



MINNESOTA STATE FAIR

15 - 0647



2014 ANNUAL REPORT



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★ ★ REPORT OF THE EXECUTIVE VICE PRESIDENT ★ ★



The 2014 State Fair and the heavens opened at precisely the same moment. The fair's 6 a.m. opening was announced with a booming thunderclap that shook the fairgrounds, followed by a heavy downpour that greeted the first people through the gates.

An hour after the rain stopped, we officially welcomed some of the first arrivals to the fair's awesome new transit hub and West Gate, which are part of the fair's extensive new West End development (page 5). Fair visitors were greeted with a ribbon-cutting ceremony at the restored 1934 Streetcar Arch, which instantly became a major hot spot for photos. Shortly after, we held another opening ceremony – this time for the West End's sparkling new History & Heritage Center.

It was an unforgettable beginning to what turned out to be an unforgettable fair. Participation, attendance and revenue records were set in every category and are well documented throughout this report.

As always, agriculture was at the heart of the fair, and we take our ag education responsibility very seriously. In the past two decades alone, we've added an abundance of ag education features including special booths and interactive display areas for livestock, hands-on exhibits for kids such as Little Farm Hands and programs for sustainable and urban ag. At the top of the list is one of the most popular exhibits at the entire fair – the CHS Miracle of Birth Center, where fair visitors can see live births of farm animals.

I recently spoke with a state legislator who said, "Everything I know about agriculture I learned at the fair." That comment underscores the importance of our mission. It's virtually impossible to find ag education anywhere in our over-tested K-12 school system, and there is even less learning opportunity for adults. That's where the State Fair comes in, and our role as ag educator becomes ever more critical. Why? Because if you eat, you're involved in agriculture.

Beyond ag, the State Fair remains a massive forum for education about everything in Minnesota and beyond. Public health, government, industry, education institutions, arts, environment, sustainable living, natural resources, technology and world culture are all at the fair. It's the mother lode of learning opportunity and the only place to get up close and personal with every facet of our state. The fair is also a major engine of the state's economy with an annual economic impact in the Twin Cities of \$250 million, plus additional unmeasured impact throughout the state.

The fair's social impact is even greater, with a 161-year history of bringing people together in a grand celebration of our great state. The State Agricultural Society – governing body of the fair – is actually older than the state itself, with roots that reach back to 1854 during Minnesota's territorial days. For generations of Minnesotans, it's been a beloved institution of which we all can be proud.

All of us who share the privilege of serving the Great Minnesota Get-Together have a keen understanding and appreciation for our State Fair heritage. We promise to carry it forward so that our one-of-a-kind event remains a vital part of Minnesota for generations to come. God bless, and I'll see you at the fair.

Jerry Hammer
Executive Vice President

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ OUR MISSION ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

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

WE STRIVE TO:

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

TOTAL ATTENDANCE: 1,824,830*

THURSDAY, AUG. 21
Thrifty Thursday: 94,256

High: 85 Low: 70
Precipitation: .07 inches

FRIDAY, AUG. 22
**Governor's Fire
Prevention Day: 118,606**

High: 79 Low: 70
Precipitation: none

SATURDAY, AUG. 23
4-H Day: 178,498

High: 77 Low: 69
Precipitation: trace

SUNDAY, AUG. 24
Minnesota Cooks™ Day: 164,192

High: 89 Low: 73
Precipitation: .14 inches

MONDAY, AUG. 25
**Seniors, Kids &
MN State Patrol Day: 137,813**

High: 79 Low: 64
Precipitation: none

TUESDAY, AUG. 26
Military Appreciation Day: 133,595*

High: 76 Low: 56
Precipitation: trace

WEDNESDAY, AUG. 27
Read & Ride Day: 125,816

High: 78 Low: 59
Precipitation: trace

THURSDAY, AUG. 28
Seniors Day: 118,047

High: 72 Low: 61
Precipitation: .02 inches

FRIDAY, AUG. 29
MPR Day: 145,026

High: 80 Low: 66
Precipitation: .68 inches

SATURDAY, AUG. 30
FFA Day: 252,092*

High: 77 Low: 64
Precipitation: .30 inches

SUNDAY, AUG. 31
Minnesota History Day: 197,459

High: 85 Low: 62
Precipitation: .47 inches

MONDAY, SEPT. 1
Kids & Last Chance Day: 159,430

High: 78 Low: 65
Precipitation: .17 inches

*New attendance record

★ ★ ★ ★ ★ 2014 PRICING ★ ★ ★ ★ ★

PRE-FAIR ADMISSION PRICE

- All ages \$10

REGULAR ADMISSION PRICE

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

THRIFTY THURSDAY • AUG. 21

- Adults (13-64) \$11
- Kids (5-12) \$8
- Children (under 5) FREE

SENIORS DAYS • AUG. 25 & 28

- Seniors (65 & over) \$8

KIDS DAYS • AUG. 25 & SEPT. 1

- Kids (5-12) \$8
- Children (under 5) FREE

MILITARY APPRECIATION DAY • AUG. 26

Active military, retired military, veterans and their families who purchased a ticket at the gate and presented valid documentation of military service: \$8

READ & RIDE DAY • AUG. 27

Public library cardholders who purchased a ticket at the gate:

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

BLUE RIBBON BARGAIN BOOK

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

MIGHTY MIDWAY & KIDWAY

- Pre-fair 25-ticket sheet \$15
- Fair-time
- 54-ticket sheet \$40
- 30-ticket sheet \$25
- Single ticket \$1

PARKING

- \$13



★ ★ ★ ★ ★ 2014 STATE FAIR ★ ★ ★ ★ ★ BOARD OF MANAGERS

The 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 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.



Front row (L-R): Joseph Fox, Maplewood, 4th District Vice President; Al Paulson, Shevlin, President; D.J. Leary, Minneapolis, 5th District Vice President. Back row (L-R): Joe Scapanski, Sauk Rapids, 6th District Manager; Gordy Toenges, Alden, 1st District Manager; Ron Oleheiser, Grand Rapids, 8th District Manager; Paul Merkins, Stewart, 2nd District Manager; Sharon Wessel, Hamel, 3rd District Manager; Wally Wichmann, Balaton, 7th District Manager; Dan Grunhovid, Gary, 9th District Manager.

★ ★ AGRICULTURE, ANIMALS & COMPETITION ★ ★

AGRICULTURE EDUCATION

Agriculture and education have been at the heart of the Minnesota State Fair's programming and mission since its beginnings in the mid-1800s. Today, fair organizers work in partnership with experts in our region to ensure these elements remain at the forefront as staples for fair visitors.

Recent additions and examples of how modern agriculture comes to life through education at the fair include:

- The CHS Miracle of Birth Center, the birthplace of nearly 200 calves, lambs, goats and piglets during the fair's 12-day run. Fair guests see, firsthand, how veterinary science and the birthing process directly connect to animal agriculture production. The award-winning, world-renowned exhibit is also home to: The Nursery of Knowledge, an experience providing education about the animal birthing process and how to become a veterinarian; and the Christensen Farms Stage, presenting family-friendly daily performances, including the "Thank a Farmer Magic Show," showcases about FFA, demonstrations and more.
- The Moo, Oink and Baa Booths, featuring cattle, pig and sheep displays and demonstrations that take visitors from farm to table.
- EquiMania!™, designed to educate fair guests about equine safety, careers, behavior, anatomy, nutrition and parasite prevention.
- Little Farm Hands, a hands-on exhibit that takes families through the agricultural process, beginning at the farm and ending at the market. Together, kids and parents plant crops, drive tractors, milk cows, gather eggs and bring their goods to be sold at the market where they turn around and use the money they've earned to buy something to put on the table. The Little Farm Hands experience is also home to Seed Survivor, which illustrates the elements seeds need to grow and thrive as plants.
- The Dirt, offering informative demonstrations and tricks of the trade from experts in the horticulture industry.

BULL RIDERS OF AMERICA

This action-packed event was part of the Horse Show and featured 30 competitors from throughout the Midwest riding

on bucking bulls for eight seconds and vying for coveted points and thousands of dollars in prize money. Jerry Wayne Olson, his truck-jumping Palomino and his trick pony provided the evening's special entertainment.

EXHIBITORS & ENTRIES

Agricultural and creative competitions drew more than 30,000 entries in 2014 with competitors vying for a share of ribbons, trophies and more than \$1.3 million in total prize money. Competitions included events for livestock, baked & canned goods, fruit, vegetables, crafts, bee & honey products, fine arts, farm crops, flowers, dog trials and more.



MINNESOTA STATE FAIR HORSE SHOW - NEW COMPETITIONS, BREEDS AND DEMONSTRATIONS

One of the premier horse expositions in the Upper Midwest, the Minnesota State Fair Horse Show featured more competitions, breeds and demonstrations than ever before:

- Multiday breed competitions led up to the best of the best vying for large cash prizes in the Supreme Championships.
- Adorned in Native American regalia, Appaloosas and their riders lit up the Warner Coliseum for the Heritage competition, while in the Mounted Native Costume competition, Arabians and their riders evoked images of desert nights.
- Cavorting in the Warner Coliseum, horses without riders or restraint flaunted their moves for crowd-appeal points in the debut of the Freestyle Liberty competition.
- Minnesota's own award-winning Northern Lakes Vaulters demonstrated gymnastics on horseback.
- The Supreme Six Draft Horse Hitch competition, the United States Hunter/Jumper Association Zone 6 Handy Hunter Derby, and encore performances by horse drill teams and square dance winners also highlighted the Horse Show.

★ ★ ★ ★ ★ CONTESTS & ACTIVITIES ★ ★ ★ ★ ★



First place, Open Division: Moriah Huerta

STATE FAIR AMATEUR TALENT CONTEST WINNERS

Open Division:

First place: Moriah Huerta of Burnsville (at left), vocal performance

Second place: Eric Gordon of Osseo, vocal and guitar performance

Third place: BioFreaks of St. Paul, dance performance

Teen Division:

First place: Sunday Manisto-Saari of Princeton, vocal performance

Second place: Alijah LeCour of Cottage Grove, dance performance

Third place: Molly Tengwall of Brooten, vocal performance

Preteen Division:

First place: Jacob Taggart of Blaine, piano performance

Second place: Clair Tomari-Leak of Minnetrista, vocal and dance performance

Third place: Aedyn Colville of Kimball, vocal performance

HIGH SCHOOL MARCHING BAND COMPETITION

High school marching bands from Minnesota and Wisconsin competed in the State Fair's daily mall parade. Waseca High School was awarded Grand Champion, Rosemount High School was awarded Class A honors, Waseca High School took first place in Class B, and Cotter High School of Winona won the Class C division. This competition is sponsored by McDonald's.

MILK RUN

Michael Peterka of Minneapolis and Carrie Tollefson of St. Paul were the overall male and female 5K Milk Run winners with times of 17:11 and 18:27, respectively.

★ ★ NEW ENTERTAINMENT, EXHIBITS & ELEMENTS ★ ★



WEST END MARKET

A brand-new and immensely popular destination in 2014. The area includes:

- The Minnesota State Fair History & Heritage Center, showcasing treasured artifacts and photographs from throughout the fair's nearly 160 years of history
- The Schell's Stage at Hugh & Margaret Schilling Amphitheater, a place for intimate sets of free music and entertainment all 12 days and nights of the State Fair
- KSTP Heritage Plaza, a gathering space that celebrates performing arts in Minnesota
- Dozens of artisans and specialty merchants
- Stellar food and beverage options featuring The Blue Barn, LuLu's Public House and more
- New, plentiful, accessible restrooms for men, women and families

PEOPLE'S CHOICE AWARDS

Fair guests were invited to nominate their favorites in five categories. The winners were announced on Thursday, Aug. 28 and included:

- Best product or service: Borgert Products Inc.
- Best food or beverage: The Sandwich Stop
- Best attraction: Foci – Minnesota Center for Glass Arts
- Best value: Minnesota Apples
- Best customer experience: Railroad Art by John Cartwright



MINNESOTA STATE FAIR HISTORY & HERITAGE CENTER

The new History & Heritage Center debuted showcasing the competition, entertainment, agriculture, food, merchandise, rides & games and Minnesota industry that have been the heart of the fair for a century and a half. Developed in partnership with the Minnesota

Historical Society and the Minnesota State Fair Foundation, the center is free with fair admission and reflects the progression of change at the fair. Exhibits bring to life the significant events, intriguing stories and inspiring traditions that have laid the foundation for the present-day Great Minnesota Get-Together.

EXTREME CANINES STUNT DOG SHOW

Extreme Canines Stunt Dog Show was The North Woods' newest attraction featuring talented rescue dogs. These former pound puppies conquered big-air stunts, caught Frisbees mid-air, raced through weave poles, competed in a one-of-a-kind triathlon, and showcased their incredible high-jumping skills.

UNIVERSITY OF MINNESOTA DRIVEN TO DISCOVER

The University of Minnesota opened the doors to its new Driven to Discover exhibit, which marked a new level of collaboration between researchers and thousands of fair guests. More than 30 university departments sought out adults and children for studies on such diverse topics as genetics, jury decision-making, bullying, heart disease, physical fitness, distracted driving and more. Guests could participate in research studies, meet with researchers and learn about their work.

THE COMMON TABLE

Within the uniquely designed Common Table exhibit, a storytelling pavilion showcased the stories of 17 partner organizations working to engage Minnesotans in conversations about the ecological, social and economic effects of our food choices. Fair guests had the opportunity to take part in insightful displays and demonstrations.

2014 MINNESOTA STATE FAIR COMMEMORATIVE ART BY EMILY L. TAYLOR

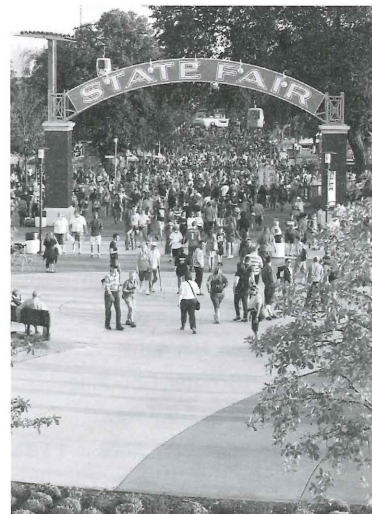
Emily L. Taylor's quirky perspective and playful representations of Minnesota's people, crops, animals and landmarks illustrate the stories of those who gather for the annual State Fair. Living just blocks from the fairgrounds, Taylor has developed a strong sense of tradition surrounding the Great Minnesota Get-Together, which helped her capture the essence of the fair's place in our state's culture.

MILITARY APPRECIATION DAY – SALUTE TO MILITARY KIDS

This year's Military Appreciation Day on Aug. 26 honored the children of military members and veterans and the sacrifices they make while their loved ones serve. Hundreds of military kids and their families paraded from the Leinie Lodge Bandshell to Carousel Park for a day of kid-focused entertainment on stage. Promo Place on the north end of the fairgrounds featured activities by military support organizations, military vehicles and more.

TRANSIT HUB, WEST END GATE AND STREETCAR ARCH

Nearly half of the fair's 1.8 million visitors travel to the fair via mass transit. Designed to meet current and future transportation demand, the new Transit Hub opened providing easy, safe access to Park & Ride and Express Service buses. Whether arriving by bus, car or bike, visitors entered at the new adjacent West End Gate, where several guest services were in one convenient location – gate tickets, wheelchair and electric scooter rental, an information booth and a gift shop. Just inside the gate, the beautifully restored 1930s-era Streetcar Arch became an ideal meeting place for friends and family, and welcomed people to the Great Minnesota Get-Together.





★ ★ ★ GRANDSTAND ★ ★ ★ ATTENDANCE

Thursday, Aug. 21

TOBY KEITH SHUT UP & HOLD ON TOUR

presented by **FORD F-SERIES** with special guest **COLT FORD**

7:30 p.m. • \$59, \$49 • Attendance: 12,308 (sold out)



Friday, Aug. 22

ARETHA FRANKLIN with special guest **THE FOUR TOPS**

7:30 p.m. • \$45 • Attendance: 9,647

Saturday, Aug. 23

KID ROCK with special guest **BLACKBERRY SMOKE**

7:30 p.m. • \$66.50, \$51.50 • Attendance: 13,123 (sold out)

Sunday, Aug. 24

DIGIFEST MINNESOTA

6:30 p.m. • \$30, \$20 • Attendance: 4,478

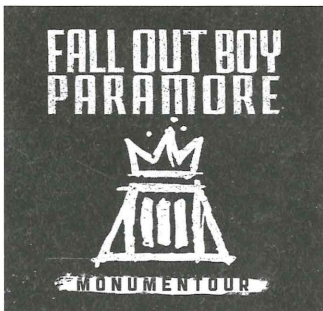


Monday, Aug. 25

THE HAPPY TOGETHER TOUR 2014

featuring **THE TURTLES** with **FLO & EDDIE**, **CHUCK NEGRON** (formerly of **THREE DOG NIGHT**), **GARY LEWIS & THE PLAYBOYS**, **MARK FARNER** (formerly of **GRAND FUNK RAILROAD**) and **MITCH RYDER & THE DETROIT WHEELS**

8 p.m. • \$21 • Attendance: 4,835



Tuesday, Aug. 26

LINKIN PARK & THIRTY SECONDS TO MARS with special guest **AFI**

6:30 p.m. • \$81, \$71, \$51 • Attendance: 14,454

Wednesday, Aug. 27

TIM MCGRAW with special guest **RYAN KINDER**

7:30 p.m. • \$71, \$56 • Attendance: 12,883 (sold out)

Thursday, Aug. 28

FALL OUT BOY & PARAMORE with special guest **BAD SUNS**

7 p.m. • \$51, \$41 • Attendance: 9,539



Friday, Aug. 29

A PRAIRIE HOME COMPANION with **GARRISON KEILLOR**

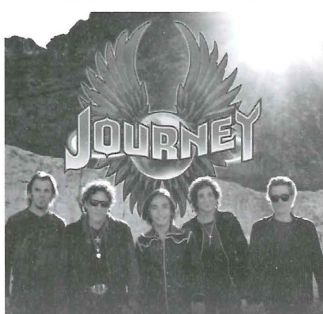
7:45 p.m. • \$32, \$25 • Attendance: 7,530

Saturday, Aug. 30

MN MUSIC ON-A-STICK

presented by **89.3 THE CURRENT** featuring **BROTHER ALI**, **DOOMTREE**, **BOB MOULD**, **CLOUD CULT**, **HAR MAR SUPERSTAR** and **THE CACTUS BLOSSOMS**

4 p.m. • \$30 • Attendance: 7,524



Sunday, Aug. 31

42nd ANNUAL MINNESOTA STATE FAIR

AMATEUR TALENT CONTEST FINALS

7:30 p.m. • Free - No Grandstand Ticket Required • Attendance: approx. 9,000

Monday, Sept. 1

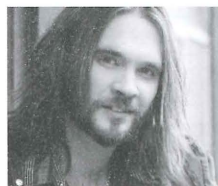
JOURNEY with special guest **JOAN JETT & THE BLACKHEARTS**

7 p.m. • \$58, \$48 • Attendance: 13,129 (sold out)



★ ★ ★ ★ ★ ★ ★ ★ ★ ★ **FREE STAGES** ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

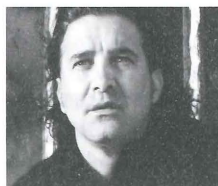
THE LEINIE LODGE BANDSHELL TONIGHT!



