 - Sinclair and Harbison met with representatives of the Coalition for Animal Rights Education and American Civil Liberties Union to discuss a framework for protests during the upcoming Osman Shrine Circus at the Warner Coliseum. Hughes and Noonan attended a workshop on social media at the law offices of Fredrickson & Byron.

17-18 - The Minnesota Weapons Collectors Association presented their annual winter show at the Warner Coliseum.

20 - Hammer attended a hearing of the Minnesota Senate Transportation Committee where a bill regarding transport of equipment by tandem trailer was heard and passed to the Senate floor.

21 - Schuette offered a presentation on State Fair marketing to students at St. Matthew's Middle School in St. Paul.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

9 a.m. Thursday March 22, 2012

Libby Conference Center, State Fairgrounds

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

Also present: Renee Pearson; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Chris Leach; Dennis Larson; Pam Simon; Sean Casey; Wally LeVesseur; Brienna Schuette; Steve Grans; Michelle Butler; Pam Mix; Danyl Vavreck; Carol Doyle; Jesse Poppe; Chris Noonan; Susan Lynskey; Nikki Hines; Kay Cady; Kent Harbison; Joe Bagnoli; Sarah Psick.

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

Minutes of the Society's board meetings, committee meetings and the general business session conducted Jan. 12 through 15, 2012, were approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities from Jan. 16 through March 21 were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for February 2012 as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending February 29, 2012

OPERATING ACCOUNT ACTIVITY:

| | |
|-----------------------------|-------------|
| Cash Balance-Jan. 31, 2012 | \$3,804,773 |
| Add: Cash Deposits | \$228,428 |
| Less: Payroll Ending Feb. 3 | (189,723) |

| | | |
|------------------------|-----------|-------------|
| Payroll Ending Feb. 17 | (185,837) | |
| Cash Disbursements | (967,512) | (1,114,644) |
| Balance-Feb. 29, 2012 | | \$2,690,129 |

BUILDING FUND ACTIVITY:

| | | |
|---------------------------|--|-------|
| Balance-Jan. 31, 2012 | | \$450 |
| Add: Interest Earned | | |
| Securities Purchased | | |
| Less: Securities Redeemed | | |
| Balance-Feb. 29, 2012 | | \$450 |

CONSTRUCTION FUND ACTIVITY:

| | | |
|-----------------------|--|----------|
| Balance-Jan. 31, 2012 | | \$13,474 |
| Add: Interest Earned | | |
| Balance-Feb. 29, 2012 | | \$13,474 |

CASH BALANCES FOR MONTH ENDING FEBRUARY 29:

| | 2011 | 2012 |
|----------------------------|--------------------|--------------------|
| Operating Account | \$3,217,139 | \$2,690,129 |
| Petty Cash | 5,600 | 6,100 |
| Building Fund | 449 | 450 |
| Construction Fund | 13,468 | 13,474 |
| Total Cash Balances | \$3,236,656 | \$2,710,153 |

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

The following promotion was approved for Tuesday Aug. 28 on a motion by Mr. Merkins, seconded by Mr. Wichmann and carried (Aye-9; Nay-0):

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

The board approved the following promotion for Wednesday Aug. 29 on a motion by Ms. Wessel, seconded by Mr. Paulson 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.

Mr. Larson, Ms. Simon, Ms. Vavreck and Ms. Hines reported on activities relating to food and beverage concessions, commercial exhibits, sponsorships and Midway and Kidway operations. Information only; no action taken.

Ms. Pearson provided an update on the Grandstand and free stage booking process, and reported on marketing efforts utilizing social media. Information only; no action taken.

Joe Bagnoli and Sarah Psick reported on the current session of the Minnesota legislature and their activities relating to the State Fair. Following their report, the following resolution was presented for consideration:

**Minnesota State Agricultural Society
Support of Traditional School Year**

The board of managers of the Minnesota State Agricultural Society, governing body of the Minnesota State Fair, reaffirms the Society's support of state law requiring schools to open after Labor Day. Past experience with early school openings clearly shows that great harm is done to the State Fair as well as to Minnesota's tourism, travel, hospitality and retail industries. The result is significant revenue loss to the state and further erosion of funding available for education. The membership of the State Agricultural Society, representing every county in Minnesota, strongly urges all state lawmakers to support current state law that preserves the traditional end of summer on Labor Day, ensuring that children and families from throughout the

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

After consideration, the resolution was adopted on a motion by Mr. Merkins, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Ms. Cady provided an update on State Fair Foundation activities including several donor programs and the Foundation's newly-launched endowment program. Information only; no action taken.

Mr. Poppe reported on the State Fair's busy schedule of non-fair events. Following his report, Mr. Poppe presented requests to license French Meadow Bakery to sell beer and wine at the Living Green Expo (May 5 & 6) and Chop Liver LLC to sample beer at the St. Paul Summer Beer Fest (June 16); on a motion by Ms. Wessel, seconded by Mr. Fox and carried, licenses for both events were granted (Aye-9; Nay-0).

Mr. Hudalla gave a status report on a variety of improvements and maintenance projects throughout the fairgrounds. Information only; no action taken.

Spriggs Plumbing and Heating of St. Paul was approved as the State Fair's plumbing contractor on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

Mr. Goodrich and Ms. Butler reported on activities of the fair's various agricultural and creative competitive departments. Information only; no action taken.

Approval for board members to travel out-of-state to the IAFE Zone 4 conference later in March in Wausau, Wisc., was granted on a motion by Ms. Wessel, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

Mr. Scapanski moved and Mr. Paulson seconded to move the meeting to executive session at 12:29 p.m. (Aye-9; Nay-0). The executive session adjourned at 1:07 p.m. on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

After discussion, the dates of the next board meeting were set for Wednesday and Thursday June 6 and 7 at the fairgrounds.

The meeting was adjourned at 1:30 p.m. on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MINUTES OF INTERIM ACTIVITIES**

March 23 through June 6, 2012

March

23-25 - The Super Golf Sale, presented by Blue Star Productions, was held at the Warner Coliseum.

26-28 - Weinfurter, Casey, Vavreck, Doyle, Dungan and Buchda attended the IAFE Zone 4 meeting in Wausau, Wisc.

28-31 - Hammer attended the Mid-West Fairs Association's annual meeting and visited the Miami-Dade County Fair in Miami, Fla.

29-April 1 - The St. Paul Osman Temple Shrine Circus was presented at the Warner Coliseum.

April

3 - Sinclair, Pearson, Hudalla and Leach met with Brain Tempas of Cunningham Group to discuss Heritage Square renovation.

5 - Sinclair and Hines met with John Keenan of Ye Old Mill to discuss facilities.

14-15 - The Gopher State Timing Association's Rod & Custom Spectacular was held at the Warner Coliseum.

17 - Hammer, Huber, Hudalla, Jacobson, Leach, Miller, Pearson and Sinclair participated in the Better Business Bureau's Summit on Business Ethics at the University of St. Thomas.

18 - Sinclair and Hines met with Don McClure of DMC, Inc., to discuss Skyride operations at the '12 State Fair.

21-22 - 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.

23-26 - Hammer, Sinclair, Pearson, Larson, Simon, Schuette and Weinfurter attended the IAFE Spring Management Conference in Des Moines, Iowa.

27 - The State Fair Foundation hosted hundreds of people including State Fair staff, board, donors, Foundation volunteers and horse industry officials to a breakfast and dedication ceremony for the new AgStar Arena.

27-28 - The Minnesota Classic Car & Vintage Motorcycle Auction was conducted at the Grandstand.

27-29 - The Minnesota Horse Expo was presented at the Warner Coliseum and livestock complex. Munchkin Markets Children's Consignment Sale was held at the Merchandise Mart.

May

4-6 - The Sahara Sands Spring Classic Horse Show was held at the Warner Coliseum and livestock complex.

5-6 - The Living Green Expo was held at the Education Building, 4-H Building and adjacent outdoor areas on Cosgrove Street.

5-10 - Hammer visited the Republic of Korea where he attended the Hampyeong Butterfly Festival and the Ansan Street Arts Festival, participated in a seminar for festival and tourism officials in Hampyeong, spoke to a graduate studies class at Pai Chai University in Daejeon and had several meetings with festival, tourism, education and government officials.

6 - Gopher State Buick's Spring Extravaganza & Swap Meet was conducted on Machinery Hill. The Northland Antique, Toy, Doll & Advertising Show was held at the Dairy Building.

9 - Sinclair and Larson met with Paul Quast of the Minnesota Farm Winery Association to discuss operations during the upcoming fair at their new exhibit.

10-13 - The FASH Saddlebred Horse Show was presented at the Warner Coliseum and livestock complex.

11-13 - The Friends School of Minnesota plant sale was presented at the Grandstand.

12 - The Spring Model Railroad & Hobby Sale was held at the Education Building. The St. Paul Craftstravaganza was presented at Progress Center and Fine Arts Center.

15 - Sinclair, Larson and Simon met with representatives of the Minnesota Craft Brewers Guild to discuss plans for their display at the '12 State Fair.

16 - Sinclair, Pearson, Hudalla and Leach met with Brian Tempas of Cunningham Group to discuss Heritage Square renovation.

16-19 - The St. Paul YMCA Garage Sale was held at the Merchandise Mart.

17 - Foss and Hammer participated in a meeting of the Minnesota State Fair Foundation board at the J.V. Bailey House. Sinclair, Pearson, Larson, Simon, Doyle, Weinfurter, Dungan and Hines met with representatives of the Minnesota Department of Revenue to discuss vendor sales tax matters.

18-20 - The Art on a Line Watercolor Art Show & Sale, presented by the North Star Water Color Society, was held at the Fine Arts Center.

18 - June 3 - ApplianceSmart presented the Major Appliance Liquidation Sale at the Education Building.

19-20 - The Rubber Stamp & Scrapbook Expo and St. Paul Women's Expo was held at the Progress Center. Pearson attended a meeting of the International Entertainment Buyers Association in Nashville, Tenn.

20 - The First Fifty Auto Parts Sale & Swap Meet was held on the north parking lots.

23-27 - The Minnesota American Quarter Horse Association Corporate Challenge was presented at the Warner Coliseum and livestock facilities.

June

1 - Sinclair and Simon met with Renee Vail of the Minnesota Department of Natural Resources to discuss DNR exhibit activities at the '12 State Fair.

1-2 - The Vintage Clothing, Jewelry & Textile Show was held at the Fine Arts Center.

3 - The Minnesota Cheese Fest was held at the International Bazaar.

6 - Commemorative artwork for the 2012 State Fair, created by St. Paul artist Joe Heffron, was unveiled by the State Fair Foundation at the J.V. Bailey House.

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

9 a.m. Thursday June 7, 2012

Libby Conference Center, State Fairgrounds

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

Also present: Renee Pearson; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Chris Leach; Wally LeVesseur; Swan Melstrom; Gail Anderson; Brienna Schuette; Theresa Weinfurter; Michelle Butler; Danyl Vavreck; Carol Doyle; Kent Harbison; Kay Cady; Frank Parisi; Jim Eichten.

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

Ms. Simon and Mr. Larson reviewed new exhibits and concessions licensed for the upcoming State Fair. Information only; no action taken.

On a motion by Mr. Fox, seconded by Ms. Wessel and carried, staff was granted authority to issue a license to Minntahoe, Inc., for the sale of beer during the '12 State Fair at an exhibit presented by the Minnesota Craft Brewers Guild in the Agriculture-Horticulture Building west hall (Aye-8; Nay-o).

A request by DMC, Inc. to increase 2012 Skyride ticket prices was presented by Mr. Sinclair. Following discussion, the request was denied on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-8; Nay-o).

Mr. Sinclair presented a request from Skyfair, Inc., to increase Sky Glider ticket prices for the upcoming fair. After discussion, the request was denied on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-8; Nay-o).

Reports on ride and game attractions for the Mighty Midway and Kidway were presented by Mr. Sinclair. Information only; no action taken.

Ms. Vavreck reported on sponsorships and touring promotional exhibits for the '12 State Fair. Information only; no action taken.

The meeting adjourned at 9:43 a.m. on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-8; Nay-o).

MEETING OF GOVERNING BOARD

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

Also present: Jim Sinclair; Renee Pearson; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Chris Leach;

Dennis Larson; Pam Simon; Wally LeVesseur; Sean Casey; Gail Anderson; Brienna Schuette; Theresa Weinfurter; Michelle Butler; Danyl Vavreck; Carol Doyle; Kent Harbison; Kay Cady; Frank Parisi; Jim Eichten.

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

Minutes from the Society's March 22 board meeting were reviewed and approved on a motion by Mr. Oleheiser, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Minutes of interim activities from March 22 through June 6 were reviewed and approved on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

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

Mr. Jacobson presented the financial statement for May 31, 2012. After discussion, the report was approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Hammer presented State Fair Resolution 12-01 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. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Jacobson presented fair-time payroll projections for the upcoming fair totaling \$2.5 million for 79 departments. After discussion, the projections were approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Jim Eichten of Malloy, Montague, Karnowski, Rodosevich & Co., P.A., and Mr. Jacobson reviewed the audit of the Society's books and accounts for fiscal 2011. After discussion, the review was approved on a motion by Mr. Leary, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Hammer reviewed the 2012 session of the Minnesota legislature and related issues affecting the Society. Information only; no action taken.

Mr. Hudalla offered a status report on 2012 capital and maintenance projects. After his report, Maertens-Brenny Construction of Minneapolis was approved as the Society's carpentry contractor for a three-year term concluding May 31, 2015, on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Ms. Pearson provided an overview of entertainment scheduled for the upcoming fair, and presented the following list of entertainer contracts for consideration:

| CONTRACTOR | DATES | TERMS | VENUE |
|---|----------|---|-----------------------|
| Eat Your Heart Catering (Grandstand Catering) | 8/23-9/3 | \$20,000 plus final payment due upon receipt of invoice | Grandstand Production |
| Americana Fireworks Display Co. (Fireworks) | 8/23-9/3 | \$35,000 | Grandstand Production |
| Mark Anderson (Grandstand Superintendent) | 8/23-9/3 | \$18,488 flat plus \$40/hour for advance work | Grandstand Production |
| A.S.I.A., Inc. (Concert Security) | 8/23-9/3 | Payable upon receipt of invoice \$18.40/hour per person | Grandstand Production |
| P.E.S.O., Inc (Concert Ushers) | 8/23-9/3 | Payable upon receipt of invoice \$16.50/hour per person | Grandstand Production |