Aug. 21 & 22
**BLOOD, SWEAT
& TEARS**
featuring **BO BICE**



Aug. 23 & 24
**PAUL CEBAR
TOMORROW
SOUND**



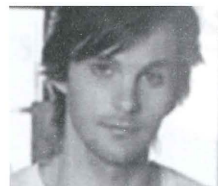
Aug. 25 & 26
**SCOTT STAPP
- THE VOICE
OF CREED**



Aug. 27 & 28
DR. DOG



Aug. 29 & 30
**BUCKWHEAT
ZYDECO**



Aug. 31 & Sept. 1
**CHARLIE
WORSHAM**

■ LEINIE LODGE BANDSHELL

- **Aug. 21 & 22:** The Railers, Tonic Sol-fa, Chad Brownlee
- **Aug. 23 & 24:** Robinella, Kevin Naquin & The Ossun Playboys, The California Honeydrops
- **Aug. 25 & 26:** The 34th Infantry Division "Red Bull" Band, Sundry Best, Granger Smith featuring Earl Dibbles Jr.
- **Aug. 27 & 28:** Sourdough Slim with Robert Armstrong, Six Appeal, Natalie Stovall and The Drive
- **Aug. 29 & 30:** The Wendinger Polka Band, The Willis Clan, Will Hoge
- **Aug. 31 & Sept. 1:** The Cleverlys, Home Free, Marcia Ball, SongBlast - Dueling Guitars

■ FAMILY FAIR STAGE AT BALDWIN PARK

- **Aug. 21 - Sept. 1:** Sean Emery, Break-Shop Bump'n
- **Aug. 21 & 22:** Heebie Jeebies Family Comedy Music Show
- **Aug. 23 & 24:** The Okee Dokee Brothers
- **Aug. 25 & 26:** Zinghoppers Kidz Dance Party
- **Aug. 27 & 28:** Mama Lou: American Strong Woman
- **Aug. 29 & 30:** Eric Buss - Comic Imaginator
- **Aug. 31 & Sept. 1:** Sheltered Reality

■ RAMBERG SENIOR CENTER

- **Aug. 21 & 22:** Mark Stillman, Pop Wagner and Bob Bovee
- **Aug. 23 & 24:** The Flemming Fold, The Mellow Fellows
- **Aug. 25 & 26:** Big Bob Scoggin, The River Breeze Band
- **Aug. 27 & 28:** The Joey Johnson Band, Jim Berner's Music Legends
- **Aug. 29 & 30:** The Irish Brigade, Southside Aces
- **Aug. 31 & Sept. 1:** Jim Price, Hey Lonesome

■ INTERNATIONAL BAZAAR

- **Aug. 21 & 22:** Axis Mundi World Jazz Quintet, Los Conocidos
- **Aug. 23 & 24:** CAAM Chinese Dance Theater, Native Pride Dancers
- **Aug. 25 & 26:** Jack Brass Band, Jim Busta Polka Band featuring Mollie B.
- **Aug. 27 & 28:** Iny Asian Dance Theater, Grupo Esplendor
- **Aug. 29 & 30:** Ballet Folklorico Mexico Azteca, Ticket to Brasil
- **Aug. 31 & Sept. 1:** St. Mary's Balalaika Orchestra, RAMM Band

■ BAZAAR AFTER DARK

- **Aug. 21 & 22:** Hitchville
- **Aug. 23 & 24:** Salsabrosa
- **Aug. 25 & 26:** Good for Gary
- **Aug. 27 & 28:** GB Leighton
- **Aug. 29 & 30:** Sonny Knight & The Lakers
- **Aug. 31 & Sept. 1:** The Belfast Cowboys

■ SCHELL'S STAGE AT SCHILLING AMPHITHEATER

- **Aug. 21 & 22:** Sarah Morris, The Rockin' Pinecones, James Wedgwood Ventriloquist
- **Aug. 23 & 24:** The Galactic Cowboy Orchestra, The Minnesota State Fiddle Contest, Kier MusiComedy Impressions
- **Aug. 25 & 26:** Bockfest Boys, USAF Band of Mid-America Hot Brass, The Looney Lutherans
- **Aug. 27 & 28:** Guy Gilchrist: Famed Syndicated Cartoonist and Writer, The Pistol Whippin' Party Penguins, Kenny Ahern
- **Aug. 29 & 30:** The Woodpicks, The Minnesota Flatpicking Guitar and Duet Championships, Alex Clark
- **Aug. 31 & Sept. 1:** Ellis, The High 48s, The Memories

■ WEST END AT SUNSET

- **Aug. 21 & 22:** Chastity Brown
- **Aug. 23 & 24:** White Iron Band
- **Aug. 25 & 26:** Monroe Crossing
- **Aug. 27 & 28:** Deke Dickerson with The Trashmen
- **Aug. 29 & 30:** The 4onthefloor
- **Aug. 31 & Sept. 1:** Cash'd Out

■ THE X-ZONE

- **Aug. 21 - Sept. 1:** 3rd Lair SkatePark

■ THE NORTH WOODS

- **Aug. 21 - Sept. 1:** Extreme Canines Stunt Dog Show, Timberworks Lumberjack Show

2014 SPONSORS

- | | | | |
|-----------------------------|----------------------------------|--------------------------------------|-----------------------------------|
| • August Schell Brewing Co. | • DragNFly Wireless | • John Deere Company | • Noosa |
| • Butter Kernel | • Gold Medal Flour | • Kemps | • PreferredOne® |
| • Cal Spas | • Gold'n Plump Poultry | • Mazda | • Regions Hospital |
| • Cargill | • Good Health Saunas | • Midwest Dairy Association | • Sam's Club |
| • CenturyLink | • Great River Energy | • Minnesota Corn Growers Association | • Sensodyne |
| • Coca-Cola | • Green Mill Restaurant | • Minnesota Farm Bureau Foundation | • Sleep Number |
| • Cub Foods | • Jacob Leinenkugel Brewing Co. | • Minnesota Farmers Union | • Summit Brewing Co. |
| • DirecTV | • Jo-Ann Fabric and Craft Stores | • Minnesota State Lottery | • Treasure Island Resort & Casino |
| • DISH | | | • Xfinity |



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

REPORT ON THE FINANCIAL STATEMENTS

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, 2014, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation), a discretely presented component unit whose statements reflect total assets and expenses of \$2,093,851 and \$3,154,255, respectively, as of and for the year ended October 31, 2014. 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 from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

(continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to on the previous page 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Society's basic financial statements. The general information, supporting schedule – 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.

(continued)

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. Such 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.

Prior Year Comparative Information

We have previously audited the Society's 2013 financial statements and we, with reliance on other auditors, expressed unmodified audit opinions on the respective financial statements of the enterprise fund and the discretely presented component unit in our report dated May 5, 2014. In our opinion, based on our audit and the report of the other auditor, the partial comparative information presented herein as of and for the year ended October 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2015 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* in considering the Society's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota

April 16, 2015

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, 2014 and 2013, 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 2014 and 2013 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 Position outlines all of the Society's assets, deferred outflows of resources 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 Position; this statement serves to determine if the Society has earned an acceptable level of operating 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 Position

The Condensed Statement of Net Position provides a quick look at the Society's overall financial position. Net position increased to \$49.5 million during fiscal 2014. An increase in net operating income and foundation grants resulted in an increase in net position of \$5.6 million during fiscal 2014.

Approximately 95% of the Society's net position - \$47.2 million – represents 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

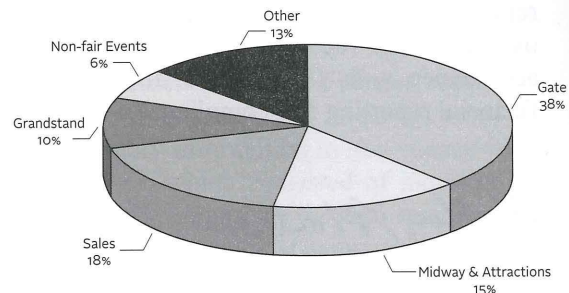
The State Fair realized an increase in net position of \$5.6 million in 2014, based upon gross revenues of \$49.2 million and gross expenses of \$43.6 million. The previous year showed a decrease in net position of \$1.4 million from income of \$39.4 million and expenses of \$40.8 million. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space, and the rental of fair facilities for non-fair events.

The 2014 Fair was an extraordinary exposition by every measure. Fair fans made the 2014 Great Minnesota Get-Together the

REVENUE, EXPENSE AND CHANGES IN NET POSITION

	2014	2013
Revenue		
Ticket sales	\$30,135,000	\$23,896,000
Activities	11,512,000	10,136,000
Other	5,184,000	4,852,000
Non-operating revenue		
Investment Income	7,000	7,000
Grant revenue	<u>2,347,000</u>	<u>536,000</u>
Total revenue	49,185,000	39,427,000
Expense		
Activities, support and administrative	29,300,000	25,845,000
General operations	<u>14,306,000</u>	<u>15,024,000</u>
Total expense	<u>43,606,000</u>	<u>40,869,000</u>
Changes in net position	5,579,000	(1,442,000)
Beginning net position	<u>43,883,000</u>	<u>45,325,000</u>
Ending net position	<u>\$49,462,000</u>	<u>\$43,883,000</u>

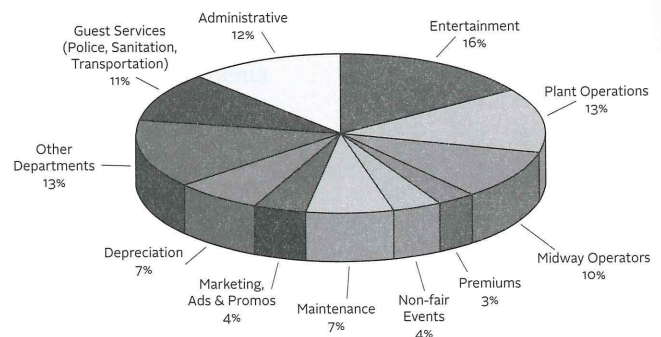
2014 Income (\$49.2 million)



2014 Income (in millions)

- Gate - \$18.7
- Sales - \$8.7
- Non-fair Events - \$3.0
- Midway & Attractions - \$7.3
- Grandstand - \$4.9
- Other - \$6.6

2014 Expense (\$43.6 million)



2014 Expense (in millions)

- Midway Operators - \$4.3
- Plant Operations - \$5.8
- Entertainment - \$6.9
- Administrative - \$5.4
- Guest Services - \$4.6 (Police, Sanitation, Transportation)
- Other Departments - \$5.6
- Depreciation - \$3.1
- Marketing, Ads & Promos - \$1.7
- Maintenance - \$3.2
- Non-fair Events - \$1.6
- Premiums - \$1.4

best-attended in history. In addition to the overall record for 12 days, two daily attendance records were set. These high attendance numbers propelled the sale of gate admission, Grandstand concert tickets, food and beverage and Mighty Midway tickets to soar to record-setting sales for all. In a typical year, ticket sales represent two-thirds of the State Fair's gross annual income. In 2014, the ticket sales total of \$30.1 million was earned chiefly through sales of outside gate and parking tickets (\$18.7 million), Mighty Midway and Kidway tickets (\$6.5 million), and Grandstand tickets (\$4.9 million).

As with most business enterprises, expenses are very diverse. The State Fair provides extensive services to fair visitors that include police protection (\$1.4 million), sanitation (\$1.2 million) and Park & Ride bus service (\$2 million). Other expenses include Grandstand and free entertainment (\$6.9 million), fairgrounds plant operations (\$5.8 million) and maintenance and depreciation of State Fair facilities (\$4.8 million).

A detailed breakdown of the State Fair's income and expenses is included in the Revenues and Expenses Supporting Schedule on pages 25-28.

CONDENSED STATEMENT OF NET POSITION

	2014	2013
Current & other assets	\$ 6,980,000	\$ 7,967,000
Capital assets	<u>64,749,000</u>	<u>49,593,000</u>
Total assets	71,729,000	57,560,000
Deferred outflows of resources	402,000	453,000
Long-term notes	17,991,000	7,977,000
Other liabilities	<u>4,678,000</u>	<u>6,153,000</u>
Total liabilities	22,669,000	14,130,000
Net investment in capital assests	47,161,000	42,069,000
Restricted	2,518,000	1,288,000
Unrestricted	<u>(217,000)</u>	<u>526,000</u>
Total net position	<u>\$49,462,000</u>	<u>\$43,883,000</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), Fine Arts Center (1907) and Progress Center (1907).

In 2014, the State Fair invested \$18,302,000 in capital improvements. Projects included \$17,203,000 to complete construction of the new West End Market area; \$750,000 towards upgrading the Coliseum heating system; and \$292,000 for improvements to the fairgrounds electrical system.

In 2013, the State Fair invested \$5,025,000 in capital improvements. Projects included \$1,288,000 for the construction of a new restroom; \$1,205,000 for electrical and fiber optic system upgrades; \$1,160,000 related to the construction of the West End Market; and \$431,000 in roof replacement expenditures.

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

■ Long-Term Liabilities

During fiscal 2014, the Society issued two revenue notes - Series 2013 in the amount of \$9,600,000, and Series 2014 in the amount of \$2,400,000, to assist in financing the construction of the new West End Market area. Scheduled debt payments on notes in the current year reduced the Society's outstanding debt by \$1,986,000 during the year ended October 31, 2014.

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 Position

As of October 31

2014

2013

ASSETS

Current assets:		
Cash and cash equivalents - unrestricted	\$ 3,529,492	\$ 5,704,396
Cash and cash equivalents - restricted	2,517,732	1,288,268
Accounts receivable	798,494	856,141
Prepaid expenses	111,554	7,596
Note receivable - current	21,600	69,600
Accrued interest receivable	594	739
Total current assets	\$ 6,979,466	\$ 7,926,740
Non-current assets:		
Receivable due from Minnesota State Fair Foundation	-	18,269
Note receivable	-	21,600
Capital Assets, not being depreciated	3,253,914	3,663,041
Capital Assets, net of related depreciation	61,495,415	45,930,204
Total non-current assets	\$ 64,749,329	\$ 49,633,114
Total assets	\$ 71,728,795	\$ 57,559,854
Deferred outflows of resources:		
Deferred amount on refunding of debt	\$ 402,315	\$ 452,604
Total assets and deferred outflows of resources	\$ 72,131,110	\$ 58,012,458

LIABILITIES

Current liabilities:		
Accounts payable	\$ 1,833,040	\$ 3,655,178
Accrued salaries	271,684	231,837
Unearned revenue	224,195	169,315
Note interest payable	67,003	25,645
Note payable - current	1,990,000	1,086,000
Compensated absences - current	402,801	402,748
Total current liabilities	\$ 4,788,723	\$ 5,570,723
Noncurrent liabilities:		
Note payable due in more than one year	\$ 16,001,000	\$ 6,891,000
Compensated absences	336,107	294,233
Other post employment benefit obligations	1,543,305	1,373,586
Total non-current liabilities	\$ 17,880,412	\$ 8,558,819
Total liabilities	\$ 22,669,135	\$ 14,129,542

NET POSITION

Net invested in capital assets	\$ 47,160,644	\$ 42,068,849
Restricted for:		
Debt service	2,517,282	1,287,818
Capital improvements	450	450
Unrestricted	(216,401)	525,799
Total net position	\$ 49,461,975	\$ 43,882,916
Total liabilities and net position	\$ 72,131,110	\$ 58,012,458

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

■ Minnesota State Fair Foundation Statement of Net Assets

As of October 31

2014

2013

ASSETS

Cash and cash equivalents	\$ 924,029	\$ 1,111,823
Investments	235,237	166,883
Contributions receivable, net	922,128	80,144
Prepaid expenses and other assets	6,424	4,321
Merchandise inventory	4,735	5,335
Property and equipment, net of accumulated depreciation of \$6,031 and \$5,453, respectively	<u>1,298</u>	<u>1,876</u>

Total assets

\$ 2,093,851 **\$ 1,370,382**

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 5,198	\$ 5,027
Accrued expenses	71,073	29,705
Payable due to the Minnesota State Agricultural Society	<u>-</u>	<u>18,269</u>

Total Liabilities

\$ 76,271 **\$ 53,001**

Net Assets

Unrestricted:		
Undesignated	419,095	384,877
Board designated for fine arts	45,380	33,385
Board designated for endowment	<u>3,606</u>	<u>3,282</u>

Total unrestricted net assets

\$ 468,081 **\$ 421,544**

Temporarily restricted	1,309,101	734,078
Permanently restricted	<u>240,398</u>	<u>161,759</u>

Total net assets

2,017,580 **1,317,381**

Total liabilities and net assets

\$ 2,093,851 **\$ 1,370,382**

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

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

For the years ended October 31

	2014	2013
OPERATING REVENUES		
Ticket sales	\$ 30,134,727	\$ 23,896,041
Activities	11,512,111	10,135,897
Other	<u>5,184,921</u>	<u>4,852,151</u>
Total operating revenues	\$ 46,831,759	\$ 38,884,089
OPERATING EXPENSES		
Administrative	\$ 5,434,693	\$ 4,934,971
Activities and support	23,865,342	20,909,988
Premiums	1,350,800	1,261,675
Plant operations	5,830,877	5,811,228
Plant maintenance	1,632,908	3,240,108
Other	1,780,865	1,595,516
Depreciation	<u>3,145,560</u>	<u>2,752,947</u>
Total operating expenses	\$ 43,041,045	\$ 40,506,433
Operating income (loss)	\$ 3,790,714	\$ (1,622,344)
NON OPERATING REVENUES (EXPENSES)		
Investment income	\$ 6,818	\$ 6,897
Grant revenue	2,346,879	535,680
Interest expense	(565,352)	(342,175)
Loss on disposal of capital assets	<u>-</u>	<u>(19,829)</u>
Total non-operating revenues (expenses)	\$ 1,788,345	\$ 180,573
Change in net position	\$ 5,579,059	\$ (1,441,771)
Total net position, beginning of year	\$ 43,882,916	\$ 45,324,687
Net position, end of year	\$ 49,461,975	\$ 43,882,916