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| Get Right, Inc. f/s/o Bonnie Raitt | 8/23 | \$177,500 plus 80% over \$300,000 plus \$13,500 flat | Grandstand Artist |
| Mavis Staples | 8/23 | \$10,000 flat | Grandstand Artist |
| Real World Tours, Inc. f/s/o Alan Jackson | 8/24 | \$200,000 plus 80% over \$350,000 | Grandstand Artist |
| Traler Park, Inc. f/s/o Jamey Johnson | 8/24 | \$40,000 flat | Grandstand Artist |
| Ten Point Tours, Inc. f/s/o Blake Shelton | 8/25 | \$250,000 plus 80% over \$350,000 | Grandstand Artist |
| Sunny Sweeney f/s/o Sunny Sweeney | 8/25 | \$7,500 flat | Grandstand Artist |
| Timbral, Inc. f/s/o Anita Baker | 8/26 | \$125,000 plus 85% over \$240,000 | Grandstand Artist |
| Flower Power Concerts, Inc. f/s/o Happy Together Tour 2012 | 8/27 | \$65,000 plus 85% over \$165,000 | Grandstand Artist |
| DLG Touring LLC f/s/o Demi Lovato | 8/28 | \$75,000 plus 85% over \$225,000 | Grandstand Artist |
| Hot Chelle Rae Touring, Inc. f/s/o Hot Chelle Rae | 8/28 | \$50,000 flat | Grandstand Artist |
| GAPP 2002, Ltd. f/s/o KISS | 8/29 | \$345,000 plus 54% over \$775,000 plus \$100,000 flat (production expense) | Grandstand Artist |
| Red White & Crue, Inc. f/s/o Motley Crue | 8/29 | \$230,000 plus 36% over \$775,000 | Grandstand Artist |
| Eli Young, LLC Eli Young Band | 8/30 | \$5,000 flat | Grandstand Artist |
| Doover Productions, LLC f/s/o Little Big Town | 8/30 | \$30,000 flat | Grandstand Artist |
| Rascal Flatts Touring, Inc. f/s/o Rascal Flatts | 8/30 | \$455,000 plus 80% over \$600,000 | Grandstand Artist |
| Nomota, Inc. f/s/o Journey | 9/1 | \$293,500 plus 80% over \$500,000 plus \$40,000 flat (Production Expense) | Grandstand Artist |
| Dawes Touring LTD | 8/23-24 | \$45,000 flat | Bandshell Tonight |
| The Fabulous Thunderbirds, Inc. | 8/25-26 | \$32,500 flat | Bandshell Tonight |
| Hairball LLC | 8/27-28 | \$15,000 flat | Bandshell Tonight |
| MOHWCA, LLC f/s/o The Mavericks | 8/29-30 | \$50,000 flat | Bandshell Tonight |
| Carnie & Wendy Wilson Touring, Inc. f/s/o Wilson Phillips | 8/31-9/1 | \$50,000 flat | Bandshell Tonight |
| Bettye LaVette LLC | 9/2-3 | \$18,500 flat | Bandshell Tonight |
| Aggie Jack Touring f/s/o JT Hodges | 8/23-24 | \$12,000 flat | Bandshell Day |
| Tonic Sol-fa, Inc. | 8/23-24 | \$8,000 flat | Bandshell Day |

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| Jeffery Broussard f/s/o Jeffery Broussard & The Creole Cowboys | 8/25-26 | \$10,000 flat | Bandshell Day | Wooden Circle Inc f/s/o Roger Abrahamson (Woodturner) | 8/23-9/3 | \$3,400 flat | Heritage Square |
| Marlee Scott LLC | 8/25-26 | \$6,000 flat | Bandshell Day | David Mariette (Blacksmith) | 8/23-28 | \$2,050 flat | Heritage Square |
| 34th Infantry Division "Red Bull" Band | 8/27-28 | \$0 | Bandshell Day | Premier Global Production Company, Inc. (Heritage Square Stage) | 8/23-9/3 | \$6,500 | Heritage Square |
| Johnny Hiland f/s/o The Johnny Hiland Band | 8/27-28 | \$7,000 flat | Bandshell Day | Past Presentations, LLC (Log Cabin) | 8/23-9/3 | \$5,900 flat | Heritage Square |
| Mandy Barnett | 8/29-30 | \$10,000 flat | Bandshell Day | Joel Miller (Blacksmith) | 8/29-9/3 | \$2,800 flat | Heritage Square |
| Twin Cities Community Gospel Choir | 8/29-30 | \$5,000 flat | Bandshell Day | Rick Recker | 8/26 | \$350 flat | Milk Run |
| Home Free Music f/s/o Home Free | 8/31-9/1 | \$4,500 | Bandshell Day | Dan Sparkman | 8/26 | \$50 flat | Milk Run |
| Wanda Jackson Enterprises f/s/o Wanda Jackson | 8/31-9/1 | \$15,000 Flat | Bandshell Day | Gary Noel f/s/o Doggies of the Wild West | 8/23-9/3 | \$14,400 flat | Misc Attractions |
| Will Hoge Touring Inc | 8/31-9/1 | \$8,000 flat | Bandshell Day | Action Sports of Minnesota dba 3rd Lair Skatepark | 8/23-9/3 | \$45,475 flat | Misc Attractions |
| Sammie Williams f/s/o Big Sam's Funky Nation | 9/2-3 | \$10,000 flat | Bandshell Day | Flippenout Productions, LLC | 8/23-9/3 | \$28,750 flat | Misc Attractions |
| Mockingbird Sun LLC | 9/2-3 | \$8,000 flat | Bandshell Day | Andraos & Mongiat Inc. f/s/o Giant Sing Along | 8/23-9/3 | \$51,514 flat | Misc Attractions |
| Free Range Music f/s/o The Bad Larrys | 9/2-3 | \$6,000 flat | Bandshell Day | Lasertainment LLC f/s/o Lasertainment Laser Hitz Show | 8/23-9/3 | \$19,000 flat | Misc Attractions |
| Dominic Gaudious | 8/25-26 | \$3,000 flat | Bazaar Day | Architects of Air f/s/o Luminarium | 8/23-9/3 | \$54,200 plus expenses | Misc Attractions |
| Didier Attivor f/s/o Yawo | 8/25-26 | \$4,000 flat | Bazaar Day | Rock-It The Robot, Inc. | 8/23-9/3 | \$11,400 flat | Misc Attractions |
| Tom Mason f/s/o Tom Mason and The Blue Buccaneers | 8/27-28 | \$3,500 | Bazaar Day | Ron Schara Enterprises, LLC | 8/23-9/3 | \$8,000 flat | North Woods |
| Malamanya Music f/s/o Malamanya | 8/29-30 | \$3,000 flat | Bazaar Day | Jacks PC Consulting LLC f/s/o C. John Deschene | 8/23-9/3 | \$1,440 flat | Old Iron Show |
| CAAMCDT f/s/o CAAM Chinese Dance Theater | 8/31-9/1 | \$2,500 flat | Bazaar Day | Elwyn Juenke | 8/23-9/3 | \$2,160 flat | Old Iron Show |
| Daniel A. Newton f/s/o Café Accordion Orchestra | 8/31-9/1 | \$3,500 flat | Bazaar Day | James Birk | 8/23-9/3 | \$2,520 flat | Old Iron Show |
| Breck School f/s/o BATO BATO! Breck Marimba Ensemble | 9/2-3 | \$1,000 flat | Bazaar Day | John Morley | 8/27-30 | \$240 flat | Old Iron Show |
| Bob Malek f/s/o Malek's Fishermen Band | 9/2-3 | \$2,450 flat | Bazaar Day | Gordon Joseph Lefebvre | 8/23-26 | \$240 flat | Old Iron Show |
| Davine Sowers f/s/o Davina & The Vagabonds | 9/27-28 | \$3,000 flat | Bazaar at Night | David Lewerer | 8/23-9/2 | \$1,320 flat | Old Iron Show |
| Premier Latino Events, LLC f/s/o K-Libre 24 | 8/29-30 | \$2,200 flat | Bazaar at Night | DeVon H. Lark | 8/23-9/3 | \$1,080 flat | Old Iron Show |
| Lily Troia f/s/o Hookers & Blow | 8/31-9/1 | \$3,000 flat | Bazaar at Night | Glen William Westphal | 8/23-9/3 | \$720 flat | Old Iron Show |
| Terrane A. Davolt f/s/o T. Texas Terry | 8/23-24 | \$1,700 flat | Family Fair at Baldwin Park | Jacob Suchy | 8/23-9/3 | \$540 flat | Old Iron Show |
| BC Characters, Inc. f/s/o Monster Shop Bumpin' | 8/23-9/3 | \$30,360 flat | Family Fair at Baldwin Park | James M. Quirk | 8/23-9/3 | \$540 flat | Old Iron Show |
| Sean Emery | 8/23-9/3 | \$12,000 flat | Family Fair at Baldwin Park | Lee Jason Sackett | 8/23-9/3 | \$540 flat | Old Iron Show |
| Howard Walstein f/s/o Kidsdance | 8/27-28 | \$2,000 flat | Family Fair at Baldwin Park | Leslee Suchy | 8/23-9/3 | \$540 flat | Old Iron Show |
| Steven Russell f/s/o In Capable Hands | 8/29-30 | \$1,600 flat | Family Fair at Baldwin Park | Lorraine Quirk | 8/23-9/3 | \$540 flat | Old Iron Show |
| Sheltered Reality | 8/25-26 | \$2,100 flat | Family Fair at Baldwin Park | Kenneth Scott | 8/23-9/3 | \$480 flat | Old Iron Show |
| Scott Land f/s/o Scott Land Marionettes | 8/31-9/1 | \$2,400 flat | Family Fair at Baldwin Park | Twin Cities Unicycle Club | 8/24 | \$400 flat | Parade |
| | | | | Jeff Goldsmith | 8/23-9/2 | \$1,800 flat | Parade |
| | | | | Richard Dufault | 8/23-9/2 | \$2,530 flat | Parade |
| | | | | Tri-State Judging Association | 8/23-9/2 | \$2,300 flat | Parade |

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| Jolly Giants Entertainment f/s/o Wacky Wheeler | 8/23-9/3 | \$6,300 flat | Parade |
| Paul Husby f/s/o St. Anthony Park Community Band | 8/24 | \$100 flat | Parade |
| St. Paul Police Band | 8/25 | \$250 flat | Parade |
| University of Minnesota | 8/26 | \$1,500 flat | Parade |
| Minnesota Over-60 Band | 8/30 | \$400 flat | Parade |
| Ernest James Torok f/s/o Pig's Eye Jass Band | 9/3 | \$560 flat | Parade |
| Josephine Rose Nelson | 9/2 | \$50 flat | Talent Contest |
| Tori Adams | 9/2 | \$50 flat | Talent Contest |
| Connor Engstrom | 9/2 | \$450 flat | Talent Contest |
| The Sweet Colleens | 8/23-24 | \$3,000 flat | Heritage At Sundown |
| Good Night Sleeps, LLC f/s/o Carloline Smith & The Good Night Sleeps | 8/25-26 | \$5,000 flat | Heritage At Sundown |
| J.D. McPherson Touring, LLC f/s/o JD McPherson | 8/27-28 | \$5,000 flat | Heritage At Sundown |
| Lisa Fuglie d/b/a Monroe Crossing | 8/29-30 | \$6,000 flat | Heritage At Sundown |
| John Munson f/s/o The New Standards | 8/31-9/1 | \$6,000 flat | Heritage At Sundown |
| Molly Maher f/s/o Molly Maher & Erik Koskinene | 9/2-3 | \$2,500 flat | Heritage At Sundown |
| Page Burkum f/s/o The Cactus Blossoms | 8/25-26 | \$2,000 flat | Heritage Square Day |
| Minnesota State Fiddler's Association f/s/o The Minnesota State Fiddle Contest | 8/25-26 | \$5,000 flat | Heritage Square Day |
| LeRoy Laron f/s/o LeRoy's River Minstrels | 8/27-28 | \$1,200 flat | Heritage Square Day |
| Minnesota Bluegrass and Old Time Music Association f/s/o The Minnesota Flatpicking Guitar and Duet Championships | 8/31-9/1 | \$3,175 flat | Heritage Square Day |
| Dale Pexa f/s/o The Dale Pexa Band | 9/2-3 | \$2,700 flat | Heritage Square Day |
| Betty Rydell | 8/23-24 | \$1,100 flat | Ramberg Center |
| The Mellow Felows | 8/23-24 | \$700 flat | Ramberg Center |
| Patrick Harison Peck f/s/o Patty and The Buttons | 8/25-26 | \$2,000 flat | Ramberg Center |
| Hank Thunander | 8/27-28 | \$1,600 flat | Ramberg Center |
| Patrick J. Gallivan f/s/o The Gallivaners | 8/27-28 | \$600 flat | Ramberg Center |
| David A. Fruehauf f/s/o The Banjo Boys | 8/29-30 | \$1,000 flat | Ramberg Center |
| James Shannon f/s/o The Jim Shannon Trio | 8/29-30 | \$1,200 | Ramberg Center |
| Knock Wood LLC f/s/o James Wedgwood Ventriloquist | 8/31-9/1 | \$1,700 flat | Ramberg Center |
| Mike Doles f/s/o The Prime Time Players | 8/31-9/1 | \$1,200 flat | Ramberg Center |

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| James P. Berner f/s/o Jim Berner's Music Legends | 9/2-3 | \$800 flat | Ramberg Center |
| Rod Cerar f/s/o Rod Cerar Orchestra | 9/2-3 | \$1,200 flat | Ramberg Center |

After review, the contracts were approved as presented on a motion by Mr. Merkins, seconded by Mr. Fox 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. Scapanski and carried (Aye-9; Nay-0): Minnesota Federation of County Fairs board lunch, Friday Aug. 24; Society Hall of Fame and Life Members lunch, Sunday Aug. 26; and Minnesota Livestock Breeders Association breakfast, Thursday Aug. 30.

The fee for motorcycle parking at the '12 State Fair was set at \$6 on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minnesota State Fair Foundation Chairman Frank Parisi and Foundation Executive Director Kay Cady provided a comprehensive review of Foundation activities. Information only; no action required.

The meeting recessed for an executive session at 11:29 a.m. on a motion by Mr. Scapanski, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

The executive session adjourned at 11:51 a.m. on a motion by Mr. Merkins, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

The general business meeting of the board adjourned at 11:52 a.m. on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

June 7 through Aug. 23, 2012

June

8-10 - The Great American Gem Show & Sale was held at the Progress Center.