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

■ Minnesota State Fair Foundation Statement of Activities

For the years ended October 31

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
Contributions	\$ 253,353	\$ 2,959,610	\$ 78,639	\$ 3,291,602	\$ 185,346	\$ 354,459	\$ 17,180	\$ 556,985
Support from the Minnesota State Agricultural Society	218,051	-	-	218,051	210,535	-	-	210,535
In-Kind Contributions	73,014	-	-	73,014	84,339	-	-	84,339
Special Events, Net of Direct Benefits of \$50,850 and \$38,251, Respectively	68,932	-	-	68,932	65,558	-	-	65,558
Interest and Dividends	1,333	3,912	-	5,245	1,320	3,427	-	4,747
Realized and Unrealized Gains (Losses) on Investments	(2,045)	15,352	-	13,307	400	18,395	-	18,795
Miscellaneous Income	-	-	-	-	75	-	-	75
Net Assets Released from Restrictions	2,403,851	(2,403,851)	-	-	578,501	(578,501)	-	-
Total	3,016,489	575,023	78,639	3,670,151	1,126,074	(202,220)	17,180	941,034
Merchandise Sales and Commissions	266,988	-	-	266,988	217,979	-	-	217,979
Less: Cost of Goods Sold	(82,685)	-	-	(82,685)	(59,715)	-	-	(59,715)
Net Merchandise Sales and Commissions	184,303	-	-	184,303	158,264	-	-	158,264
Total Revenues	3,200,792	575,023	78,639	3,854,454	1,284,338	(202,220)	17,180	1,099,298
EXPENSES								
Grants to the Minnesota State Agricultural Society	2,346,879	-	-	2,346,879	535,680	-	-	535,680
Payroll	537,628	-	-	537,628	421,879	-	-	421,879
Production Expenses	78,218	-	-	78,218	56,018	-	-	56,018
Contract Services	56,392	-	-	56,392	48,009	-	-	48,009
Office Expenses	60,362	-	-	60,362	39,005	-	-	39,005
Occupancy	25,314	-	-	25,314	32,809	-	-	32,809
Business Expenses	39,013	-	-	39,013	19,310	-	-	19,310
Travel and Meetings	2,779	-	-	2,779	6,011	-	-	6,011
Other Expenses	7,670	-	-	7,670	7,995	-	-	7,995
Total Expenses	3,154,255	-	-	3,154,255	1,166,716	-	-	1,166,716
CHANGE IN NET ASSETS	46,537	575,023	78,639	700,199	117,622	(202,220)	17,180	(67,418)
Net assets - Beginning	421,544	734,078	161,759	1,317,381	303,922	936,298	144,579	1,384,799
NET ASSETS - ENDING	<u>\$ 468,081</u>	<u>\$ 1,309,101</u>	<u>\$ 240,398</u>	<u>\$ 2,017,580</u>	<u>\$ 421,544</u>	<u>\$ 734,078</u>	<u>\$ 161,759</u>	<u>\$ 1,317,381</u>

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

■ Minnesota State Fair Statement of Cash Flows

For the years ended October 31

2014

2013

Cash flow from operating activities

Cash received from operations		
Ticket sales	\$ 30,171,063	\$ 23,989,372
Activities	11,523,331	10,244,532
Other	5,249,892	4,780,204
Cash payment for operating expenses		
To suppliers of goods or services	(31,378,321)	(27,355,628)
To employees for services	(9,530,180)	(9,105,619)
Net cash provided by operating activities	<u>\$ 6,035,785</u>	<u>\$ 2,552,861</u>

Cash flow from capital and related financing activities

Payments for acquisition and construction of capital assets	\$ (18,850,348)	\$ (4,096,420)
Payments for acquisition of State Fair property	-	(96,000)
Payments on note receivable	48,000	69,600
Principal payments on revenue note	(1,986,000)	(1,075,000)
Interest payments on revenue note	(473,705)	(220,269)
Proceeds from issuance of revenue notes	12,000,000	-
Net cash provided (used) by capital and related financing activities	<u>\$ (9,262,053)</u>	<u>\$ (5,418,089)</u>

Cash flow from non-capital financing activities

Grant revenue	<u>2,273,865</u>	<u>451,341</u>
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Cash flow from investing activities

Interest earnings	<u>6,963</u>	<u>6,785</u>
Net increase (decrease) in cash and cash equivalents	\$ (945,440)	\$ (2,407,102)
Cash and cash equivalents, beginning of year	<u>6,992,664</u>	<u>9,399,766</u>
Cash and cash equivalents, end of year	<u>\$ 6,047,224</u>	<u>\$ 6,992,664</u>

Reconciliation of operating income (loss) to net cash provided by operating activities

Operating income (loss)	\$ 3,790,714	\$ (1,622,344)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	3,145,561	2,752,947
Other non-operating revenues and cash expenses	73,014	84,340
Changes in assets and liabilities		
Assets: (increase) decrease		
Accounts receivable	57,647	133,534
Prepaid expenses	(103,958)	154,416
Liabilities: increase (decrease)		
Accounts payable	(1,233,566)	826,366
Accrued salaries	39,847	47,479
Compensated absences	41,927	3,013
Unearned revenue	54,880	(3,515)
Other post employment benefit obligations	169,719	176,625
Total adjustments	<u>\$ 2,245,071</u>	<u>\$ 4,175,205</u>

Net cash provided by operating activities

<u>\$ 6,035,785</u>	<u>\$ 2,552,861</u>
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Supplemental disclosure of non-cash transactions

For fiscal year 2014 and 2013, accounts payable included capitalized expenses of \$415,437 and \$1,004,009, respectively. For fiscal year 2014 and 2013, the Society received in-kind contributions totaling \$73,014 and \$84,340, respectively. In fiscal 2013, the Fair sold state fair property in exchange for a note receivable in the amount of \$96,000.

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.

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.

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.

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

Notes receivable consist of a loan by the Society to one local business for property development on the Fairgrounds. Annual payments are being made on this note until fiscal 2015.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid expenses in the Society's proprietary funds. Prepaid expenses are reported using the consumption method and recorded as an expense at the time of consumption.

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 and construction in progress are not depreciated. The provision for depreciation is calculated based on the following lives:

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

In addition to assets, Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The Society has one type of item that qualifies for reporting in this category. Deferred amount on refunding of debt is the difference (gain) resulting from current refundings and advance refundings and is reported as a deferred outflow of resources in the Statement of Net Position.

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. All compensated absences expected to be paid on termination of employment are accrued when incurred.

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.

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 2014.

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

1. Net investment in capital assets - 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 position - consists of net position (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 position - consists of all other assets that do not meet the criteria of restricted or net investment in capital assets.

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 Statement of Net Position and Statement of Revenue and Expense, and Changes in Net Position 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 State of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended October 31, 2013, from which the summarized

information was derived. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

NOTE 2: CASH AND CASH EQUIVALENTS

The Society's 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, 2014, according to the bank records, the Society had short-term investments of \$4,605,253 that were invested in repurchase agreements that are backed by U.S. agency underlying securities. After adjusting the bank balance of \$2,523,529 for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$1,441,971. Cash and cash equivalents totaled \$6,047,224. At October 31, 2014, 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 year ending October 31, 2014 were:

Cash Equivalents - Restricted	2014
Building Account	\$ 450
Debt Service Account	2,517,282
Total Restricted Cash Equivalents	2,517,732
Cash Equivalents - Unrestricted	3,529,492
Total Cash Equivalents	\$ 6,047,224

Restricted cash equivalents represent funds restricted in application by revenue 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, Chapters 118A and 37. As of October 31, 2014, the Society's investment in a Bremer Bank repurchase agreement—which matures daily—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, 2014, the Society's investments include the following percentages of specific issuers: Bremer Bank repurchase agreement 100%.

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 11/01/13	Increases	Decreases	Beginning Balance 10/31/14
Capital assets, not being depreciated				
Land	\$ 2,503,439	-	-	\$ 2,503,439
Construction in progress	1,159,602	750,475	(1,159,602)	750,475
Total capital assets, not being depreciated:	3,663,041	750,475	(1,159,602)	3,253,914
Capital assets, being depreciated:				
Land improvements	81,172,934	16,847,501	(40,408)	97,980,027
Utility systems	11,829,905	1,812,779	-	13,642,684
Personal property	1,532,189	50,491	-	1,582,680
Total Capital Assets, being depreciated	94,535,028	18,710,771	(40,408)	113,205,391
Less accumulated depreciation for:				
Land Improvements	(40,820,872)	(2,550,129)	40,408	(43,330,593)
Utility Systems	(6,627,318)	(423,635)	-	(7,050,953)
Personal Property	(1,156,634)	(171,796)	-	(1,328,430)
Total accumulated depreciation	(48,604,824)	(3,145,560)	40,408	(51,709,976)
Total capital assets, being depreciated, net	45,930,204	15,565,211	-	61,495,415
Total capital assets, net	\$ 49,593,245	\$ 16,315,686	\$ (1,159,602)	\$ 64,749,329

NOTE 4: LONG-TERM LIABILITIES

	Balance 11/01/13	Additions	Deletions	Balance 10/31/14	Due Within One Year
Refunding revenue note	\$ 7,977,000	\$ -	\$ (1,086,000)	\$ 6,891,000	\$ 1,090,000
Revenue note series 2013	-	9,600,000	(100,000)	9,500,000	100,000
Revenue note series 2014	-	2,400,000	(800,000)	1,600,000	800,000
Total long-term liabilities	\$ 7,977,000	\$ 12,000,000	\$ (1,986,000)	\$ 17,991,000	\$ 1,990,000

The Refunding Revenue Note was issued to finance the retirement (refunding) of prior bond issues. 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 payable is solely from the revenues of the State Fair. Operating revenues at October 31, 2014 were \$46,831,759 which exceeds the amount required for payment of principal and interest in 2015. The interest rate is 2.53% and matures September 15, 2022. As of October 31, 2014, \$6,220,000 of defeased revenue bond debt is outstanding.

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

	Principal	Interest
2015	\$1,090,000	\$ 174,342
2016	1,104,000	146,765
2017	1,110,000	118,834
2018	680,000	90,751
2019	699,000	73,547
2020-2022	2,208,000	112,662
	<u>\$ 6,891,000</u>	<u>\$ 716,901</u>

The Revenue Notes, Series 2013 and 2014 were issued to assist in financing the construction of the new West End Market. These notes are special, limited liability obligations of the Society and are not secured by the full faith and credit of the Society. The notes are payable solely from the revenues of the State Fair. Operating revenues at October 31, 2014 were \$46,831,759 which exceeds the amount required for payment of principal and interest in 2015. The Series 2013 revenue note principal amount is \$9,600,000 with an interest rate of 3.38% and matures September 15, 2022. The Series 2014 revenue note principal amount is \$2,400,000 with an interest rate of 1.99% and matures on September 15, 2016.

Annual debt service requirements to maturity for the State Fair Revenue Note, Series 2013 is as follows:

	Principal	Interest
2015	\$ 100,000	\$ 321,100
2016	100,000	317,720
2017	1,000,000	314,340
2018	1,549,000	280,540
2019	1,603,000	228,184
2020-2022	<u>5,148,000</u>	<u>351,959</u>
	<u>\$9,500,000</u>	<u>\$ 1,813,843</u>

Annual debt service requirements to maturity for the State Fair Revenue Note, Series 2014 is as follows:

	Principal	Interest
2015	\$ 800,000	\$ 31,840
2016	<u>800,000</u>	<u>15,920</u>
	<u>\$1,600,000</u>	<u>\$ 47,760</u>

Compensated Absences:

	Balance 11/01/13	Additions	Retirements	Balance 10/31/14	Due within one year
Severance benefits payable	\$ 376,716	\$ 38,944	\$ (9,254)	\$ 406,406	\$ 9,175
Vacation benefits payable	<u>320,265</u>	<u>405,888</u>	<u>(393,651)</u>	<u>332,502</u>	<u>393,626</u>
	<u>\$ 696,981</u>	<u>\$ 444,832</u>	<u>\$ (402,905)</u>	<u>\$ 738,908</u>	<u>\$ 402,801</u>

NOTE 5: SHORT TERM OBLIGATIONS

During fiscal year 2014, the Society renewed a working capital line of credit in the amount of \$1.5 million, with a maturity date of June 30, 2015, for possible short-term financing of fair operations. The interest rate is the prime interest rate plus 0.25%, with a minimum interest rate of 4.5%. No short-term financing was necessary in fiscal 2014.

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 \$5,206,864 for 2014 and \$4,912,954 for 2013. Total Society payroll was \$9,821,520 for 2014 and \$9,380,214 for 2013. MSRS issues a publicly available financial report that includes financial statement and required supplementary information. That report may be obtained by writing to the MSRS plan administrator at the Minnesota State Retirement System, 60 Empire Drive, Suite 300, Saint Paul, Minnesota 55103-3000.

MSRS provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a

member's average salary from the five highest successive years of covered salary, age and length of service at termination of service. Two methods are used to compute benefits, the Step formula and the Level formula. Under the Step formula, the annual accrual is 1.2% for the first ten years of service then 1.7% for each year thereafter. The benefit is based on a percentage of a high-five average salary. Under the Level formula, the annual accrual amount is 1.7% for each year of service. For employees hired before July 1, 1989, a full annuity is available when age plus years of service equals 90 for annuities calculated under the Step formula.

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

Funding Policy

Minnesota Statutes, Chapter 352 sets the rate for employee and employer contributions. Contributions are made to the fund by employees and the Society based on a percentage of gross salaries. The total required contribution rate was 11.00%; the employee and the employer each having a required contribution rate of 5% until July 1, 2014 when this increased to 5.50%. Employer contributions, which equaled the required contributions for the year were \$261,041 for 2014, \$237,487 for 2013, and \$226,754 for 2012.

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.

All retirees of the Society upon retirement have the option under state law to continue their medical insurance coverage through the Society. For certain employees, the Society pays a portion of the premium. 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 the Rule of 90). Retirees not eligible for this Society paid premium benefits must pay the full Society premium rate for their coverage.

The Society is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the Society or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as the "implicit rate subsidy". This benefit related to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance

on their own, due to being included in the same pool with the Society's younger and statistically healthier active employees.

The following table shows the components of the Society's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Society's net OPEB obligation to the plan.

Net OPEB obligation	
Annual required contribution (ARC)	\$ 300,131
Interest on net OPEB obligation	51,986
Adjustment to annual required contribution	<u>(71,158)</u>
Annual OPEB cost	276,959
Contributions during the year	(107,240)
Increase (decrease) in net OPEB obligation	169,719
Net OPEB obligation beginning of year	<u>1,373,586</u>
Net OPEB obligation end of year	<u>\$1,543,305</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, 2012	\$ 274,216	\$ 71,545	26.1%	\$1,196,961
October 31, 2013	\$ 275,403	\$ 98,778	35.9%	\$1,373,586
October 31, 2014	\$ 276,959	\$ 107,240	38.7%	\$1,543,305

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%. 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	<u>73</u>
Total members	<u>77</u>

NOTE 8: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables: Accounts receivable balances for the year ended October 31, 2014 were:

Tickets	\$ 4,189
Activities	404,338
Other	<u>389,967</u>
Total receivables	<u>\$ 798,494</u>

Payables: Accounts payable balances for the year ended October 31, 2014 were:

Administration	\$ 60,908
Activities	316,377
Plant operations	752,162
Capitalized	415,437
Other	<u>288,156</u>
Total payables	<u>\$ 1,833,040</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 State 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. An allowance for doubtful contributions receivable of \$20,000 was recorded as of October 31, 2014.

Contributions receivable at October 31, 2014 represent the present value of receivable due. Present value is determined using discount rates ranging from 1.61% to 4.5%. The expected collection periods of the contributions receivable at October 31, 2014 are as follows:

<u>Year ending October 31</u>	<u>Amount</u>
2015	\$ 247,222
2016	331,516
2017	212,750
2018	172,100
2019	15,100
Thereafter	<u>200</u>
Total	978,888
Less: unamortized discount	36,760
Less: allowance for doubtful pledges	<u>20,000</u>
Total	<u>\$922,128</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.

Donated Services

Employees of the State Fair have made significant contributions of their time to the foundation's activities. These uncompensated services are included in the agreement between the State Fair and the foundation. Additionally, volunteers have donated time to the foundation in various capacities. For the year ended October 31, 2014, volunteer hours were 1,963. No amounts have been reflected in the statement for donated services, since the services do not meet established criteria for recognition. These criteria require that the donated services create or enhance the nonfinancial assets, require specialized skills which would be purchased if not donated, and have an objective basis for measurement.

Fair Value Measurements

The foundation has categorized its financial instruments based on the priority of the inputs of the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instrument fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value of the instrument. Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follow:

Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the foundation has the ability to access (examples includes active exchange-traded equity securities, listed derivatives, and most U.S. Government and agency securities).

Level 2 - Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability (examples include certain private equity investments).

Income Taxes

The foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable Minnesota regulations. The foundation follows the accounting standard for uncertainty in income taxes recognized in an entity's financial statements. This standard clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be recognized. The implementation of this standard had no impact on the foundation's financial statements. The foundation's tax returns are subject to review and examination by federal authorities. The tax returns for the year 2011 to 2013 are open to examination by federal authorities.

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 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, 2014, the foundation had no outstanding payables due to the Society for payroll and other compensation-related expenses. The Society contributed payroll expenses of \$168,793 during fiscal 2014.

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, 2014, the foundation granted \$1,630,887 towards the new construction of the West End Market; Warner Coliseum improvements valued at \$472,358; fair-time educational enrichment and artistic experiences valued at \$121,646; recognition pavers and benches valued at \$90,307; and various other miscellaneous gifts valued at \$31,681, for a grant total of \$2,346,879 during fiscal 2014.

NOTE 11: CONSTRUCTION COMMITMENTS

At October 31, 2014, the Society had a contract commitment totaling \$139,775 for upgrading the heating system in the Coliseum.

NOTE 12: GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An amendment of GASB Statement No. 27, replaces the requirements of GASB Statement Nos. 27 and 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria (as described for GASB Statement No. 67). The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that are provided by other entities. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflow of resources and expense/expenditures. In addition, this statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan. This statement is effective for financial statements for fiscal years beginning after June 15, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

Actuarial Measures of Other Postemployment Benefits

Funding Progress

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

Required Supplementary Information Schedule of Funding Progress

Actuarial valuation date	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

2014

2013

OPERATING REVENUE

Ticket sales:

Carnival	\$ 6,504,909	\$ 5,348,131
Grandstand	4,914,734	2,692,224
Outside gate	17,302,151	14,819,284
Parking	1,412,933	1,036,402
Total ticket sales	\$ 30,134,727	\$23,896,041

Activities:

Campgrounds	\$ 121,429	\$ 110,857
Carnival	125,602	117,234
Competition	308,365	294,391
Entertainment	48,319	148,855
Fine arts	66,826	41,823
Forage	139,936	150,192
4-H auction	567,685	519,870
Public safety	10,037	10,087
Sales	9,491,354	8,195,171
Ticket office	632,558	547,417
Total activities	\$ 11,512,111	\$ 10,135,897

Other:

Beef Expo	\$ 115,883	\$ 118,950
Licensee utilities	277,022	231,779
Miscellaneous	204,157	112,541
Non-fair events	2,916,804	2,751,058
Sale of bulk milk	16,738	11,224
Sale of market animals	104,891	86,292
Sponsorships	958,625	938,150
Telephone	78,799	89,148
Utility assessments	512,002	513,009
Total other	\$ 5,184,921	\$ 4,852,151

Total operating revenue

\$ 46,831,759 **\$ 38,884,089**

OPERATING EXPENSES

Administrative:

Administrative services	\$ 307,448	\$ 309,769
Annual meeting	52,644	42,205
Auditing services	48,735	48,068
Bad debt	290	1,958
Computer	383,322	303,448
Dues and subscriptions	19,602	19,405
Insurance	229,878	143,436
Legal services	101,589	94,266
Managerial services	470,604	440,898
Medical insurance	1,132,767	1,054,925
Paid leave	759,489	723,626
Postage and mailing service	103,745	107,391
Printing and supplies	89,414	103,206
Retirement fund	268,241	254,620
Social security	723,443	693,997
Support services	209,844	133,275
Telephone	209,867	203,719
Travel expense	100,997	98,395
Unemployment compensation	88,508	112,606

	2014	2013
Workers compensation	134,266	45,758
Total administrative	\$ 5,434,693	\$ 4,934,971
Activities and Support:		
Admissions	\$ 170,625	\$ 158,764
Advertising	955,522	996,212
Bee culture	11,135	11,050
Beef Expo	80,378	95,923
Campground	50,806	68,839
Carnival	4,820,217	4,006,394
Cattle	181,086	174,068
Christmas trees	6,131	11,874
Competition	731,803	655,196
Creative activities	75,677	75,854
Dairy products	1,426	721
Dog trials	3,070	3,197
Education	35,545	37,140
Farm crops	28,382	28,072
FFA	98,999	101,849
Finance	289,823	282,784
Fine arts	37,170	39,840
Flower and agriculture shows	56,396	49,958
Flowers	8,872	11,585
Forage	166,399	172,818
4-H Club	268,253	233,389
Free entertainment	1,488,825	1,751,574
Fruit	12,054	10,497
Gate tickets	294,564	285,578
Goats	5,112	6,429
Goats - Boer	2,516	1,511
Grandstand - concerts	5,422,020	3,915,280
Heritage exhibits	492,185	86,273
Horse and rodeo	215,939	241,856
Llamas	3,009	3,393
Marketing	375,844	357,611
Park & Ride	1,995,584	1,943,454
Parking	168,805	186,359
Poultry	18,156	25,809
Publications	441,418	354,413
Public safety	1,369,463	1,368,678
Sales	1,303,850	1,310,711
Sanitation	1,182,773	1,055,292
Senior citizens	7,845	7,791
Sheep	7,156	9,883
Swine	18,110	18,752
Ticket audit	3,118	3,589
Ticket office	463,875	300,620
Ticket promotion	434,874	372,867
Trams	26,000	36,750
Transportation	26,440	31,050
Vegetables	8,092	8,441
Total activities and support	\$ 23,865,342	\$ 20,909,988
Premiums:		
Bee culture	\$ 3,814	\$ 3,876
Beef expo	24,256	22,976
Cattle	116,925	116,726
Christmas trees	3,050	2,745
Creative activities	15,855	15,518

	2014	2013
Dairy products	1,455	1,425
Dog trials	1,110	1,030
Education	8,297	7,742
Farm crops	17,052	18,746
FFA	73,744	72,195
Fine arts	13,450	12,500
Fine arts sales	66,826	41,798
Flowers	2,951	2,834
4-H auction	565,180	520,515
4-H club	77,866	72,000
Fruit	2,297	2,447
Goats - dairy	14,199	14,209
Goats - boer	1,127	1,224
Horse	98,155	100,583
Llama	3,985	4,295
Poultry	8,193	8,532
Rural youth scholarships	20,000	20,000
Sale of bulk milk	16,721	11,573
Sale of market animals	104,884	91,392
Sheep	29,544	30,813
Swine	35,573	39,420
Talent contest	19,675	19,675
Vegetables	4,616	4,886
Total premiums	\$ 1,350,800	\$ 1,261,675
Plant operations:		
Architectural and engineering	\$ 45,338	\$ 263,312
Fire and police service	303,559	291,349
Fuel, oil and gasoline	127,738	136,473
Greenhouse	233,724	233,324
Operations	1,323,537	1,346,440
Salaries and contract services	726,232	910,310
Set-up and take-down	1,789,376	1,549,428
Signs	129,398	103,171
Supplies	155,528	176,299
Utilities	772,730	624,990
Water and sewer	223,717	176,132
Total plant operations	\$ 5,830,877	\$ 5,811,228
Plant maintenance:		
Electric system	\$ 311,430	\$ 500,651
Fence and fixtures	-	74,893
Gas system	3,161	680
Land	86,583	76,845
Personal property	474,268	347,742
Sewer system	4,747	71,647
Streets and sidewalks	98,158	288,691
Structures	363,762	1,526,837
Vehicles	257,969	267,397
Water system	32,830	84,725
Total plant maintenance	\$ 1,632,908	\$ 3,240,108
Other:		
Miscellaneous	\$ 220,254	\$ 15,866
Non-fair events	1,529,966	1,550,136
Veterinarian service	30,645	29,514
Total other	\$ 1,780,865	\$ 1,595,516

	2014	2013
Depreciation:		
Electric system	\$ 261,025	\$ 201,004
Fence and fixtures	94,147	49,926
Gas system	627	627
Land improvement	348,936	78,113
Personal property	171,796	181,770
Sewer system	137,356	137,586
Streets & sidewalks	43,224	45,371
Structures	2,063,822	2,033,802
Water system	24,627	24,748
Total depreciation	\$ 3,145,560	\$ 2,752,947
TOTAL OPERATING EXPENSES	\$ 43,041,045	\$ 40,506,433
Operating income (loss)	\$ 3,790,714	\$(1,622,344)
NON-OPERATING REVENUE (EXPENSES)		
Investment income	\$ 6,818	\$ 6,897
Grant revenue	2,346,879	535,680
Interest expense	(565,352)	(342,175)
Loss on disposal of capital assets	-	(19,829)
Net non-operating revenue (expenses)	\$ 1,788,345	\$ 180,573
CHANGE IN NET POSITION	\$ 5,579,059	\$(1,441,771)

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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the 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, 2014, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated April 16, 2015. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation) as of and for the year ended October 31, 2014. Our report includes a reference to other auditors who audited the financial statements of this entity, as described in our report on the Society's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Society's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

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 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Society's financial statements are free from 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*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota

April 16, 2015

MINNESOTA STATE AGRICULTURAL SOCIETY ANNUAL MEETING

January 16-17-18-19, 2014

DoubleTree by Hilton Hotel, Bloomington

The 155th 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. 16 at the DoubleTree Hotel in Bloomington, Minn.

MEETING OF THE SALES COMMITTEE

5 p.m. Thursday, Jan. 16, 2014

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

Also present: Renee Alexander; Brian Hudalla; Cheryl Huber; Chris Leach; Julie Samec; Josie Belde.

Chairman Paulson called the meeting to order at 5:01 p.m.

Mr. Sinclair reviewed the report of '13 State Fair sales revenue, originally distributed at the Nov. 14, 2013, meeting of the board. After further discussion, the report was approved as submitted on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

Mr. Sinclair offered the following ticket price recommendations for percentage attractions at the 2014 State Fair as follows:

CONCESSIONAIRE	ATTRACTION	2014 TICKET PRICE(S)
Big Adventures, Inc.	<u>Turbo Bungy</u>	\$5.00
D.M.C., Inc.	Skyride	\$4.00 one-way \$5.50 round trip
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	\$5.00
Giant Ride, Inc.	Giant Slide	\$2.50
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.
K & M Recreation, Inc.	Haunted House	\$4.00
KMB Performance, Inc.	Go Carts	\$6.00 for Driver \$4.00 for Passenger
Krazy Maze LLC	Krazy Maze	\$5.00
River Raft Ride, Inc.	Raft Ride Pirate Tag	\$4.00 \$3.00
Skyfair, Inc.	SkyGlider	\$4.00 one way \$5.50 round trip
Skyscraper Two, Ltd.	<u>Skyscraper</u>	\$30 single/\$55 for 2 riders Early Bird \$25 per rider from opening to 1 p.m.
Spineless 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	\$3.25 **

** = Save 50¢ from opening until noon on Thursday, Aug. 21 (Thrifty Thursday), Monday, Aug. 25 (Seniors & Kids Day), Thursday, Aug. 28 (Seniors Day) and Monday, Labor Day, Sept. 1 (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. Sinclair presented the following percentage recommendations for the attractions:

CONCESSIONAIRE	ATTRACTION	2013%	2014%
Big Adventures, Inc.	<u>Turbo Bungy</u>	25%	25%
D.M.C., Inc.	Skyride	30%	30%
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	25%	25%
Giant Ride, Inc.	Giant Slide	30%	30%
Grandstand Artist Merchandise Sales	Artist CDs/DVDs Other Merchandise	10% 20%	10% 20%
Hot Shot Thrill Rides	<u>Sling Shot</u>	25%	25%
K & M Recreation, Inc.	Haunted House	30%	30%
KMB Performance, Inc.	Go Carts	25%	25%
Krazy Maze LLC	<u>Krazy Maze</u>	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%

Attractions underlined 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. Scapanski, seconded by Mr. Merkins and carried (Aye-7; Nay-0).

Mr. Sinclair presented the following recommendation for Mighty Midway and Kidway ticket prices for the 2014 State Fair:

Single ticket-\$1; sheet of 30-\$25; sheet of 54-\$40; advance sale sheet of 25-\$15.

The ticket prices were approved on a motion by Ms. Wessel, seconded by Mr. Toenges and carried (Aye-7; Nay-0).

Mr. Sinclair presented the following concessionaires recommended for beer and wine licenses during the '14 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 & Minn. Wine
Chicago Dogs, Inc. (Bruce and Anne Chesin)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Coasters, Inc. (Paul and Diana Hohenwald)	Block 42	1804 Carnes Ave., Arcade Bldg. Malt Beverages & Minn. Wine

Dino's Gyros (Constantin, Vona & Jason Adamidas)	Block 36	1701 Carnes Ave. Malt Beverages
Werner's Frontier, Inc. (Richard C. Werner)	Block 42	1790 Carnes Ave., Arcade Bldg. Malt Beverages
Baxter's BBQ, Inc. dba Famous Dave's (Randy Jernberg)	Block 28	1801 Dan Patch Ave., Bldg. 289A Malt Beverages
French Creperie (Marc & Tracy Vezies)	Block 36	1711 Carnes Ave. Minnesota Produced Wine
Giggles' Campfire Grill LLC (Timothy Weiss)	Block 19	1520 Cooper St. Malt Beverages & Minn. Wine
H.M.H. of St. Paul, Inc. dba Shanghaied Henri's (Henry & Ellen Hanten)	Block 47	1658 Judson Ave., International Bazaar Malt Beverages & Minn. Wine
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
Mancini's al Fresco (Pat and Jane Mancini)	Block 36	1715 Carnes Ave 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 & Minn. Wine
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
Mintahoe, Inc. dba Minn. Craft Brewers Guild (Shawn McMerty)	Block 45	1263 Cooper St., Ag Hort Bldg. Malt Beverages

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

Mr. Sinclair presented the following list of concessionaires recommended for multiple-site licenses at the '14 fair:

CONCESSION-EXHIBIT	DESCRIPTION	SITES
Cenaiko Enterprises, Inc.	Chamois, Shami Mops-E-Z Can Openers	2
Delrick Enterprises	Apples and Beverages	2
NPE Company-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
Lavaque Inc.-Michael Lavaque	Snow Cones	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, Caramel Apples, Cheese Curds	4
Syndicate Sales Corp.	Vegetable Cutters, Knives, Salsa Maker, PVA Mops	4
Hildebrand Concessions, Inc.	Food, Beverages & Beer (Grandstand)	5
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

After discussion, the multiple-site licenses were approved as recommended on a motion by Mr. Scapanski, seconded by Ms. Wessel and carried (Aye-7; Nay-0).

Mr. Sinclair and Mr. Hammer offered background on the Deli Express structure at 1691 Carnes Ave., and recommended that the Society purchase the structure from its long-time owner at the appraised price of \$11,000 with the intent of allocating the space and structure to a new commercial exhibitor. After discussion, purchase of the structure was approved on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-7; Nay-0).

Mr. Sinclair presented comparative information on commercial space licenses covering the past three decades. Information only; no action taken.

The sales committee meeting was adjourned at 5:40 p.m. on a motion by Mr. Leary, seconded by Ms. Wessel and carried (Aye-7; Nay-0).

MEETING OF THE BOARD OF MANAGERS

10:15 a.m. Friday, Jan. 17, 2014

Members present: Jim Foss, president; Joe Fox, vice president;

D.J. Leary, vice president; Paul Merkins; Al Paulson; Joe Scapanski; Gordy Toenges; Sharon Wessel; Wally Wichmann; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Marshall Jacobson; Mary Miller; Cheryl Huber; Chris Leach; Sean Casey; Dennis Larson; Pam Simon; Wally LeVesseur; Gail Anderson; Michelle Butler; Christine Noonan; Lara Hughes; Theresa Weinfurter; Shannon Buchda; Julie Samec; Josie Belde; Kay Cady; Mark Haidet; Sarah Psick; Joe Bagnoli; Heather Casperson; and Peter Cooper.

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

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. Information only; no action taken.

Mr. Jacobson, Ms. Casperson and Mr. Cooper provided a detailed report on financing for the West End Market and Transit Hub project. Information only; no action taken.

Mr. Hammer and Mr. Jacobson offered detailed reports on fiscal '13 sources of revenue and expense, cash flow, daily gross sales of food and beverages, advance ticket sales trends and a 14-year history of outside gate admission prices. Information only; no action taken.

The proposed operating budget for fiscal 2014 was presented by Mr. Hammer, followed by discussion on the budget's relationship to capital improvements, maintenance projects and debt structure. Information only; no action taken.

Ms. Alexander reported on current trends in the live entertainment industry. Information only; no action taken.

The meeting adjourned at 11:57 a.m. on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

MEETING OF THE BOARD OF MANAGERS

2:30 p.m. Friday, Jan. 18, 2013

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

The meeting was called to order at 2:30 p.m. by President Foss and declared in executive session.

The meeting was adjourned by President Foss at 3:15 p.m.

SOCIETY DISTRICT CAUCUSES

11:15 a.m. Saturday, Jan. 18, 2014

Society delegates from the first, third, sixth 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. 19. Selected were Gordy Toenges of Alden (first district), Sharon Wessel of Hamel (second district), Joe Scapanski of Sauk Rapids (sixth district) and Dan Grunhvd of Gary (ninth district).

MEETING OF THE PLANNING COMMITTEE

1 p.m. Saturday, Jan. 18, 2014

Present: Joe Scapanski, chairman; Joe Fox; D.J. Leary; Paul Merkins; Al Paulson; Gordy Toenges; Sharon Wessel; Wally Wichmann; Jim Foss, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Sean Casey, ex officio.

Also present: Renee Alexander; Mark Goodrich; Marshall Jacobson; Cheryl Huber; Mary Miller; Chris Leach; Swan Melstrom; Steve Grans; Michelle Butler; Theresa Weinfurter; Julie Samec; Josie Belde; Jennine Duda.

Chairman Scapanski called the meeting to order at 1:05 p.m.

Mr. Hammer and Mr. Hudalla reviewed capital improvements and maintenance work done during fiscal '13. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented recommended improvements and maintenance projects for '14 totaling \$15.6 million. Following is a summary of the complete project list, including projects previously approved at the Nov. 14, 2013, meeting of the board:

2014 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

A. Structure Improvements:	<u>\$13,800,000</u>
B. Land Improvements:	
BI. Fencing & Fixtures	<u>-</u>
BII. Land	<u>150,000</u>
BIII. Sewer System	<u>-</u>
BIV. Streets & Sidewalks	<u>-</u>
BV. Water Distribution System	<u>-</u>
BVI. Gas Distribution System	<u>-</u>
BVII. Land Purchases	<u>-</u>
TOTAL Land Improvements	\$ 150,000
C. Personal Property	<u>\$ -</u>
D. Electric Plant:	<u>\$ 283,000</u>
TOTAL Improvements	\$14,233,000
E. Structure Maintenance:	<u>\$ 265,000</u>
F. Land Maintenance:	
FI. Fencing & Fixtures	<u>-</u>
FII. Land	<u>85,000</u>
FIII. Sewer System	<u>33,000</u>
FIV. Streets & Sidewalks	<u>125,000</u>
FV. Water Distribution System	<u>45,000</u>
FVI. Gas Distribution System	<u>2,500</u>
TOTAL Land Maintenance	\$ 290,500
G. Personal Property Maintenance:	<u>\$ 211,700</u>
H. Vehicle Maintenance:	<u>\$ 158,000</u>
I. Electric Plant Maintenance:	<u>\$ 394,000</u>
TOTAL Maintenance	\$ 1,319,200
TOTAL Maintenance & Improvements	\$15,552,200

Following review and discussion, Mr. Fox moved, Mr. Paulson seconded and motion carried that the '14 improvements and maintenance budget be approved by the committee as presented and recommended to the full board for approval (Aye-7; Nay-0). Included in the motion was staff authority to adjust, shift, add or cancel specific line items as appropriate to accommodate changes that occur throughout the budget year.

The planning committee meeting adjourned at 1:36 p.m. on a motion by Mr. Paulson, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

GENERAL BUSINESS SESSION OF THE SOCIETY

8:30 a.m. Sunday, Jan. 19, 2014

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 State Fair CEO 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 Duane Alberts of Goodhue 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 Angus Association and the Minnesota Guernsey Breeders did not file with the Secretary of State by 12/20/13 and the Minnesota Holstein Association did not file at all.

President Foss called for a report of the resolutions committee. Committee member Ray Erspamer of St. Louis County presented the following resolutions for consideration by the Society:

1. Resolved, that the Minnesota State Agricultural Society expresses its gratitude to the 1,731,162 guests who, despite several days of high

heat and humidity, visited the 2013 Minnesota State Fair, making it the seventh best-attended fair in history.

2. Resolved, that the Society is committed to honoring the State Fair's deeply rooted traditions and history and its mission of educating and engaging our guests. We continually strive to present a world-class showcase of Minnesota's agriculture, art and industry, outstanding customer service and a safe, clean environment that is accessible to all.

3. Resolved, that the enduring success of the State Fair is achieved through the united efforts of many dedicated, hardworking people. The Society recognizes with profound appreciation all those who contributed to the success of the 2013 Minnesota State Fair, including staff, the board of managers, volunteers, exhibitors, vendors, entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of 4-H and FFA.

4. Resolved, that the Society acknowledges that strong relationships and affiliations with other expositions and organizations dedicated to agriculture, entertainment and amusement provide significant value in improving the Minnesota State Fair and in furthering the fair industry statewide, regionally and internationally. We recognize and thank 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.