9 - Greyfest, presented by the Minnesota chapter of Greyhound Pets of America, was held at the Dairy Building.

9-10 - The Minnesota Antique Dealers Show was held at the Fine Arts Center.

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

11 - Hammer, Cady and State Fair Foundation Chairman Frank Parisi participated in a meeting of the Greater St. Paul Building Owners & Managers Association at Harriet Island.

12 - John Johnson Jr. of the Hebron Harvest Fair in Connecticut visited the fairgrounds.

13 - Schuette gave a presentation to the White Bear Lake Rotary Club. Various staff attended a training and certification program for aerial work platforms, held at the Libby Conference Center.

13-17 - The Region 10 Arabian Horse Show was held at the Warner Coliseum and livestock complex.

14 - Hammer and Simon met with Brian Tempas of Cunningham & Associates to discuss fairgrounds enhancements. Schuette and Hughes met with representatives of the St. Paul Pioneer Press to discuss the upcoming fair.

15 - Hammer and Jacobson met with Peter Cooper of McGrann Shea law firm and Heather Casperson and Chuck Upcraft of the PFM Group to discuss long-term debt strategies for capital improvements.

15-16 - The Viking Chapter of the Antique Motorcycle Club of America hosted the AMCA's National Meet at the Progress Center and Campgrounds.

16 - St. Paul Summer Beer Fest was presented at the International Bazaar.

19 - Pearson and Cady met with the Knight Foundation regarding State Fair program funding.

22 - Schuette addressed Summer Academy students at Highland Elementary School in Columbia Heights.

22-24 - The Minnesota Street Rod Association's Back to the '50s Weekend used the entire fairgrounds and many exhibit buildings.

23-27 - Miller and Huber attended the Society for Human Resource Management conference in Atlanta, Ga.

25 - Sinclair, Simon and Larson met with representatives of the Minnesota Craft Brewers Guild to discuss plans for their exhibit in the Agriculture-Horticulture Building.

26 - Huber and Marla Calico of the IAFE met with hotel staff in Rochester, Minn., to discuss hosting an IAFE meeting. Sinclair and Simon met with representatives of the Minnesota Center for Glass Art to discuss their exhibit at the upcoming fair.

27 - Schuette, Hughes and Noonan met with representatives of WCCO-TV to discuss preparations for the upcoming fair. Mix attended a meeting at Century College for the Performance Plus Learning Partners program.

27-30 - The Tanbark Cavalcade of Roses Horse Show was held at the Warner Coliseum and livestock complex.

29 - Hammer hosted a tour of the State Fairgrounds for executives from AgStar and officials with the Minnesota and Wisconsin departments of agriculture. Schuette, Hughes and Noonan met with representatives of KARE-TV to discuss the upcoming fair. Sinclair and Hines met with members of the Keenan family to discuss the 100th anniversary of the Old Mill in 2015.

29-July 1 - The Star of the North Antique Show was held at the Education Building.

29-30 - Twin Cities Book Fair was presented at the Progress Center.

30 - Pet-A-Palooza presented by CBS Radio was held on Machinery Hill.

30-July 1 - The south Como lots were utilized as shuttle parking for the Twin Cities Hmong Festival, held at Como Park.

July

5-7 - The North Star Morgan Horse Show was held at the Warner Coliseum and livestock facilities.

10 - Mix hosted a meeting of the Ramsey County Employers Committee at the Libby Conference Center.

11 - The State Fair Employee Safety Committee met in the Administration Building's lower conference room.

11-15 - The American Quarter Horse Association Region 3 Experience Horse Show was held at the Warner Coliseum and livestock area.

12 - Fire extinguisher safety training for staff was at the Libby Conference Center.

13-15 - The Super Golf Sale, presented by Blue Star Promotions, was held at the Education Building.

14 - Hammer visited the Ramsey County Fair in Maplewood.

15 - Human Movement: The Color Run was held at the Grandstand Infield and various fairgrounds roadways.

17 - Hammer met with Bill McGrann and Sarah Psick to review the '12 Minnesota legislative session and discuss issues that may affect the Society in the coming year. Pearson, Weinfurter and Dungan attended a vendor open house at Allied Audio in Inver Grove Heights.

19 - David Garrett of Haas & Wilkerson Insurance, Kansas City, visited with Sinclair and Hines regarding attraction insurance.

20 - Sinclair met with legal counsel Kent Harbison to discuss a permitting process related to non-fair events.

20-22 - The Car Craft Summer Nationals Auto Show utilized the entire

fairgrounds and various exhibit buildings.

21-22 - The Pat Parelli 2012 Tour horse seminar was held at the Warner Coliseum.

25 - Basic Animal Rescue Training was held for competition staff and department superintendents at the Libby Conference Center.

28 - The Mick Kieffer Memorial Car Show & Public Safety Expo was held on Machinery Hill.

31 - The State Fair's full-time staff held their annual pre-fair meeting during which Length-of-Service Awards were presented to 15 employees.

August

2-5 - The North Central Reining Futurity and Derby Horse Show was held at the Warner Coliseum and livestock complex.

3 - Hammer and Sinclair visited the Wisconsin State Fair in West Allis.

8 - Aerial work platform training and certification was offered for staff at the Libby Conference Center. Orientation and training for staff of the Care & Assistance and Lost & Found departments was held at the Libby Conference Center; many more departments conducted orientation and training sessions during the two following weeks.

10 - Pearson, LeFebvre and Schuette met with representatives of the state board of animal health and departments of health and agriculture to discuss H3N2v.

13 - Senior staff and representatives of the St. Paul Police and Fire Departments participated in an emergency procedures review.

14 - Judging for 2012 Outstanding Senior Citizens Awards was held at the Libby Conference Center.

16 - The State Fair Foundation's Taste of the Fair fundraiser was presented at the International Bazaar; nearly 700 people attended. Larson, Simon, Doyle, Poppe and Ward visited the Steele County Free Fair in Owatonna.

16-17 - Consumer protection specialist Dr. Stephen Neel of Technical Solutions International conducted a two-day analysis of State Fair livestock facilities and presented his report to Hammer, Goodrich, Sinclair, Pearson, Hudalla, Leach, Schuette, Donnelly and Schuld.

18 - 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.

21 - A preview of the State Fair's 101st Fine Arts Exhibition was held at the Fine Arts Center.

22 - 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 hosted by the Minnesota Pollution Control Agency. Several members of the State Fair board attended funeral services for Steele County Fair official Elmer Reseland in Owatonna.

23 - The 2012 Great Minnesota Get-Together opened at 6 a.m.

MINNESOTA STATE FAIR MEETING OF THE GOVERNING BOARD

10 a.m. Friday Aug. 24, 2012

Officers Quarters, State Fairgrounds

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

Also present: Marshall Jacobson; Kent Harbison; Sarah Psick; Bill McGrann; Joe Bagnoli; Heather Casperson; Chuck Upcraft; Mark Meaney.

President Foss called the meeting to order at 10:07 a.m.