5. Resolved, that the Society recognizes with sadness and extends its condolences to the families of Society members and State Fair friends who recently passed away, including: Helen Anderson, 4-H and Washington County Fair volunteer and wife of Minnesota Federation of County Fairs president Byron Anderson; Lawrence Bachman, developer of Bachman's nursery production and landscape business, a long-standing exhibitor in the Agriculture Horticulture Building; Gerard L. and Cleo Cafesjian, philanthropists whose financial donation to Our Fair Carousel helped keep the 1914 carousel intact and find a permanent home in Como Park; Robert "Bob" Crocker with Root Beer Barrels, longtime beverage concessionaire; Janet C. Desmond, founder and proprietor of Tom Thumb mini donuts; Richard "Butch" Dufault, marching band competition judge; Paul Kramer, Fine Arts superintendent from 1965 to 1987; John Michael Lerma, longtime competitor and Creative Activities demonstrator; Eldon J. Metaxas, owner of commercial exhibitor Round Bobbin Sewing Center; William R. Morgan Sr., longtime caricature artist at the fair; Sulo Ojakangas, representative of the eighth district on the State Fair board of managers from 1973 to 1986, board president from 1987 to 1988 and honorary life member of the Minnesota State Agricultural Society; Hazel Redlack, former full-time entertainment department and accounts receivables employee; Dennis Roghair, tree carving artist; and Lyle Ernest Steltz, representative of the third district on the State Fair board of managers from 1993 to 2005, board president from 2006 to 2007 and honorary life member of the Minnesota State Agricultural Society.

6. Whereas, the Minnesota State Fair is one of the most renowned, popular and cherished end-of-summer traditions, and

Whereas, the State Fair is internationally recognized for offering hands-on learning experiences and opportunities to explore Minnesota's agriculture, industry, culture, art, history and scientific innovation in a unique and world-class environment, and

Whereas, the State Fair is woven into the fabric of our state as evidenced by the tens of thousands of exhibitors, vendors, performers and employees (including thousands of school-age workers) who participate in the fair and who depend on a successful event each year for important work experience and crucial income, and

Whereas, the State Fair provides valuable life and educational experiences for thousands of 4-H and FFA members who are

an essential foundation for the future of our state's agriculture industry, and

Whereas, the State Fair has an economic impact of more than \$200 million in the Twin Cities alone, plus additional unmeasured economic impact throughout the state, and these businesses and their employees suffer economic set-backs when State Fair attendance is driven down, and

Whereas, a growing number of Minnesota schools have sought and received waivers from the state to begin school prior to Labor Day, a trend that will have a negative impact on State Fair participation and attendance and result in a corresponding decline in the fundamental economics required to present the Great Minnesota Get-Together at the unparalleled and high-caliber level the people of our state have come to treasure and expect, and

Whereas, the State Fair joins with Minnesota's tourism, hospitality and resort industry and those businesses and organizations whose vitality depends on a robust end-of-summer and who provide major revenue to the State of Minnesota, which faces an ongoing uphill battle to fund education and balance its 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 schools to open no earlier than Labor Day, the traditional end of summer, thus ensuring that children, families and workers from throughout the state can fully participate in and benefit from the historic, educational, culturally rich Minnesota State Fair.

7. Resolved, the Society would like to thank all those who attended and contributed to the success of its 155th annual meeting.

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. Al Paulson of Shevlin was elected and assumed the chair.

After being nominated by Life Member Committee Chairman Denny Baker, Jim Foss was elected to honorary life membership in the Society.

President Paulson then proceeded to conduct elections as follows:

D.J. Leary of Minneapolis was reelected to a two-year term as fifth district vice president; Gordy Toenges of Alden was reelected to a three-year term as first district representative; Sharon Wessel of Hamel was reelected to a three-year term as third district representative; Joe Scapanski was reelected to a three-year term as sixth district representative; and Dan Grunhovd of Gary was elected to serve the final year of President Paulson's unexpired three-year term as ninth district representative.

There being no further business to be brought before the Society, President Paulson declared the 155th meeting of the State Agricultural Society adjourned at 10:22 a.m.

MEETING OF THE BOARD OF MANAGERS

10:30 a.m. Sunday, Jan. 19, 2014

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

Also present: Jim Sinclair; Renee Alexander; Marshall Jacobson; Cheryl Huber; Mary Miller; Chris Leach; Pam Simon; Dennis Larson; Gail Anderson; Wally LeVesseur; Jim Rougier; Swan Melstrom; Sean Casey; Steve Grans; Michelle Butler; Theresa Weinfurter; Dani Vavreck; Christine Noonan; Lara Hughes; Pam Mix; Shannon Buchda; Julie Samec; Josie Belde; Mary Pittelko; Mark Haidet; Jesse Poppe; Pat Bailey; Kent Harbison.

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

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

Al Paulson of Shevlin, president (one-year term); D.J. Leary of Minneapolis, fifth district vice president (two-year term); Gordy Toenges of Alden, first district manager (three-year term); Sharon Wessel of Hamel, third district manager (three-year term); Joe Scapanski of Sauk Rapids, sixth district manager (three-year term); Dan Grunhoy of Gary, ninth district manager (one year of unexpired three-year term).

On a motion by Mr. Leary, seconded by Mr. Fox 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. 14, 2013, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Nov. 14, 2013, through Jan. 15, 2014, were approved on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for Dec. 31, 2013, as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

Month Ending December 31, 2013

OPERATING ACCOUNT ACTIVITY:

Cash Balance-Nov. 30, 2013		\$3,805,832
Add: Cash Deposits	\$351,176	
Less: Payroll Ending Dec. 6	(208,955)	
Payroll Ending Dec. 20	(216,411)	
Cash Disbursements	(3,763,270)	(3,837,460)
Cash Balance-Dec. 31, 2013		\$(31,628)

BUILDING FUND ACTIVITY:

Balance-Nov. 30, 2013		\$450
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Dec. 31, 2013		\$450

CONSTRUCTION ACCOUNT:

Balance-Nov. 30, 2013		\$-
Add: Note Proceeds	9,600,000	
Balance-Dec. 31, 2013	9,600,000	

CASH BALANCES FOR MONTH ENDING DECEMBER 31:

	2012	2013
General Fund	\$5,646,337	\$(31,628)
Petty Cash	6,100	6,100
Construction Account (Note Proceeds)	-	9,600,000
Building Fund	449	450
Total Cash Balances	\$5,652,887	\$9,574,922

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

The following standing committee appointments for 2014 were reviewed by President Paulson:

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

Governmental Affairs Committee - Scapanski, chairman; Fox; Leary; Merkins; Oleheiser; Wessel; Paulson, ex officio; Hammer, ex officio; Sinclair, ex officio; Alexander, ex officio; Hudalla, ex officio.

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

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

Operations Committee - Wichmann, chairman; Fox; Grunhoy; Oleheiser; Scapanski; Toenges; Paulson, ex officio; Hammer, ex officio; Hudalla, ex officio; Leach, ex officio.

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

Public Affairs Committee - Leary, chairman; Grunhoy; Merkins; Toenges; Wessel; Wichmann; Paulson, ex officio; Hammer, ex officio; Alexander, ex officio; Schuette, ex officio.

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

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

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

President Paulson presented the following board liaison and superintendent appointments for 2014:

Administration - Leary

Employment Office - Merkins (Debbie Edman, superintendent)

Seniors - Scapanski (Marge Krueger, superintendent)

Competition - Toenges

Bee Culture - Oleheiser (David Schaaf, superintendent)

Beef Cattle - Wessel (Chuck Schwartau, superintendent)

Christmas Trees - Oleheiser (Greg Ustruck, superintendent)

Creative Activities - Wichmann (Curt Pederson, superintendent)

Dairy Cattle - Fox (Deb Kraus, superintendent)

Dairy & Boer Goats - Toenges

(Mark Boorsma & Gretchen Sankovitz, superintendents)

Dairy Products - Merkins (Lisa Radamacher, superintendent)

Dog Trials - Wessel (JoAnna Yund, superintendent)

Education - Leary (Florence Newton, superintendent)

Farm Crops - Oleheiser (Ron Kelsey, superintendent)

Fine Arts - Fox (Jim Clark, superintendent)

Flowers - Oleheiser (Phyllis Andrews, superintendent)

4-H - Scapanski (Brad Rugg, superintendent)

Fruits - Oleheiser (Louis Quast, superintendent)

FFA - Merkins (Duane Hutton, superintendent)

Horses - Oleheiser (Leo Fourre, superintendent)

Llamas - Grunhoy (Jen Rouillard, superintendent)

Milking Parlor - Leary (Doris Mold, superintendent)

Miracle of Birth Center - Fox (Jim Ertl, superintendent)
 Poultry - Wichmann (Paul Bengtson, superintendent)
 Sheep - Merkins (Jo Bernard, superintendent)
 Swine - Scapanski (Jerry Hawton, superintendent)
 Vegetables - Oleheiser (Phil Klint, superintendent)

Entertainment - Oleheiser

Grandstand Production - Wessel

(Mark Anderson, superintendent)

Heritage Exhibits - Grunhovd (Jan Bankey, superintendent)

Finance - Wichmann

Fair-time Payroll - Toenges

Ticket Sales - Scapanski (JoAnne Ferry, superintendent)

Marketing - Leary

Operations - Merkins

Admissions - Wessel (Dave Woodis, superintendent)

Park & Ride - Toenges (Dick Anderson, superintendent)

Parking - Grunhovd (Jim Benz, superintendent)

Public Safety - Wichmann (Art Blakey, Chief of Police)

Sanitation - Fox

Sales - Wessel

Attraction Ticket Takers - Grunhovd

(Jerri Longlet, superintendent)

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

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

OPERATIONS COMMITTEE MEETING

Present: Wichmann, chairman; Fox; Grunhovd; Oleheiser; Scapanski; Toenges; Paulson, ex officio; Hammer, ex officio; Hudalla, ex officio; Leach, ex officio.

Chairman Wichmann called the meeting to order.

Mr. Hammer presented the following gate admission policy for the '14 State Fair for consideration:

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

The gate admission policy was adopted as presented on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-5; Nay-0).

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

PUBLIC AFFAIRS COMMITTEE MEETING

Present: Leary, chairman; Grunhovd; Merkins; Toenges; Wessel; Wichmann; Paulson, ex officio; Hammer, ex officio; Alexander, ex officio.

Chairman Leary called the meeting to order.

Ms. Alexander presented advertising, marketing and publications budgets for 2014, along with a summary of the fair's media relations and social media programs. After discussion, the budgets were approved on a motion by Ms. Wessel, seconded by Mr. Toenges and carried (Aye-5; Nay-0).

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

RULES & PREMIUM LIST COMMITTEE

Present: Oleheiser, chairman; Grunhovd; Leary; Merkins; Toenges; Wessel; Paulson, ex officio; Hammer, ex officio; Goodrich, ex officio; Butler, ex officio.

Chairman Oleheiser 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 2014 operating budget on a motion by Ms. Wessel, seconded by Mr. Merkins and carried (Aye-5; Nay-0).

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

FINANCE COMMITTEE

Present: Fox, chairman; Leary; Merkins; Scapanski; Wessel; Wichmann; Paulson, ex officio; Hammer, ex officio; Jacobson, ex officio.

Chairman Fox called the meeting to order.

Mr. Hammer presented for discussion the 2014 operating budget, which was reviewed in detail by the board Jan. 17, and the 2014 improvements and maintenance budgets, which were approved Jan. 18 by the board's planning committee. After further discussion, the budgets were approved by the finance committee on a motion by Mr. Merkins, seconded by Ms. Wessel 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. Scapanski, seconded by Mr. Wichmann and carried (Aye-5; Nay-0).

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

President Paulson 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. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

After discussion, the following admission fee schedule was approved for the 2014 State Fair on a motion by Ms. Wessel, seconded by Mr. Merkins and carried (Aye-9; Nay-0):

Adults (13-64)	\$13
Seniors (65 and over)	\$11
Children (5-12)	\$11
Kids under 5	Free
Seniors & Kids Days promotions	\$8
Thrifty Thursday Adults & Seniors	\$11
Thrifty Thursday Children	\$8
Military Appreciation Day*	\$8
Read & Ride Day adults**	\$11
Read & Ride Day kids**	\$8
Motorcycle parking	\$7
All-ages pre-fair discount	\$10

* Discount applies to active military, spouses and kids; retired military and spouses; and military veterans and spouses. All must present valid documentation of military service.

** Discount applies to persons who present a valid library card at the gate.

Mr. Hudalla reviewed the Society's current agreements with four building trades contractors providing architectural and engineering, electric, carpentry, and plumbing and heating services. A three-year agreement with J.B. Nelson & Son, Inc., for painting services was approved on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Hammer was authorized to set staff salaries according to job classifications and pay ranges established by the board of managers Jan. 20, 2013, on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; 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. Fox and carried (Aye-9; Nay-0).

Ms. Alexander reported on the status of Grandstand entertainment bookings for the '14 State Fair. Information only; no action taken.

The next meeting of the Society's board of managers was tentatively set for Friday, April 4.

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

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Jan. 20 through April 3, 2014

January

24 - Sinclair, Hudalla and Leach met with representatives of the Minnesota Vikings to discuss parking at the State Fairgrounds during Vikings games in 2014 and 2015.

24-27 - The St. Paul Winter Carnival Snow Sculpting Competition and Giant Snow Slide, presented by the Winter Carnival Vulcans, was held at the Kidway lot.

25 - The Beer Dabbler St. Paul Winter Carnival event was held at the Midway lot.

26-29 - Anderson attended the Intix annual ticketing conference in Chicago, Ill.

28 - Sinclair, Cady, Simon and Duda met with representatives of Gold Country to discuss a State Fair gift shop at the new West Gate area.

29 - Hammer, Alexander, Cady, Bankey and Karen Leach met with the Minnesota Historical Society's State Fair museum production team at the Minnesota History Center. Sinclair and Simon met with representatives of the Minnesota Newspaper Foundation to discuss their potential exhibit at the upcoming fair.

31 - Sinclair and Simon met with Rick Patraw of the Minnesota Pollution Control Agency to discuss extending their partnership with the State Fair to present the annual Eco Experience exhibit.

February

4-8 - Sinclair attended the National Independent Concessionaires Association trade show, the International Independent Showmen's Foundation trade show, the Outdoor Amusement Business Association annual meeting and the Florida State Fair in Tampa.

6 - Hammer participated in an orientation session for new State Fair Foundation board member Al Levine. Alexander and Anderson attended a meeting of the Minnesota Ticketing Coalition at the Xcel Energy Center.

18-21 - Alexander attended a International Entertainment Buyers Association board meeting and Pollstar concert industry convention in Nashville, Tenn.

23-28 - The State Section 3AA, 4AA and 5AA boys high school hockey semi-finals and the Section 3AA finals were played at the Warner Coliseum.

25 - Sinclair and Simon met with Dr. Logan Spector and other staff at the University of Minnesota to discuss establishment of a fair-time research facility.

26 - Hammer, Alexander, Cady, Bankey and Karen Leach met with the Minnesota Historical Society's State Fair museum production team at the Minnesota History Center.

27 - Sinclair and Larson met with Clint Roberts and Minnesota Craft Brewers Guild representatives to discuss their 2014 fair display and concession operation.

28-March 3 - Huber and Simon visited the Florida Strawberry Festival in Plant City and the Southwest Florida Fair in Fort Myers.

March

1 - Fairwell To The Ice public open skating session was held to mark the closing of the Warner Coliseum ice rink after 40 years of operation.

3 - Hammer, Sinclair and Rouse met with Bill McGrann and representatives of the Minnesota Municipal Utilities Association to discuss a non-fair event for 2016.

6-9 - The St. Paul Bird, Buck, Bait & Boat Show was held at the Warner Coliseum.

7 - The State Fair's "Anticipation" 60-second TV ad won a gold medal at the Minnesota Adfed awards show in Minneapolis. LeFebvre, Woerle and Mold attended a meeting of the Minnesota Purebred Dairy Cattle Association's All Breeds Convention in Shakopee to discuss this year's State Fair dairy cattle show.

8 - Hammer attended the University of Florida Extension Service's tour of Hendry County agriculture operations and visited the Hendry County Fairgrounds in Clewiston, Fla.

10 - Goodrich, Hawton, Hagerty and LeFebvre participated in a working group of State Fair staff, veterinary staff, 4-H, FFA, Extension, the University of Minnesota Veterinary Diagnostic Lab, Miracle of Birth staff and the State Board of Animal Health; the group discussed the PEDv swine virus potential impact on the upcoming exposition season.

13 - Hammer participated in a meeting of the State Fair Foundation corporate governance committee at the J. V. Bailey House. Sinclair and Simon met with Michelle Witte of Older But Wiser Living to begin planning for their presentation of the Wiser Living exhibit at the '14 State Fair.

15-16 - The Minnesota Weapons Collectors Association presented their annual spring show at the Warner Coliseum.

17 - Hammer testified before the Minnesota Senate tax committee in support of extending the Society's authority to issue revenue bonds for capitol work through July 1, 2025.

19 - Alexander testified before the Minnesota House tax committee to support extension of the Society's authority to issue revenue bonds to July 1, 2025. McGough, Schuette and Vavreck met with members of Visit Saint Paul.

21-23 - The Super Golf Sale, presented by Blue Star Productions, was held at the Warner Coliseum.

24 - Hammer gave a presentation for area residents sponsored by the Falcon Heights-Lauderdale Lions at the Falcon Heights City Hall.

24-26 - Leach, Grans, Franzmeier, Hines, Bower, Belde, and Samec attended the IAFE Zone 4 spring meeting in Fargo, N.D.

26-27 - Members of the full-time staff volunteered at Second Harvest Heartland as part of the new MSF Gives Back initiative.

27 - Sinclair and Simon met with representatives of the Minnesota Newspaper Foundation to discuss plans for their potential exhibit at the upcoming fair.

27-30 - The St. Paul Osman Temple Shrine Circus was presented at the Warner Coliseum.

28 - Alexander, Goodew and Rouse met with representatives of IATSE stagehands union to discuss an agreement for 2014-16.

29 - Many board members, past board members and staff attended funeral services for Bob Hammer, father of Jerry Hammer; the WW II veteran participated in every ceremony conducted at the State Fair Veterans Garden beginning with the inaugural dedication in 2005.

31 - Hammer met with University of Minnesota Vice President Pam Wheelock to discuss mutual issues.

April

1 - Hammer and Jacobson met with Jim Eichten and Jacqui Huegel of Malloy, Montague, Karnowski, Radosevich & Co., P.A. to review

their audit of Society financial activities for fiscal 2013. Leach and Franzmeier met with representatives of the Minnesota Pollution Control Agency to discuss a potential waste audit during the '14 State Fair.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETINGS OF THE GOVERNING BOARD

10 a.m. Thursday April 3, 2014

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

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

Absent: Gordy Toenges.

Also present: Renee Alexander; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Mary Miller; Cheryl Huber; Sean Casey; Steve Grans; Pam Simon; Dennis Larson; Gail Anderson; Michelle Butler; Carol Doyle; Dani Vavreck; Maria Goodew; Theresa Weinfurter; Jim Rougier; Lara Hughes; Chris Noonan; Shannon Buchda; Nikki Hines; Josie Belde; Jennifer Bower; Julie Samec; Emily Rouse; Mary Pittelko; Kay Cady; Jesse Poppe; Kent Harbison; Joe Bagnoli; Chuck Upcraft.

President Paulson called the meeting to order at 10:03 a.m.

Mr. Bagnoli provided an update on activities at the 2014 session of the Minnesota legislature including extension of the Society's bonding authority through 2025 and early school start legislation. No action taken.

Mr. Jacobson presented the financial statement for March 2014 as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY MONTH ENDING MARCH 31, 2014

OPERATING ACCOUNT ACTIVITY:

Balance-Feb. 28, 2014		\$9,838
Add: Cash Deposits	\$2,928,344	
Less: Payroll Ending Mar. 14	(227,285)	
Payroll Ending Mar. 28	(221,826)	
Cash Disbursements	(2,437,989)	
		41,244
Balance-Mar. 31, 2014		\$51,082

BUILDING FUND ACTIVITY:

Balance-Feb. 28, 2014		\$450
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Mar. 31, 2014		\$450

CONSTRUCTION ACCOUNT:

Balance-Feb. 28, 2014		\$8,897,993
Add: Note Proceeds		
Interest		69
Less: Disbursements - to Operating Account	(1,125,000)	
Balance-Mar. 31, 2014		\$7,773,062

CASH BALANCES FOR MONTH ENDING FEBRUARY 28:

	2013	2014
Operating Account	\$3,476,094	\$51,082
Petty Cash	6,100	6,100
Construction Fund (Note proceeds)	-	7,773,062
Building Fund	450	450
Total Cash Balances	\$3,482,644	\$7,830,694

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

Mr. Jacobson and Mr. Upcraft offered background on IRS regulations covering securities to provide funding for capital projects, and presented the Society's Post-Issuance Compliance Procedures Manual for review. After discussion, the manual was approved on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Minutes of the Society's board meetings, committee meetings and general business session conducted Jan. 16 through 19, 2014, were approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Minutes of interim activities from Jan. 19 through April 3 were reviewed and approved on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Ms. Vavreck provided an update on activities in the sales division including commercial and institutional exhibits, food vendors, Midway, sponsors and touring promotional exhibits. No action taken.

Mr. Hammer presented recommended parking fees for the 2014 State Fair of \$13 for vehicles and \$7 for motorcycles; the fees were approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Ms. Alexander reviewed 2014 State Fair Grandstand and free entertainment lineups, marketing plans and the new State Fair History & Heritage Center currently under construction as part of the West End development. No action taken.

The State Fair's busy schedule of more than 120 non-fair events was presented by Ms. Goodew. No action taken.

Mr. Hudalla provided an update of facilities projects including West End Market and Transit Hub construction. No action taken.

Mr. Goodrich and Ms. Butler reviewed activities in agricultural and creative competitive events including the new Common Table exhibit in the Agriculture-Horticulture Building. No action taken.

Ms. Cady reported on activities of the State Fair Foundation and the campaign to raise funds for West End Market and History & Heritage Center construction. No action taken.

Out-of-state travel for several board members to the IAFE Zone 4 conference in Fargo, N.D., was approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

President Paulson declared the meeting in executive session at 12:12 p.m., and re-opened at 12:52 p.m.

International travel for Mr. Hammer to strengthen ties with agricultural shows in England and festivals in South Korea was approved on a motion by Mr. Leary, seconded by Mr. Fox and carried (Aye-8; Nay-0).

The meeting was adjourned at 12:56 p.m. on a motion by Mr. Merkins, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

April 3 through June 11, 2014

April

5-6 - The Gopher State Timing Association Rod & Custom Spectacular was held at the Warner Coliseum.

8 - Mix hosted a meeting of the Job Connect Workforce Professionals at Libby Conference Center. Sinclair and Larson met with Dave Massopust to discuss appraisals of commercial exhibit and concession structures on the fairgrounds. Schuette, Hughes and K. Huber met with editors of the Minnesota Women's Press regarding a feature on the State Fair.

9 - The Minnesota Royal Run was held at the Midway lot. Sinclair and sales staff met with Minnesota Department of Revenue officials to discuss vendor tax matters related to their State Fair operations. Schuette spoke to students at Como Park High School about the fair's marketing program.

10 - Alexander, Schuette, Noonan and McGough met with representatives of the MSF Marketing Coalition to discuss marketing initiatives for the '14 fair.

11 - Sinclair, Larson and Hines met with Jan Hildebrand to discuss Grandstand concession operations.

12-13 - The Minneapolis-St. Paul Spring Military Relics Show was conducted at the Progress Center. The Minnesota Weapons Collectors Show was presented at the Education Building.

15 - The first of weekly Tuesday Night Worlds Bicycle Races was held on Machinery Hill. A blood-borne pathogen training session for staff was presented at the Libby Conference Center. Huber and Miller attended the first of two training sessions on health insurance and retirement conducted by the State Employee Group Insurance Program.

16 - Final plans for the design, layout and content of the new State Fair Heritage & History Center were presented and reviewed by staff of the Minnesota Historical Society and the State Fair.

17 - Sertich and Mix led a training session on employee hiring and payroll procedures for superintendents and supervisors at the Libby Conference Center. Sinclair and Casey met with representatives of Ferrellgas to discuss propane gas service. Sinclair and Simon met with Michelle Witte to review the Wiser Living exhibit. Schuette met with representatives of Signature Concepts/Gold Country to discuss logowear for part-time and seasonal staff.

18-19 - The Antique Spectacular Show & Flea Market, presented by Prime Promotions, was held at the Grandstand and Infield.

22 - Tuesday Night Worlds Bicycle Races were held on Machinery Hill.

22-25 - Hammer, Sinclair, Alexander, Hudalla, Huber, Miller and Leach attended the IAFE Spring Management Conference in Tucson, Ariz., and attended the Pima County Fair.

24 - Schuette spoke to students at Stillwater High School about the fair's marketing efforts.

25 - Schuette, Simon, McGough, Hughes and Noonan met with staff of WCCO-TV regarding the upcoming fair.

25-27 - The Minnesota Horse Expo was presented at the Warner Coliseum and livestock complex.

26 - Straw Bale Garden Day. The South Como lots were used as remote parking for the March For Babies at Como Park.

26-27 - Munchkin Market's Children's Consignment Sale was held at the Education Building. The Minnesota Reptile Expo, presented by Go Lizzards, LLC, was held at the Merchandise Mart.

28 - The FFA State Livestock & Dairy Cattle Contest was held at the Warner Coliseum.

29 - Metro Transit's Bus Roadeo driving skills competition was conducted at the South Como lots. Tuesday Night Worlds Bicycle Races were held on Machinery Hill. Miller and Huber attended a training session on health care reform conducted by Eide Bailey. Huber and Samec met with Chad Schlumbaum of Hometown Mobility to discuss their new site at the West Gate. Lunch & Learn program for year-around staff featured Martha Rossini Olson and Gary Olson of Sweet Martha's Cookie Jar.

May

1 - Fox and Hammer participated in a meeting of the State Fair Foundation's planning committee at the J.V. Bailey House. Miller and Huber participated in a health care reform webinar presented by the Fredrickson & Byron law firm. Sertich and Mix led two training sessions on employee hiring and payroll procedures for superintendents and supervisors at the Libby Conference Center.

2 - Sinclair and Casey met with Sprint representatives to discuss their cell phone service on the fairgrounds. Sinclair and Hines met with

Don McClure to discuss operations of his Skyride and changes due to West Gate construction.

2-4 - The Sahara Sands Spring Classic Horse Show was held at the Warner Coliseum and livestock complex.

3 - The No Kill Walk for Animals was held at the International Bazaar.

4 - The Northland Antique, Toy, Doll & Advertising Show was held at the Progress Center. The Spring Extravaganza Car Show & Swap Meet was held on Machinery Hill.

6 - EWI flower distribution was held at the Kidway Lot. Tuesday Night Worlds Bicycle Races were conducted on Machinery Hill.

7 - Sinclair and Simon met with Minnesota Newspaper Foundation representatives to discuss their State Fair exhibit. Schuette spoke to Prior Lake High School students regarding the fair's marketing program.

8-11 - The FASH Saddlebred Horse Show was held at the Warner Coliseum and livestock complex.

9-11 - The Friends School of Minnesota Plant Sale was presented at the Grandstand.

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

10-11 - Shuttle parking for Como Park was provided at the South Como parking lots.

13 - Tuesday Night Worlds Bicycle Races were held on Machinery Hill. Mix hosted a meeting of the Ramsey County Employers Committee at the Libby Conference Center.

14 - Goodrich and Fourre met with staff of the University of Minnesota's Veterinary Medicine Department and the Minnesota Board of Animal Health to discuss the EHV-1 virus in horses. Agriculture Alive Field Day was held at Miracle of Birth Center and Warner Coliseum concourse. The State Fair employee safety committee met at the Admin Building's lower conference room. Mix attended a meeting of the St. Paul Human Resources Association.

14-17 - The St. Paul YMCA Garage Sale was held at the Merchandise Mart.

15 - Fox, Paulson and Hammer participated in a meeting of the State Fair Foundation Board at the Libby Conference Center.

16-17 - Minnesota In May Barbecue Competition was held on Machinery Hill.

16-18 - Art On A Line, presented by the North Star Watermedia Society, was held at the Fine Arts Center.

16-June 1 - The Major Appliance Liquidation Event by ApplianceSmart was presented at the Education Building.

17-18 - The Minnesota Comic Book Association's Springcon was conducted at the Grandstand. The Women's Life & Style Expo and Rubber Stamp & Scrapbook Exchange were held at the Progress Center. The Clinton Anderson Walkabout Tour was held at the Warner Coliseum and Horse Barn. South Como lots were used for Como Park shuttle parking.

18 - The First Fifty Auto Parts Sale & Swap Meet was held on the north parking lots. The Riders & Ribbons Horse Show was held at the AgStar Arena. The Minnesota Cheese Festival was presented at the International Bazaar.

19-21 - Goodrich and LeFebvre attended the North American Livestock Show and Rodeo Managers Association annual meeting and convention in Waco, Texas.

20 - Hammer, Alexander, Hudalla, Sinclair, Huber and Samec met with officials from the Minnesota State Council on Disabilities to discuss accessibility at the fairgrounds. Tuesday Night Worlds Bicycle Races were held on Machinery Hill.

22-26 - The Minnesota American Quarter Horse Association Corporate Challenge was held at the Warner Coliseum and livestock complex.

24 - The Minnesota DeMolay Sweetheart Formal was held at the DNR Building.

24-26 - South Como lots were used for Como Park shuttle parking.

28-June 7 - Hammer attended the Royal Bath & West Show, the Royal Cornwall Show and the South of England Show, plus the Eden Project and several other agricultural facilities in southern England; the tour was a cooperative venture of the IAFE and the Royal Agricultural Society of the Commonwealth.

29 - Lunch & Learn program for year-around staff featured John Lindell, Kate Roberts and Terry Scheller from the Minnesota Historical Society discussing the new History & Heritage Center.

30-June 1 - The International Gem & Jewelry Show was held at the Progress Center.

31 - The Children's Hospitals & Clinics of Minnesota Neonatal Intensive Care Unit Reunion and Baby Steps 3K Run were held at the Grandstand and various nearby roadways.

31-June 1 - The South Como lots were used for Como Park shuttle parking.

June

2 - The State Fair Employment Center opened.

3 - Fork lift operator certification training was presented at the Libby Conference Center.

4 - Huber and Miller attended the second of two training sessions on health insurance and retirement conducted by the State Employee Group Insurance Program.

6 - The Electric Run, presented by Human Movement Management, was held at various streets throughout the fairgrounds.

6-7 - South Como lots were used for shuttle parking for the Minnesota State High School League's Track & Field Championships.

7 - The St. Paul Summer Beer Fest was held at the International Bazaar. The Shriners Horse Precision Competition used the AgStar Arena for practice sessions.

7-8 - The Minnesota Antique Dealers Show was held at the Progress Center.

8 - The General Motors Car Clubs Association auto show and swap meet was held on Machinery Hill. The CTAA Transport Roadeo was held at the Grandstand parking lot.

9-12 - The 4-H Youth Exploring Leadership & Learning Outloud event was held at the 4-H Building and Baldwin Park.

10 - The MacQueen Equipment Company's Training Expo was held at the Progress Center. Blood-borne pathogen training for staff was presented at the Libby Conference Center.

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

9 a.m. Thursday June 12, 2014

Libby Conference Center, State Fairgrounds

MEETING OF SALES COMMITTEE

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

Also present: Renee Alexander; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Mary Miller; Cheryl Huber; Gail Anderson; Brienna Schuette; Chris Leach; Steve Grans; Wally LeVesseur;

Theresa Weinfurter; Michelle Butler; Dani Vavreck; Carol Doyle; Shannon Buchda; Brett Ward; Emily Diedrick; Chris Noonan; Julie Samec; Mary Pittelko; Kay Cady; Jesse Poppe; Kent Harbison.

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

Ms. Simon reviewed highlights from the list of new commercial exhibitors for the upcoming fair. Information only; no action taken.

Mr. Sinclair presented information on proposed beer sales operations for the Blue Barn, LuLu's Public House and Hildebrand's Grandstand Concessions and requested licenses to sell beer be approved for each. Licenses were approved on a motion by Mr. Scapanski, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Mr. Sinclair presented a request by Skyfair, Inc. to increase the price of SkyGlider round trip tickets from \$5.50 to \$6. The request was approved on a motion by Mr. Oleheiser, seconded by Mr. Wichmann and carried (Aye-7; Nay-0 with one abstention (Leary)).

Mr. Sinclair presented a request by DMC, Inc. to increase the price of Skyride round trip tickets from \$5.50 to \$6. The request was approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-7; Nay-0 with one abstention (Leary)).

Mr. Sinclair presented a request by K&K Recreation, Inc. to increase the Haunted House admission fee from \$4 to \$5. A motion to deny the request was made by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-7; Nay-1 (Leary)).

Mr. Sinclair presented a request by KMB Performance, Inc. to increase the fee for gocart driver tickets from \$6 to \$7. The increase was approved on a motion by Mr. Toenges, seconded by Mr. Oleheiser and carried (Aye-7; Nay-1 (Leary)).

Purchase by the State Fair of the concession structure at 1802 Dan Patch Ave. from LaVaque Inc. for the appraised value of \$7,000, and subsequent sale of the structure to Java Jive for the same amount was approved on a motion by Mr. Merkins, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Approval of multiple concessions (three) for Crocker Enterprises dba Root Beer Barrels was approved on a motion by Mr. Wichmann, seconded by Mr. Scapanski and carried (Aye-8; Nay-0).

The sales committee meeting was adjourned at 9:54 a.m. on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Renee Alexander; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Mary Miller; Cheryl Huber; Gail Anderson; Brienna Schuette; Chris Leach; Steve Grans; Wally LeVesseur; Theresa Weinfurter; Michelle Butler; Dani Vavreck; Carol Doyle; Shannon Buchda; Brett Ward; Emily Diedrick; Chris Noonan; Julie Samec; Mary Pittelko; Kay Cady; Jesse Poppe; Kent Harbison; Jackie Huegel.

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

Minutes of the April 3 meeting of the board of managers were reviewed and approved on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period from April 4 through June 11 were reviewed and approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

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

Jackie Huegel of Malloy, Montague, Karnowski, Rodosevich & Co.,

P.A., and Mr. Jacobson reviewed the audit of the Society's books and accounts for fiscal 2013. After discussion, the audit report was approved on a motion by Mr. Leary, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for May, 2014, as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending May 31, 2014**

OPERATING ACCOUNT ACTIVITY:

Balance-April 30, 2014		\$194,927
Add: Cash Deposits	\$5,018,135	
Less: Payroll Ending May 9	(268,753)	
Payroll Ending May 23	(236,305)	
Cash Disbursements	(4,324,225)	
		188,852
Balance-May 31, 2014		\$383,779

BUILDING FUND ACTIVITY:

Balance-April 30, 2014		\$450
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-May 31, 2014		\$450

CONSTRUCTION ACCOUNT:

Balance-April 30, 2014		
Add: Note Proceeds	\$7,773,126	
Interest	62	
Less: Disbursements	(2,808,074)	
Balance-May 31, 2014	\$ 4,965,114	

CASH BALANCES FOR MONTH ENDING May 31:

	2013	2014
Operating Account	\$3,086,226	\$383,779
Petty Cash	6,100	6,100
Construction Account (Note Proceeds)	-	4,965,114
Building Fund	450	450
Total Cash Balances	\$3,092,776	\$5,355,443

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

Mr. Hammer and Mr. Jacobson presented a resolution 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 Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Jacobson presented fair-time payroll projections for the upcoming fair totaling \$2.5 million for 78 departments. After discussion, the payroll projections were approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Hammer reported on the 2014 session of the State Legislature, and the outcome of issues affecting the State Fair. Information only; no action taken.

Ms. Alexander presented an overview of entertainment production logistics. Information only; no action taken.