Minutes of the Society's board and sales committee meetings conducted June 7, 2012, 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 June 7 through Aug. 23, 2012, were approved on a motion by Mr. Oleheiser, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

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

| CONTRACTOR | DATES | TERMS | VENUE |
|---|----------|--|-----------------------|
| Clair Brothers Audio, Inc. (GS Sound) | 8/23-9/3 | \$75,430 flat | Grandstand Production |
| Premier Global Production Company, Inc. (Lighting) | 8/23-9/3 | \$26,500 flat | Grandstand Production |
| Premier Global Production Company, Inc. | 8/23-9/3 | \$93,500 flat | Grandstand Production |
| Freestyle Productions, Inc. | 8/23-9/3 | \$85,930 flat | Grandstand Production |
| Guacamole Fund | 8/23 | \$0.50 per ticket sold | Grandstand Artist |
| Big Shoes Small Feet f/s/o Edens Edge | 8/23 | \$5,000 flat | Grandstand Artist |
| Ten Points Tours, Inc. f/s/o Blake Shelton | 8/25 | \$250,000 plus 80% over \$357,500 amended from June Board Approval | Grandstand Artist |
| The Treatment | 8/29 | \$500 flat | Grandstand Artist |
| Eli Young, LLC f/s/o Eli Young Band | 8/30 | \$10,000 flat amended from June Board Approval | Grandstand Artist |
| Margaret Wander f/s/o Dessa | 8/31 | \$18,000 flat | Grandstand Artist |
| Inkompetent Kosmonaut LLC f/s/o Jeremy Messersmith | 8/31 | \$5,000 flat | Grandstand Artist |
| Lucy Michelle and the Velvet Lapelles | 8/31 | \$3,500 flat | Grandstand Artist |
| Semisonic, Inc. f/s/o Semisonic | 8/31 | \$60,000 flat | Grandstand Artist |
| Loch Ness Monster, Inc. f/s/o The Jayhawks | 8/31 | \$50,000 flat | Grandstand Artist |
| Loverboy f/s/o Loverboy | 9/1 | \$16,500 flat | Grandstand Artist |
| Catalina Coupe, Inc. f/s/o Pat Benatar & Neil Giraldo | 9/1 | \$50,000 flat plus bonus structure as follows: There is ZERO bonus awarded on first \$10,000 of Journey's overage monies. From \$10,001 to \$14,999 of Journey's | Grandstand Artist |
| Multi Alumni LLC f/s/o Big K.R.I.T. | 9/3 | \$20,000 flat less 2% Nonresident Entertainer Tax & \$10,000 due to Agent (\$10,000 less 2% Nonresident Entertainer Tax due) | Grandstand Artist |
| The Agency Group USA LTD | 9/3 | \$110,000 flat less 2% Nonresident Entertainer Tax (\$10,000 Big K.R.I.T. plus \$40,000 Mac Miller plus \$60,000 Wiz Khalifa) | Grandstand Artist |

| | | | |
|--|----------|--|-----------------------------|
| Wiz Khalifa Touring, Inc. f/s/o Wiz Khalifa | 9/3 | \$120,000 plus 65% over \$320,000 less 2% Nonresident Entertainer Tax and \$60,000 due to Agent (\$60,000 less 2%) | Grandstand Artist |
| Mac Miller LLC f/s/o Mac Miller | 9/3 | \$80,000 plus 25% over \$320,000 less 2% Nonresident Entertainer Tax and \$40,000 Due to Agent (\$40,000 less 2%) | Grandstand Artist |
| Mockingbird Sun LLC | 8/25-26 | \$8,000 flat amended from June Board Approval | Bandshell Day |
| Robert B. Velline f/s/o Robby Vee's Rock 'n' Roll Caravan | 8/25-26 | \$6,000 flat | Bandshell Day |
| Elizabeth Cook | 8/25-26 | \$10,000 flat | Bandshell Day |
| Marlee Scott LLC | 8/25-26 | \$6,000 flat (cancelled) | Bandshell Day |
| Ted Lange f/s/o Squeezebox | 8/27-28 | \$3,000 flat | Bandshell Day |
| 34th Infantry Division "Red Bull" Band | 8/27-28 | \$4,000 flat amended from June Board Approval | Bandshell Day |
| Twin Cities Community Gospel Choir | 8/29-30 | \$6,000 flat amended from June Board Approval | Bandshell Day |
| Elisa J. Wright f/s/o Galactic Cowboy Orchestra | 8/23-24 | \$3,000 flat | Bazaar Day |
| Todd Menton | 8/23-24 | \$3,500 flat | Bazaar Day |
| LaNee Victorsen-Wiley DBA Dirty Shorts Brass Band | 8/27-28 | \$2,000 flat | Bazaar Day |
| Native Pride Productions, Inc. Native Pride Dancers | 8/29-30 | \$3,750 flat | Bazaar Day |
| Soul Tight Enterprises f/s/o Soul Tight Committee | 8/23-24 | \$3,000 flat | Bazaar at Night |
| Midamerica Talent f/s/o International Reggae All Stars | 8/25-26 | \$3,000 flat | Bazaar at Night |
| Pedro Fonseca f/s/o Tropical Zone Orchestra | 9/2-3 | \$1,800 flat | Bazaar at Night |
| Invisible Entertainment/ Lily Troia f/s/o The Bunny Clogs | 9/2-3 | \$1,800 flat | Family Fair at Baldwin Park |
| Reginald T. Harris f/s/o Harris Brothers | 8/23-24 | \$3,000 flat | Heritage Square Day |
| Susan K. Edwards d/b/a Tina & Lena | 8/23-24 | \$2,500 flat | Heritage Square Day |
| Pamela J. Linton d/b/a Sherwin Linton Entertainment | 8/27-28 | \$3,000 flat | Heritage Square Day |
| Craig Ebel d/b/a DyVersaCO | 8/29-30 | \$1,500 flat | Heritage Square Day |
| Richard Crowder f/s/o Sourdough Slim with Robert Armstrong | 8/29-30 | \$3,000 flat | Heritage Square Day |
| Figs, Ltd f/s/o Mouldy Figs | 8/31-9/1 | \$3,200 flat | Heritage Square Day |
| Minnesota Bluegrass and Old Time Music Association f/s/o The Minnesota Flatpicking Guitar And Duet Championships | 8/31-9/1 | \$3,175 flat | Heritage Square Day |

| | | | |
|--|------------|---|------------------------|
| Rena's Kitchen Music, LLC f/s/o Six Mile Grove | 9/2-3 | \$2,750 flat | Heritage Square Day |
| GenerationNOW | 8/24 & 30 | \$5,000 flat | Misc Attractions |
| DLW Timberworks Lumberjack Show | 8/23-9/3 | \$34,000 flat | North Woods |
| Duane H. Rolstad | 8/23-26 | \$720 flat | Old Iron Show |
| Steven G. Bauer | 8/23-9/3 | \$2,700 flat | Old Iron Show |
| William A. Griesbach | 8/23-30 | \$840 flat | Old Iron Show |
| Christopher J. Chadwick | 8/23-9/3 | \$1,440 flat | Old Iron Show |
| Robert A. McDonough | 8/23-9/3 | \$1,680 flat | Old Iron Show |
| Joseph Stevermer | 8/23-30 | \$560 flat | Old Iron Show |
| Robert D. Wilson | 8/23-9/3 | \$1,800 flat | Old Iron Show |
| Derold V. McDonough | 8/23-9/3 | \$1,680 flat | Old Iron Show |
| Ronald Lee Sackett | 8/23-9/3 | \$1,260 flat | Old Iron Show |
| Shannon M. Sackett | 8/23-9/3 | \$2,520 flat | Old Iron Show |
| Steve L McDonough | 8/23-9/3 | \$1,680 flat | Old Iron Show |
| Roger Geist | 8/31-9/2 | \$140 flat | Old Iron Show |
| Rodney Mondor | 8/31-9/3 | \$120 flat | Old Iron Show |
| Barebones Productions | 8/23-28 | \$2,400 flat | Parade |
| Norbert Anderson | 8/23-9/3 | \$590 flat | Parade |
| Susan M. Hirschmugl f/s/o Upstanding Stilts | 8/23-9/3 | \$3,900 flat | Parade |
| PedalPub Twin Cities, LLC | 8/25 | \$440 flat | Parade |
| Minneapolis First Pathfinder Fundraiser f/s/o Pathfinders Drill Team | 8/26 & 9/2 | \$600 flat | Parade |
| Minnesota Pipes & Drums | 8/25 | \$1,200 flat | Parade |
| Women's Drum Center | 9/1-2 | \$800 flat | Parade |
| Jack Brass Band | 9/1-3 | \$3,300 flat | Parade |
| The Mellow Fellows | 8/23-24 | \$700 flat <i>amended from June Board Approval</i> | Ramberg Center |
| Soren Oleson f/s/o Sloughgrass | 8/25-26 | \$1,200 flat | Ramberg Center |

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

Mr. McGrann, Ms. Psick and Mr. Bagnoli presented a review of the 2012 session of the Minnesota legislature and issues that affected the Society. Information only; no action taken.

Financial advisors Ms. Casperson and Mr. Upcraft, along with Mr. Jacobson, provided a detailed review of Society revenue bond debt service and a proposal to refinance the debt. Mr. Meaney then gave a comprehensive review of the following two resolutions:

Resolution A, Aug. 24 2012

Third supplemental and amendatory State Fair revenue bond

resolution, relating to the Stat Fair revenue refunding note, Series 2012, to be issued in an aggregate principal amount not to exceed \$9,200,000 (complete resolution is on file at the offices of the Society).

Resolution B, Aug. 24 2012

Resolution relating to State Fair revenue note Series 2012; authorizing the issuance of State Fair revenue refunding note, series 2012; approving the third supplemental and amendatory revenue bond resolution; approving escrow agreement; and authorizing certain other actions (complete resolution is on file at the offices of the Society).

After discussion, Resolution A was passed on a motion by Mr. Leary, seconded by Ms. Wessel and carried (Aye-9; Nay-0) and Resolution B was passed on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Jacobson presented the July financial statement as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending July 31, 2012**

OPERATING ACCOUNT ACTIVITY:

| | | |
|-----------------------------|-------------|-------------|
| Cash Balance-June 30, 2012 | | \$2,115,176 |
| Add: Cash Deposits | \$2,254,204 | |
| Less: Payroll Ending July 6 | (364,407) | |
| Payroll Ending July 20 | (255,260) | |
| Cash Disbursements | (1,700,167) | (65,630) |
| Cash Balance-July 31, 2012 | | \$2,049,546 |

BUILDING FUND ACTIVITY:

| | | |
|---------------------------|--|-------|
| Balance-June 30, 2012 | | \$450 |
| Add: Interest Earned | | |
| Securities Purchased | | |
| Less: Securities Redeemed | | |
| Balance-July 31, 2012 | | \$450 |

CONSTRUCTION FUND ACTIVITY:

| | | |
|-----------------------|--|----------|
| Balance-June 30, 2012 | | \$13,479 |
| Add: Interest Earned | | |
| Balance-July 31, 2012 | | \$13,479 |

CASH BALANCES FOR MONTH ENDING JULY 31:

| | 2011 | 2012 |
|----------------------------|--------------------|--------------------|
| Operating Account | \$1,956,630 | \$2,049,546 |
| Petty Cash | 21,500 | 6,100 |
| Building Fund | 450 | 450 |
| Construction Fund | 13,472 | 13,479 |
| Total Cash Balances | \$1,992,052 | \$2,069,575 |

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

Mr. Hammer presented a request by the Pirate Tag attraction for a discount promotion on Thrifty Thursday (Aug. 23), Kids Days (Aug. 27 & Sept. 3) and Military Appreciation Day (Aug. 28). After discussion, ticket price of \$1.50 was approved for those dates on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-9; 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. Merkins and carried (Aye-9; Nay-0).

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

Benjamin Bogard, Oronoco; Kari Boyum, Wanamingo; Maria Brekke, Shakopee; Charlie Dicke, Goodhue; Jaclyn Dingels, Redwood Falls; Mitchell Donkers, Faribault; Maggie Gadbois, Hugo; Elizabeth Johnson, Sleepy Eye; Christine Klecker, Amboy; Evan Koep, Lakefield; Lauryn Kugler, Erhard; Miranda Lemke, Hutchinson; Megan Nelson, Lindstrom; Brent Meshke, Lake Crystal; Megan Regnier, Canby; Grady Ruble, Albert Lea; Michael Schmitt, Rice; Justin Siewert, Lake City; Ashley

Sobczak, Brooklyn Park; John Weber, St. Paul.

After discussion, the scholarships were approved on a motion by Mr. Scapanski, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Hammer reported on activities during the fair's opening day. Information only; no action taken.

The meeting was adjourned at 11:41 a.m. on a motion by Mr. Leary, seconded by Mr. Fox and carried.

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Nov. 15, 2012, through Jan. 18, 2013

November

16 - Hammer, Sinclair, Pearson, Hudalla, Jacobson, Simon, and Leach met with Brian Tempas and Andrew Tissue of Cunningham & Associates to begin facilities planning discussions. Schuette, Goldstein, Butler, Hughes, Sertich, Duda, Poppe, Birdsall and Samec participated in the first round of judging commemorative art for 2013.

17-30 - The Warner Coliseum hosted three Como Park High School boys hockey games, one Roseville High School boys hockey game and two Hamline University women's games.

19 - Sinclair, Simon, Larson, Dungan and Doyle met with Minnesota Department of Revenue representatives to discuss requirements for State Fair vendors.

20 - Schuette, Noonan and Hughes met with Erin Mathe of Mathe Communications. Sinclair, Miller and Simon met with representatives of Aging Services of Minnesota to discuss ideas for senior programming and services.

24 - Grandstand parking lots were used for University of Minnesota Gopher football parking and tailgating.

24-29 - Hammer, Sinclair, Pearson, Goodrich, Hudalla, Miller, Huber, Leach, Larson, Simon, Anderson, Vavreck, Schuette, Weinfurtner, LeVesseur, LeFebvre, Dickson, Butler and members of the board attended the annual international convention of the International Association of Fairs & Expositions in Las Vegas, Nev.

30 - Dec. 1 - The Minnesota State Fair & Sports Merchandise Clearance Event was presented by Gold Country at the Warner Coliseum.

December

4 - Sinclair, Pearson, Leach, Larson, Simon, Casey, LeFebvre, Schuette, Vavreck, McCullough, Doyle and Hughes met with representatives of the Minnesota Departments of Health and Agriculture to review departmental operations at the '12 State Fair.

4-18 - The Warner Coliseum hosted five Como Park High School boys hockey games.

5 - Hammer gave two presentations on State Fair operations and history to Hennepin County staff in Medina and Minneapolis.