Ms. Alexander presented the following entertainment contracts for consideration:

CONTRACTOR	DATES	TERMS	VENUE
A.S.I.A., Inc. (Concert Security)	8/21-9/1	\$18.70/hour per person Payable upon receipt of invoice	Grandstand Production

Eat Your Heart Catering (Grandstand Catering)	8/21-9/1	\$20,000 plus final payment due upon receipt of invoice	Grandstand Production
Freestyle Productions, Inc.	8/21-9/1	\$85,929 flat	Grandstand Production
Gary Perkins (Grandstand Stage Manager)	8/21-9/1	\$11,250 flat	Grandstand Production
Mark Anderson (Grandstand Superintendent)	8/21-9/1	\$20,189 flat	Grandstand Production
P.E.S.O., Inc. (Concert Ushers)	8/21-9/1	\$17.10/hour per person Payable upon receipt of invoice	Grandstand Production
Premier Global Productions Company, Inc. (GS Stage)	8/21-9/1	\$109,833 flat	Grandstand Production
Premier Global Productions Company, Inc. (GS Lighting)	8/21-9/1	\$29,975 flat	Grandstand Production
RES Specialty Fireworks	8/21-9/1	\$30,000 flat	Grandstand Production
Colt Ford Touring, LLC f/s/o Colt Ford	8/21	\$20,000 flat	Grandstand Artist
Tokeco, Inc. f/s/o Toby Keith	8/21	\$375,000 plus 90% over \$495,000	Grandstand Artist
Crown Productions, Inc. f/s/o Aretha Franklin	8/22	\$150,000 plus 80% over \$300,000	Grandstand Artist
3 Legged Machine, Inc. f/s/o Blackberry Smoke	8/23	\$20,000 flat	Grandstand Artist
Lost Highway Touring, Inc. f/s/o Kid Rock	8/23	\$500,000 plus 90% over \$620,000	Grandstand Artist
DigiFest dba DigiTour	8/24	\$100,000 plus 85% over \$200,000	Grandstand Artist
Flower Power Concerts, Inc. f/s/o Happy Together Tour 2014	8/25	\$65,000 plus 85% over \$165,000	Grandstand Artist
L.P. Touring, Inc. f/s/o Linkin Park	8/26	\$515,000 plus 85% over \$760,000	Grandstand Artist
Sisyphus Touring, Inc f/s/o Thirty Seconds To Mars	8/26	\$105,000 plus \$10,000 bonus at 14,000 paid attendance plus \$10,000 bonus at 16,000 paid attendance	Grandstand Artist
Electric Muscadine, LLC f/s/o I'll Figure it Out, LLC (Ryan Kinder)	8/27	\$10,000 flat	Grandstand Artist
Road Dog Touring, Inc f/s/o Tim McGraw	8/27	\$600,000 plus 80% over \$710,000	Grandstand Artist
Bad Suns LLC f/s/o Bad Suns	8/28	\$5,000 flat	Grandstand Artist
FOB Touring, Inc f/s/o Fall Out Boy	8/28	\$240,000 plus 42.5% over \$505,000	Grandstand Artist
Minnesota Public Radio f/s/o A Prairie Home Companion	8/29	60% of box office receipts	Grandstand Artist
Brother Ali Touring Inc f/s/o Brother Ali	8/30	\$35,000 flat	Grandstand Artist

Cloud Cult Band LLC f/s/o Cloud Cult	8/30	\$45,000 flat	Grandstand Artist
Doomtree Records LLC f/s/o Doomtree	8/30	\$35,000 flat	Grandstand Artist
Robert Mould dba Granary Music	8/30	\$28,000 flat	Grandstand Artist
Lagunatic Music & Filmworks f/s/o Joan Jett & The Blackhearts	9/1	\$75,000 flat	Grandstand Artist
Nomota, Inc f/s/o Journey	9/1	\$350,000 plus 85% over \$525,000	Grandstand Artist
Never Surrender LLC f/s/o Blood, Sweat & Tears, featuring Bo Bice	8/21-22	\$50,000 flat	Bandshell Tonight!
Paul Cebal f/s/o Paul Cebal Tomorrow Sound	8/23-24	\$7,250 flat	Bandshell Tonight!
SS Touring LLC f/s/o Scott Stapp - The Voice of Creed	8/25-26	\$47,500 flat	Bandshell Tonight!
Dr. Dog LLC	8/27-28	\$50,000 flat	Bandshell Tonight!
Stanley Dural, Jr. f/s/o Buckwheat Zydeco	8/29-30	\$22,000 flat	Bandshell Tonight!
Orange Chucks, Inc. f/s/o Charlie Worsham	8/31-9/1	\$20,000 flat	Bandshell Tonight!
Tin Cup Gypsy Entertainment Company f/s/o The Railers	8/21-22	\$8,000 flat	Bandshell Day
Tonic Sol-fa, Inc	8/21-22	\$8,000 flat	Bandshell Day
ZZZ Productions f/s/o Chad Brownlee	8/21-22	\$8,000 flat	Bandshell Day
Kevin Naquin f/s/o Kevin Naquin & The Ossun Playboys	8/23-24	\$12,000 flat	Bandshell Day
Robin Ella C. Bailey f/s/o Robinella	8/23-24	\$5,000 flat	Bandshell Day
Yanos Lustig f/s/o California Honeydrops	8/23-24	\$5,000 flat	Bandshell Day
Almar Enterprises LLC f/s/o Sundy Best	8/25-26	\$8,000 flat	Bandshell Day
Pioneer Entertainment f/s/o Grander Smith featuring Earl Dibbles, Jr.	8/25-26	\$10,000 flat	Bandshell Day
Appeal Entertainment LLC f/s/o Six Appeal	8/27-28	\$4,000 flat	Bandshell Day
Richard Crowder f/s/o Sourdough Slim with Robert Armstrong	8/27-28	\$3,000 flat	Bandshell Day
Yellowgrass Touring, LLC f/s/o Natalie Stovall & The Drive	8/27-28	\$7,000 flat	Bandshell Day
Wendinger Band & Travel, Inc f/s/o Wendinger Polka Band	8/29-30	\$1,800 flat	Bandshell Day
Will Hoge Touring Inc	8/29-30	\$15,000 flat	Bandshell Day
Willis Clan, LLC f/s/o The Willis Clan	8/29-30	\$15,000 flat	Bandshell Day
Hog Grass, LLC f/s/o The Cleverlys	8/31-9/1	\$8,000 flat	Bandshell Day
Home Free Music LLC	8/31-9/1	\$15,000 flat	Bandshell Day
Marcia Ball	8/31-9/1	\$14,000 flat	Bandshell Day
Songblast f/s/o SongBlast Duelling Guitars	8/31-9/1	\$3,600 flat	Bandshell Day

Esteban Zuniga f/s/o Los Conocidos	8/21-22	\$2,400 flat	Bazaar Day
Glen Helgeson dba Worldview Productions LLC Axis Mundi World Jazz Quintet	8/21-22	\$1,700 flat	Bazaar Day
CAAMCDT f/s/o CAAM Chinese Dance Theater	8/23-24	\$2,750 flat	Bazaar Day
Native Pride Inc f/s/o Native Pride Dancers	8/23-24	\$4,000 flat	Bazaar Day
Jack Brass Band	8/25-26	\$2,750 flat	Bazaar Day
James J Busta f/s/o Jim Busta Polka Band featuring Mollie B	8/25-26	\$3,000 flat	Bazaar Day
Asian Media Access f/s/o Iny Asian Dance Theater	8/27-28	\$3,500 flat	Bazaar Day
Gustavo Camargo f/s/o Grupo Esplendor	8/27-28	\$2,750 flat	Bazaar Day
Ballet Folklorico Mexico Azteca	8/29-30	\$2,000 flat	Bazaar Day
P Jany Music Productions f/s/o Ticket To Brasil	8/29-30	\$2,900 flat	Bazaar Day
Paul Mayasich f/s/o RAMM Band	8/31-9/1	\$3,000 flat	Bazaar Day
St. Mary's Balalaika Orchestra	8/31-9/1	\$2,000 flat	Bazaar Day
Phat Vox LLC f/s/o Hitchville	8/21-22	\$4,000 flat	Bazaar at Night
Salsabrosa	8/23-24	\$4,000 flat	Bazaar at Night
Good For Gary	8/25-26	\$3,600 flat	Bazaar at Night
GB Leighton, Inc.	8/27-28	\$4,000 flat	Bazaar at Night
Secret Stash Records LLC f/s/o Sonny Knight	8/29-30	\$3,000 flat	Bazaar at Night
Terrence J. Walsh f/s/o Belfast Cowboys	8/31-9/1	\$3,000 flat	Bazaar at Night
Glen Everhart f/s/o Heebie Jeebies Family Comedy Music Show	8/21-22	\$1,500 flat	Family Fair at Baldwin Park
Okee Dokee Music LLC f/s/o The Okee Dokee Brothers	8/23-24	\$2,500 flat	Family Fair at Baldwin Park
The Zinghoppers Group LLC f/s/o The Zinghoppers	8/25-26	\$2,100 flat	Family Fair at Baldwin Park
Linsey Lindberg f/s/o Mama Lou: American Strongwoman	8/27-28	\$2,400 flat	Family Fair at Baldwin Park
Eric Buss	8/29-30	\$2,400 flat	Family Fair at Baldwin Park
Sheltered Reality, Inc	8/31-9/1	\$2,100 flat	Family Fair at Baldwin Park
BC Characters, Inc. f/s/o BreakShop Bump'n	8/21-9/1	\$30,360 flat	Family Fair at Baldwin Park
Sean Emery	8/21-9/1	\$13,200 flat	Family Fair at Baldwin Park
Action Sports of Minnesota dba 3rd Lair Skatepark	8/21-9/1	\$45,475 flat	Misc Attractions
Lasertainment LLC f/s/o Lasertainment Laser Hitz Show	8/21-9/1	\$19,000 flat	Misc Attractions
GenerationNow Entertainment, LLC f/s/o The Fair-well to Summer Dance Party	8/22-23	\$7,000 flat	Misc Attractions

Allied Audio (Free Stage Sound and Lights)	8/21-9/1	\$158,270.66 flat plus final payment due upon receipt of invoices	Misc
Chris Perondi dba Extreme Canines Stunt Dog Show	8/21-9/1	\$14,000 flat	North Woods
DL Weatherhead Timberworks Lumberjack Show LLC	8/21-9/1	\$35,500 flat	North Woods
Paul Husby f/s/o St. Anthony Park Community Band	8/22	\$100 flat	Parade
PedalPub Twin Cities, LLC	8/22	\$805 flat	Parade
St. Paul Police Band	8/23	\$250 flat	Parade
Crow River Drumline Association f/s/o Phoenix Drumline	8/29	\$750 flat	Parade
Regents of the University of Minnesota	8/31	\$1,500 flat	Parade
Jason Stock f/s/o Jason Stock Trolley Service	8/21-9/1	\$1,800 flat	Parade
Jeff Goldsmith	8/21-31	\$2,200 flat	Parade
Tom Haugen	8/21-31	\$2,530 flat	Parade
Tri-State Judging Association	8/21-31	\$2,300 flat	Parade
Jolly Giants Entertainment f/s/o Wacky Wheeler	8/21-9/1	\$6,600 flat	Parade
Mark S. Stillman	8/21-22	\$600 flat	Ramberg
Pop Wagner f/s/o Pop Wagner and Bob Bovee	8/21-22	\$1,200 flat	Ramberg
Mellow Fellows	8/23-24	\$800 flat	Ramberg
Sandra Marie Fleming f/s/o Flemming Fold	8/23-24	\$1,800 flat	Ramberg
David J. Haedt f/s/o River Breeze Band	8/25-26	\$700 flat	Ramberg
Robert E. Scoggin Jr. f/s/o Big Bob Scoggin	8/25-26	\$600 flat	Ramberg
James P. Berner f/s/o Jim Berner's Music Legends	8/27-28	\$800 flat	Ramberg
Joel P. Johnson f/s/o Joey Johnson Band	8/27-28	\$1,300 flat	Ramberg
Anthony James Baluff dba Southside Aces	8/29-30	\$2,400 flat	Ramberg
Mike Wallace f/s/o Irish Brigade	8/29-30	\$1,200 flat	Ramberg
James Price f/s/o Jim Price	8/31-9/1	\$1,400 flat	Ramberg
Roberta Podrug f/s/o Hey Lonesome	8/31-9/1	\$2,000 flat	Ramberg
Gideon Scheeler	8/31	\$50 flat	Talent Contest
Mary Alice Hutton	8/31	\$50 flat	Talent Contest
Melanie Bratsch	8/31	\$450 flat	Talent Contest
Daniel A. Newton f/s/o Rockin' Pinecones	8/21-22	\$2,500 flat	West End Market
Knock Wood LLC f/s/o James Wedgwood Ventriloquist	8/21-22	\$1,600 flat	West End Market

Sarah Morris	8/21-22	\$1,850 flat	West End Market
Elisa Wright f/s/o Galactic Cowboy Orchestra	8/23-24	\$3,500 flat	West End Market
Kier Irmiter f/s/o Kier MusiComedy Impressions	8/23-24	\$1,800 flat	West End Market
Minnesota State Fiddlers Assoc.	8/23-24	\$5,000 flat	West End Market
Scott Sparlin dba Bockfest Boys	8/25-26	\$2,500 flat	West End Market
The Looney Lutherans	8/25-26	\$2,400 flat	West End Market
Kenny Ahern	8/27-28	\$1,800 flat	West End Market
Nancy Partners, LLC f/s/o Guy Gilchrist	8/27-28	\$3,000 flat	West End Market
Alex Clark	8/29-30	\$1,800 flat	West End Market
Joe Kezar f/s/o Woodpicks	8/29-30	\$3,000 flat	West End Market
Minnesota Bluegrass & Old-Time Music Association, Inc.	8/29-30	\$3,175 flat	West End Market
Ellis G. Delaney f/s/o Ellis	8/31-9/1	\$2,000 flat	West End Market
The Memories LLC	8/31-9/1	\$2,600 flat	West End Market
White Iron Band	8/23-24	\$4,500 flat	West End at Sunset
Lisa Marie Bodunde Fuglic dba Monroe Crossing	8/25-26	\$6,000 flat	West End at Sunset
High Top Mountain LLC f/s/o Sturgill Simpson	8/29-30	\$4,500 flat	West End at Sunset

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

Mr. Goodrich reported on agricultural, creative and educational contests for the upcoming fair. Information only; no action taken.

Mr. Hammer presented the following list of board-hosted functions for the '14 State Fair: Minnesota Federation of County Fairs lunch Friday, Aug. 22; State Fair Hall of Fame and Life Member lunch Sunday, Aug. 24; and Minnesota Livestock Breeders Association breakfast Thursday, Aug. 28. The functions were approved on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Poppe, Mr. Paulson and Mr. Hammer reported on activities of the State Fair Foundation. Information only; no action taken.

President Paulson declared the meeting in executive session at 11:20 a.m.

The executive session was concluded at noon on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

The meeting was adjourned at 12:01 p.m. on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

June 11 through August 21, 2014

June

11-15 - Region 10 Arabian Horse Show was held at the Warner Coliseum and livestock complex.

12-15 - The adidas Giant Warehouse Clearance Event was held at the Dairy Building.

13-14 - The Viking Chapter of the Antique Motorcycle Club of America hosted the AMCA's National Meet at the Progress Center and Campgrounds.

14 - The Girl Scouts of Minnesota and Wisconsin River Valleys hosted the Girl Scouts Concert at the Grandstand.

15 - Minnesota Autosports Club presented the Novice Autocross Drivers School at the Grandstand parking lot.

17 - The weekly State Fair Affair Category Six bicycle race was held on Machinery Hill roadways.

20-22 - The Minnesota Street Rod Association's Back To The '50s weekend utilized the entire fairgrounds.

21-24 - Miller and Huber attended the Society for Human Resource Management annual conference in Orlando, FL.

23 - Alexander attended the International Entertainment Buyers Association board meeting in Nashville, TN.

24 - The weekly State Fair Affair Category Six bicycle race was held on Machinery Hill roadways. Mix attended a seminar on the Federal Women's Economic Security Act at Fredrikson & Byron law offices in Minneapolis.

25-28 - The Tanbark Cavalcade of Roses Horse Show was held at the Warner Coliseum and livestock complex.

26 - A meeting of all full-time staff was conducted at the Libby Conference Center. Sinclair and Simon met with representatives of St. Croix Promotions to discuss their use of the former Deli Express building for a concession during the upcoming fair.

27 - Schuette gave a presentation to students at North Suburban Summer Academy about the fair's marketing efforts.

27-28 - The Twin Cities Antiquarian & Rare Book Fair was presented at the Progress Center.

27-29 - The Star of the North Antique Show was held at the Education Building.

28 - CBS Radio's Pet-A-Palooza was held on Machinery Hill. O'Neal Hampton Wellness Fair was held at the Home Improvement Building.

28-29 - The Minnesota Reptile Show was presented at the Merchandise Mart.

July

1 - Schuette, Hughes and Noonan met with representatives of the St. Paul Pioneer Press regarding fair-time news coverage.

2 - Sinclair, Larson and Hines met with Jan Hildebrand to discuss Grandstand concession operations for the upcoming fair.

6-10 - The 2014 Shriners International Horse Precision event was held at AgStar Arena, and camping for the Imperial Shrine Session 2014 utilized the campgrounds.

7 - Sinclair met with Dave Rustad of Midwest ATM to discuss cash machine service for the '14 State Fair.

9 - The Midsummer Mile foot race was held at the Visitors Plaza and various roadways around the fairgrounds. Sinclair and Simon met with University of Minnesota representatives to discuss their Driven to Discovery research exhibit at the fair. Schuette, McGough, Hughes and Noonan met with representatives of KSTP TV and WCCO TV about fair-time news coverage and live broadcasts.

10 - A presentation by TKDA Architects & Engineers was attended by Sinclair, Alexander, Hudalla and Simon. Schuette, McGough, Hughes and Noonan met with representatives of KARE 11 TV regarding fair-time news coverage.

12-13 - The American Saddlebred Association hosted the Capitol Classic at the AgStar Arena.

13 - The Color Run MLB All-Star 5K was held at the Grandstand and various roadways throughout the fairgrounds.

14 - Hammer met with Bill McGrann, Sarah Psick and Joe Bagnoli of McGrann Shea to review the '14 legislative session and discuss potential issues in the coming year.

16 - The State Fair hosted a lunch at Giggie's Campfire Grill for the construction tradesmen building the West End complex. The State

Fair Employee Safety Committee met at the Administration Building.

16-19 - The North Central Working Western Horse Celebration was presented at the Warner Coliseum and livestock complex.

17 - A risk management and EMS planning meeting was attended by staff from several departments.

18-20 - The Car Craft Summer Nationals Car Show utilized the entire fairgrounds.

18-21 - Hammer participated in international seminars on festivals and events in Boryeong City and Daejeon City, South Korea, and visited the Boryeong Mud Festival.

20 - The North Central Reined Cow Horse Association Club Show was held at the AgStar Arena.

22 - Schuette, McGough, Hughes and Noonan met with representatives of FOX 9 TV about fair-time publicity and live broadcasts.

24-26 - The BMW Motorcycle Owners of America International Rally utilized the entire fairgrounds.

29 - Hammer addressed a lunch meeting of the Twin Cities Communications Council at Giggie's Campfire Grill; Alexander, Schuette, McGough, Noonan and Hughes attended. Huber, Simon and Samec met with Hometown Mobility representatives to review their stroller and wheelchair rental location at the new West End Gate.

31 - Hammer, Alexander, Hudalla, Schuette and the marketing staff led Twin Cities broadcast and print media on a tour of the West End Market construction project.

31-Aug. 1 - Simon, Vavreck and Hines attended the Wisconsin State Fair in West Allis.

31-Aug. 3 - The North Central Reining Futurity and Derby Show was held at the Warner Coliseum and livestock complex.

August

1 - Full-time staff met for the annual pre-fair presentation of length-of-service awards.

5 - Hammer and Alexander attended a meeting of the St. Paul Chamber of Commerce where Hammer gave a presentation. An orientation session for Care & Assistance staff was held at the Libby Conference Center.

7 - Leach and members of the State Fair Police Department met with Metro Transit Police to discuss operations at the new Transit Hub. Noonan and Hughes met with the Star Tribune's Vineeta Sawkar to review fair-time publicity.

9 - Hammer offered remarks on behalf of the State Fair at the 100th birthday celebration of Cafesjian's Carousel at Como Park. Guest services staff orientation was conducted at the Libby Conference Center.

11 - Set up of the Mighty Midway and Kidway began. Noonan hosted a State Fair preview event for 16 local bloggers.

12 - Judging for the Minnesota Outstanding Senior Citizens program was held at the Libby Conference Center. Leach met with staff of the St. Paul Police Department to discuss traffic control responsibilities.

13 - An orientation session for Park & Ride staff was held at the Employment Center.

14 - More than 1,000 people attended the State Fair Foundation's Taste of the Fair fundraiser, presented at the International Bazaar.

15 - The campgrounds opened for the 2014 State Fair.