5-6 - Schuette, Goldstein, Hughes, Duda and Fine Arts Superintendent Jim Clark participated in the second round of judging commemorative art for '13.

10 - Hammer, Sinclair, Pearson, Simon, Hudalla and Leach met with Cunningham & Associates staff to discuss fairgrounds design.

11 - Senior staff met to review facilities projects.

12 - The State Fair Employee Club hosted a Christmas lunch for staff. Schuette gave a presentation on State Fair marketing to students at Moundsview High School.

13 - Hammer met with incoming State Fair Foundation Chairman Pat Bailey. Pearson, Goldstein, Schuette, Barris, Dybevik, Duda and Poppe met with representatives of Spunk Design Machine regarding State Fair logo and branding.

14 - Pearson, Cady and Dickson met with representatives of Bremer Bank regarding their participation in the Giant Sing-Along for the '13 fair.

18 - Sinclair, Goodrich, Simon, Vavreck and Cady met with Mitch Davis and Angela Broadwater of CambriaUSA to discuss opportunities for Cambria's participation at the State Fair. Schuette, Noonan and Hughes met with Erin Mathe of Mathe Communications.

19 - Pearson and Schuette met with representatives of the Walker Art Center.

27 - Sinclair and Simon met with Dan Wozniak of Wozniak Concessions and representatives of Crossroads Ministries to finalize transfer of the Crossroads Chapel structure on Underwood Street from Wozniak Concessions to Crossroads Ministries.

January

3 - Schuette, Goldstein, Hughes and Duda met with 2013 commemorative artist Marie Olofsdotter of Minneapolis. Hines participated in a webinar on accessible amusement rides presented by the U.S. Access Board.

5-13 - The Warner Coliseum hosted three Como Park High School boys hockey games and one Hamline University women's hockey game.

8 - Senior staff met to discuss 2013 capital and maintenance projects. Goodrich met with representatives of the Minnesota's Board of Animal Health and State Department of Health to develop recommendations for the '13 State Fair swine exhibits. Mix hosted a meeting of the Ramsey County Employers Committee at the Libby Conference Center.

9 - Hammer participated in a meeting of the State Fair Foundation audit committee. Huber met with staff of the DoubleTree Hilton in Bloomington to review plans for the Society's upcoming annual meeting.

10 - The first Lunch & Learn program for staff was presented at the Libby Conference Center and featured a presentation by State Fair attorney Kent Harbison.

15 - Melstrom, Schaeppi, Barnett, Hayne, Franzmeier, Niles and Mix attended a construction safety seminar presented by OSHA Minnesota.

GENERAL BUSINESS SESSION OF THE SOCIETY

Nov. 15, 8 a.m. Sunday Jan. 20, 2013

Minnesota State Agricultural Society delegates, staff and friends of the Society met for breakfast and convened in general session at 8:30 a.m. President Foss opened the meeting and asked Secretary Jerry Hammer for his report.

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

President Foss called for a report of the credentials committee by Kirk Peysar of Aitkin County. The committee report was presented as follows and adopted as read:

Minnesota Guernsey Breeders Association did not file with the Secretary of State by 12/20/13.

American Dairy Association of the Midwest the president was not listed as delegate one as required for statewide associations credential.

President Foss called for a report of the resolutions committee. Committee member Judy Barka of Traverse County presented the following resolutions for consideration by the Society:

1. Resolved, that the Minnesota State Agricultural Society declares its thanks and appreciation to the 1,788,512 people who attended the 2012 Minnesota State Fair, recognizing that their loyalty and support made it a record-setting fair on many levels.

2. Resolved, that the Society honors and values the traditions cultivated by attendees of the Minnesota State Fair and affirms its main objective is to serve these good people and present them with an unparalleled exposition that is a unique, culturally rich showcase of our state's finest agriculture, art and industry.

3. Resolved, that we confirm the Society's mission is to educate and involve fair attendees by providing a world-class showcase that is

innovative, entertaining and fun. Therefore, we will continue to strive to offer exceptional value, provide outstanding customer service and make our event accessible to all.

4. Resolved, that the Society expresses its profound gratitude to all the individuals whose efforts contributed to the success of the 2012 Minnesota State Fair, including staff, the board of managers, volunteers, exhibitors, vendors, entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of FFA and 4-H.

5. Resolved, that we will further improve the Minnesota State Fair by developing strong relationships with other expositions and organizations dedicated to agriculture, entertainment and amusement, including 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.

6. Resolved, that we extend our condolences to their families and recognize with heavy hearts the loss of Society members and State Fair friends in the last year, including: Norbert J. 'Norb' Anderson, long-time parade participant; Richard Compart, past-president of the Minnesota Pork Producers Association and swine exhibitor; Gerald Kafka, parking department; Joe LaGuardia, retired New York State Fair marketing director; Bob McElroy, parking department; Randy Morris, swine exhibitor and Junior Barrow Show coordinator; Edward F. Nuebel, long-time concessionaire; Elmer Reseland, retired Steele County Free Fair secretary-manager; Paul M. Scheel, former Machinery Hill superintendent; Ed Slettom, former Deputy Commissioner of Agriculture; Pete "Poobah" Terhurne, long-time midway sideshow performer; and Peggy Wargin, Century Farm Award recipient and spouse of former State Agricultural Society board member Chauncey Wargin.

7. WHEREAS, the Minnesota State Fair is one of the largest and most beloved events in the world, and

WHEREAS, the State Fair is Minnesota's largest classroom offering an overwhelming number of educational opportunities in arts and sciences, agriculture, history, social studies and more, and

WHEREAS, early school openings would deprive tens of thousands of Minnesotans of the opportunity to attend the Great Minnesota Get-Together on school days and would cause many young people to lose important and much-needed work experience at the State Fair, and

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

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

WHEREAS, early school openings would create a major loss of attendance and a corresponding decline in the fundamental economics needed to present a State Fair that is correspondingly loved by the people of this state, and damage Minnesota's slowly improving economy, affecting large numbers of Twin Cities businesses that suffer economic set-backs when State Fair attendance is driven down, and

WHEREAS, early school would have a significant negative impact on Minnesota's tourism, hospitality and resort industries and result in a major loss of the revenue the provide to the state in its uphill struggle to fund education and produce a balanced budget,

NOW THEREFORE BE IT RESOLVED, that the board of managers of the Minnesota State Agricultural Society strongly urges all state lawmakers to support the State Law that requires Minnesota's schools to open no earlier than the traditional end of summer on Labor Day,

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

8. Resolved, that the Society offers its sincere thanks to all who contributed to making its 154th annual meeting a great success.

The resolutions were adopted as read.

President Foss turned the chair over to Vice President Fox to conduct the election for the office of president of the Society for a term of one year. President Foss of Kenyon was reelected and reassumed the chair.

President Foss then proceeded to conduct elections as follows: Joe Fox of Maplewood was elected to a two-year term as fourth district vice president; Paul Merkins of Stewart was re-elected to a three-year term as second district manager; Ron Oleheiser of Grand Rapids was re-elected to a three-year term as eighth district manager; and long-time senior citizens superintendent Marge Krueger was elected to honorary life membership in the Society.

There being no further business to be brought before the Society, President Foss declared the 154th meeting of the State Agricultural Society adjourned.

MINNESOTA STATE FAIR

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