16 - The State Fair staff's Around The Fair committee hosted a pancake breakfast and pre-fair program for seasonal and full-time staff at the 4-H Building. Orientation meetings were held at the Employment Center for admissions, gate ticket sales, midway ticket

sales, public safety substation and attraction ticket takers. Blood-borne pathogen training was conducted at Sanitation.

19 - A preview of the State Fair's 103rd Fine Arts Exhibition was held at the Fine Arts Center.

20 - The Midwest Dairy Association crowned the 2014 Princess Kay of the Milky Way during ceremonies at the Bandshell. A pre-fair reception and preview of the Eco Experience was presented by the Minnesota Pollution Control Agency. The State Fair Foundation hosted an event for donors at the West End Market.

21 - The 2014 Great Minnesota Get-Together opened at 6 a.m.

MINNESOTA STATE FAIR MEETING OF THE GOVERNING BOARD

10 a.m. Friday Aug. 22, 2014

Officers Quarters, State Fairgrounds

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

Also present: Marshall Jacobson; Michelle Butler; Kent Harbison; Sarah Psick; Joe Bagnoli; Pat Bailey.

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

Minutes from the board meeting of June 11, 2014, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period from June 11 through Aug. 20 were reviewed and accepted on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Marjorie Johnson requested that her eligibility to participate in the hobbyist categories of Creative Activities competitions be considered. The request was taken under advisement on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

The July financial statement was presented as follows by Mr. Hammer:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

Month Ending July 31, 2014

OPERATING ACCOUNT ACTIVITY:

Cash Balance-June 30, 2014		\$383,779
Add: Cash Deposits	\$4,477,253	
Less: Payroll Ending July 3	(397,069)	
Payroll Ending July 18	(286,244)	
Cash Disbursements	(2,231,752)	
		1,562,188
Cash Balance-July 31, 2014		\$1,945,967

BUILDING FUND ACTIVITY:

Balance-June 30, 2014		\$450
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-July 31, 2014		\$450

CONSTRUCTION ACCOUNT:

Balance-May 31, 2014		\$ 4,965,154
Add: Note Proceeds		
Interest		31
Less: Disbursements		(2,197,278)
Balance-July 31, 2014		\$ 2,767,907

CASH BALANCES FOR MONTH ENDING JULY 31:

	2013	2014
Operating Account	\$2,328,912	\$1,945,967
Petty Cash	21,400	21,968
Construction Account (Note proceeds)	-	2,767,907

Building Fund

Total Cash Balances

	<u>450</u>	<u>450</u>
	\$2,350,762	\$4,736,292

A summary of the 2014 legislative session and a look ahead to the 2015 session was provided by Bill McGrann, Sarah Psick and Joe Bagnoli of the McGrann Shea law firm. No action taken.

Mr. Hammer reported on the West End Market and Transit Hub project. Information only; no action taken.

The following list of entertainment contracts were presented for review:

CONTRACTOR	DATES	TERMS	VENUE
Premier Global Production Company, Inc. (GS Lighting)	8/21-9/1	\$29,575 flat (amended)	Grandstand Production
Brian Bourn (Grandstand Follow Spots)	8/21-9/1	\$3,500 flat	Grandstand Production
Clair Brothers Audio, Inc. (GS Sound)	8/21-9/1	\$78,125 flat	Grandstand Production
Tops Enterprises LLC f/s/o The Four Tops	8/22	\$30,000 flat	Grandstand Artist
Tops Enterprises LLC f/s/o The Four Tops	8/22	\$2,500 flat (backline)	Grandstand Artist
Six to Eight, Inc. f/s/o AFI	8/26	\$30,000 flat	Grandstand Artist
LP Touring Inc. f/s/o Linkin Park	8/26	\$3,000 flat (catering)	Grandstand Artist
Varoom Whoa, Inc. f/s/o Paramore	8/28	\$160,000 plus 42.5% over \$505,000	Grandstand Artist
The Cactus Blossoms	8/30	\$2,500 flat	Grandstand Artist
Sean Tillman f/s/o Har Mar Superstar	8/30	\$17,000 flat	Grandstand Artist
Gordon Joseph Lefebvre	8/21-24	\$240 flat	Old Iron Show
Duane H. Rolstad	8/21-24	\$480 flat	Old Iron Show
Gerald Holmes	8/21-24	\$140 flat	Old Iron Show
Joseph Schimml	8/21-28	\$960 flat	Old Iron Show
James M Quirk	8/21-30	\$594 flat	Old Iron Show
Lorraine Quirk	8/21-30	\$594 flat	Old Iron Show
David M Lewerer	8/21-31	\$1,320 flat	Old Iron Show
Steven G. Bauer	8/21-9/1	\$2,700 flat	Old Iron Show
Derold V. McDonough	8/21-9/1	\$2,100 flat	Old Iron Show
Robert D. Wilson	8/21-9/1	\$1,440 flat	Old Iron Show
Christopher J. Chadwick	8/21-9/1	\$1,440 flat	Old Iron Show
Steve L McDonough	8/21-9/1	\$2,100 flat	Old Iron Show
Joseph Stevermer	8/21-9/1	\$1,680 flat	Old Iron Show
Robert A. McDonough	8/21-9/1	\$2,100 flat	Old Iron Show
James Birk	8/21-9/1	\$2,100 flat	Old Iron Show
Kenneth Scott	8/21-9/1	\$720 flat	Old Iron Show
Jack's PC Consulting LLC f/s/o C. John Deschene	8/21-9/1	\$1,440 flat	Old Iron Show

Lee Jason Sackett	8/21-9/1	\$1,680 flat	Old Iron Show
Glen William Westphal	8/21-9/1	\$720 flat	Old Iron Show
Shannon M. Sackett	8/21-9/1	\$1,680 flat	Old Iron Show
Ken Anderson	8/21-9/1	\$1,680 flat	Old Iron Show
John Morley	8/25-28	\$240 flat	Old Iron Show
Roger Geist	8/29-9/1	\$280 flat	Old Iron Show
Cecil Lenard Bechel f/s/o Cecil Bechel	8/29-9/1	\$1,320	Old Iron Show
Rickie D. Grufman	8/29-9/1	\$840 flat	Old Iron Show
Rodney Mondor	8/29-9/1	\$240 flat	Old Iron Show
Twin Cities Unicycle Club	8/22	\$450 flat	Parade
Minnesota Pipes & Drums	8/23	\$1,200 flat	Parade
Joe Stevemer	8/21-9/1	\$420 flat	Parade
Susan M. Hirschmugl f/s/o Upstanding Stilts	8/21-9/1	\$3,900 flat	Parade
Women's Drum Center f/s/o Drumheart	8/23, 24, 30 & 31	\$1,200 flat	Parade
Minneapolis First SDA Church f/s/o Pathfinders Drill Team	8/24 & 31	\$800 flat	Parade
Thomas W. Logan f/s/o Tom's Carousel Music	8/28-29	\$400	Parade
Jack Brass Band	8/29, 8/31, 9/1	\$3,300 flat	Parade
Barebones Productions	8/31-9/1	\$1,200 flat	Parade
Ernest James Torok f/s/o Pig's Eye Jass Band	9/1	\$560 flat	Parade
Elisa Wright f/s/o Galactic Cowboy Orchestra	8/23-24	\$3,000 flat	West End Market
Matt Walvatne f/s/o Pistol Whippin' Party Penguins	8/27-28	\$3,000 flat	West End Market
The High 48s	8/31-9/1	\$3,000 flat	West End Market
Chastity Brown	8/21-22	\$3,000 flat	West End at Sunset
Dallas Winslow f/s/o Deke Dickerson with The Trashmen	8/27-28	\$6,000 flat	West End at Sunset
Gabriel Douglas	8/29-30	\$10,000	West End at Sunset
Cash'd Out, Inc f/s/o Cash'd Out	8/31-9/1	\$5,000 flat	West End at Sunset

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

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

Kristina Allen, Rochester; Scott Dingels, Redwood Falls; Melissa Drown, Osakis; Jeni Haler, Waconia; Kate Harrington, Grandin; Alexis Heldt, Watertown; Nicholas Herrera, Cologne; Celena Hulst, Salol; Marcus Irrthum, Wanamingo; Jacob Johnson, Heron Lake; Samuel Johnson, Glenville; Audrey Lane, Prior Lake; Erin Larson, New Richland; Paige Netzke, Lambertson; Jaclyn Oelke, Barrett; Julia Otten, Hayward; Kendrah Schafer, Goodhue; Gabriella Sorg, Hastings; Alyssa Stehr, Zumbrota; Kyle Viland, Pipestone. Information only; no action taken.

Mr. Hammer provided updates on activities of the fair's first day.

Information only; no action taken.

Mr. Jacobson requested that Malloy, Montague, Karnowski, Radosevich & Co., P.A., be retained to provide audit services for the Society for one year. The request was approved on a motion by Mr. Scapanski, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

State Fair Foundation Chairman Pat Bailey reported on Foundation activities. Information only; no action required.

The meeting adjourned at 11:16 a.m. on a motion by Mr. Scapanski, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Sunday Aug. 31, 2014

Officers Quarters, State Fairgrounds

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

President Paulson called the meeting to order at 10:01 a.m.

Minutes of the board meeting conducted Aug. 22, 2014, were reviewed and approved on a motion by Ms. Wessel, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Action taken by the Life Member Advisory Committee meeting Aug. 24 recommending Elaine Christensen for Honorary Life Membership in the Society was approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Mr. Hammer provided an update on activities of the 2014 State Fair. Information only; no action taken.

The board authorized an annual contribution of \$3,000 to the State Fair employees club to provide partial funding for employee club functions and beverages used by employees and visitors on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-9; Nay-0).

It was moved by Mr. Scapanski, seconded by Ms. Wessel and carried that members of the board and certain staff members designated by the secretary be authorized to attend the International Association of Fairs & Expositions 2014 international convention in Las Vegas, Nev. (Aye-9; Nay-0).

The dates of the 2015 Minnesota State Fair were set for Thursday Aug. 27 through Labor Day, Sept. 7, on a motion by Mr. Toenges, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

The next meeting of the Society's board of managers was set for Thursday Nov. 6 on a motion by Ms. Fox, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

Friday Dec. 26, 2014, was approved as a paid holiday for State Fair full-time staff on a motion by Ms. Wessel, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

The board extended their sincere thanks to staff, commercial exhibitors, vendors and everyone whose efforts contributed to the success of the 2014 Great Minnesota Get-Together.

The meeting adjourned at 10:52 a.m. on a motion by Mr. Leary, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Aug. 21 through November 6, 2014

August

21 - The 2014 Great Minnesota Get-Together opened at 6 a.m. with a loud thunderstorm. At 8:15 a.m., Hammer and members of the board, assisted by several young fair visitors, cut a ribbon at the historic Streetcar Arch to open the new West Gate Plaza and Transit Hub. At 9 a.m., the great grandchildren of State Fair Hall of Famer Gale Frost cut a ribbon officially opening the new History & Heritage Center at the West End Market. Later that morning, Society President

Al Paulson presided over opening ceremonies for the 2014 State Fair at the Bandshell.

24 - Former State Fair CEO Mike Heffron and family, along with many State Fair staff, board members, concessionaires and friends, attended a dedication ceremony at the new Heffron Park.

25 - The State Fair hosted a meeting of the Roseville Rotary Club at Heffron Park.

26 - Military Appreciation Day featured discounted admission for active, retired and veteran military members along with a variety of special activities. Included was a D-Day 70th Anniversary program at the State Fair Veterans Garden attended by D-Day participant James Carroll of the legendary 101st Airborne Division, a parade for Military Kids, special entertainment at Carousel Park and scores of military services exhibitors at the north end of the fairgrounds.

28 - Harriet Heinen of Warroad and David Elton of St. Paul were named Minnesota's Outstanding Senior Citizens during ceremonies conducted on Seniors Day at the Bandshell.

31 - At a special Grandstand ceremony, five staff members were recognized with State Fair All Star MVP Awards for outstanding performance – Brian Casey, operations; Danielle Dullinger, marketing; Nathan Shafer, sanitation; Ken Stamness, operations; and Chris Sycks, attraction ticket takers. For the first time ever, the State Fair Amateur Talent Contest Finals began at the Grandstand and finished at the Bandshell due to a thunderstorm.

September

1 - The 2014 Minnesota State Fair closed with a record attendance of 1,824,830. Two daily records were also set: 133,595 on Tuesday and 252,092 on the second Saturday, which is the largest day in State Fair history. Visitors included Gene Cassidy and John Juliano of the Eastern States Exposition in Springfield, Mass.; Bob Williams of the Wisconsin Association of Fairs; Gary Slater, Scott Worth and Peter Cownie of the Iowa State Fair in Des Moines; Lori Sutherland of the Western Fairs Association in California; Fran and Randy Crone, and Kelly and Pat Palmer of the Southwest Florida Fair in Fort Myers, Fla.; Chrissy Brisk of the Wisconsin State Fair in West Allis; Mark and Julie Wolfe of the Missouri State Fair in Sedalia; and Josh Mosser of the North Dakota State Fair in Minot.

5 - State Fair full-time and seasonal staff were hosted to a post-fair lunch at Lulu's Public House in the West End Market.

5-6 - A portion of the South Como parking lot was used as a household hazardous waste drop off site for Ramsey County residents; the program continued on weekends through the end of September.

6 - The University of Minnesota utilized the Grandstand parking lot for Gopher football parking.

7 - South Como parking lot was utilized as a shuttle parking site for a Lund's & Byerly's event at Como Park.

12 - A wedding reception was held at O'Gara's.

12-15 - The Minnesota 4-H Horse Show was held at the Warner Coliseum and livestock complex.

13 - The TC Model Railroad Club's model railroad and hobby sale was held at the Education Building and Annex. The St. Paul Saints used the South Como parking lot as a shuttle parking site for a concert at Midway Stadium. A reunion was held at O'Gara's.

13-14 - Women's Life & Style Expo and Health & Wellness Expo was held at the Dairy Building.

14 - The Antique Motorcycle Club Swap Meet was held at the north parking lot. The Minnesota Vikings utilized the Grandstand lot for home game parking.

15 - Sinclair and Larson met with Dave Rustad of Midwest ATM, Inc.,

to review their operations during the '14 fair.

16 - The Celebration of Sorts volunteer event was held at the 4-H Building. Huber and Miller attended an employee benefits training session presented by the State Employee Group Insurance Program.

17 - Leach, Hudalla, and Grans met with representatives from Metro Transit to discuss operations at the new transportation hub, and possible adjustments for 2015.

18-22 - The Western Saddle Club Horse Show was held at the Warner Coliseum and livestock complex.

18-25 - Metro Transit conducted their Bus Rodeo at the South Como parking lot.

20 - The City of St. Paul utilized the north parking lot for a community cleanup drop-off site. The University of Minnesota utilized the Grandstand parking lot for a Gopher football game.

20-21 - Munchkin Market's Children's Consignment Sale was held at the Education Building. TC 20th Century Art & Design Sale was held at the Progress Center. The 4-H Dog Show was held at the 4-H Building.

21 - St. Rose of Lima held at church picnic at Giggie's Camp Fire Grill.

22 - Schuette and Hughes met with Tim Nelson of MPR for a MPR Studios tour and discussion about fair coverage for 2015.

24 - The Metro Area Children's Water Festival was presented by the Metropolitan Conservation Districts at the 4-H Building and Baldwin Park. The State Fair Foundation held an appreciation dinner for volunteers at the Progress Center. State Fair staff Lunch & Learn program featured planning discussions facilitated by Lisa Lynn. Schuette gave a presentation to the Mendota Heights/West St. Paul Rotary Club.

25 - Alexander, Hughes, Duda, Schuette and Goldstein met with a candidate to create the State Fair's 2015 commemorative art. Schuette gave a presentation on State Fair marketing to Irondale High School students.

26-28 - The Fall Festival Arabian Horse Show was held at the Warner Coliseum and livestock complex.

27 - The Griak Cross Country Meet used the South Como lot for parking. A wedding reception was held at Giggie's Camp Fire Grill.

27-28 - The Antique Spectacular Show & Flea Market was held at the Grandstand and infield. The Fall Military Relic Show, presented by Minneapolis St. Paul Military Relic Collectors, was conducted at the Progress Center. The Minnesota Weapons Collectors Fall Show & Sale was held at the Education Building.

27-30 - Alexander and Dungan attended the International Entertainment Buyers Association annual conference in Nashville, Tenn., where the Minnesota State Fair was awarded "Fair of the Year."

28 - Midwest Fall Swap Meet & Antique Auto Show was held at the north parking lots. The Minnesota Vikings utilized the Grandstand lot for home game parking.

30-Oct. 5 - The Minnesota Harvest Horse Show was held at the Warner Coliseum and livestock complex.

October

1 - Hammer, Sinclair, Hudalla, Goodrich, Jacobson and Cady met with Brian Tempas and Andrew Tisue of the Cuningham Group to review the West End Market, gate and Transit Hub. Huber, Miller & Sertich met with Deb Linder, Fredrikson & Byron to review procedures for the Health Care Reform act.

1-4 - The Camp du Nord and Widjiwagan YMCA Garage Sale was held at the Merchandise Mart.

2 - Minnesota Nursery & Landscape Association's Snow Day was held at the Dairy Building. Schuette gave a presentation on State

Fair marketing to students at Prior Lake High School. Home Depot conducted an employee training session at their State Fair exhibit building. Huber met with Jolene Hawkins of the DoubleTree in Bloomington to discuss the Society's upcoming annual meeting.

3-4 - Twin Cities Oktoberfest presented by HMH of St. Paul was held at the Progress Center and North Woods Lot.

4 - The Minnesota Comic Book Association's Fallcon was presented at the Education Building.

4-5 - The Half Price Books Clearance Event was held at the Grandstand.

6-8 - Huber and Miller met with Julie Hammer and Scott Wick of the Sioux Empire Fair in Sioux Falls, S.D., to help plan the 2015 IAFE Zone 4 meeting.

7 - The Fall FFA Invitational was held at the Miracle of Birth Center and FFA Chapter House. The fair's emergency services and risk management procedures were reviewed at a meeting attended by fair staff, state risk management staff, Regions Hospital staff and members of the St. Paul Fire Department.

8-9 - The Center for Transportation Safety conducted drivers training at the South Como lot.

11 - The Twin Cities Book Festival was held at the Progress Center and Fine Arts Center. The University of Minnesota used the Grandstand lot for Gopher football parking.

12 - The Minnesota Vikings used the Grandstand parking lot for home game parking. The Twin Cities Roadsters Swap Meet was held at the north parking lots.

12-15 - Miller and Huber attended the Minnesota Society for Human Resource Management conference in St. Cloud.

14 - Fair staff's Lunch & Learn program featured a presentation by State Fair legal representatives Joe Bagnoli and Sarah Psick of the McGrann Shea law firm.

15 - Sinclair, Simon and Doyle met with representatives of the Minnesota Department of Natural Resources to review '14 fair activities and discuss plans for the '15 State Fair.

16 - St. Paul Council of Churches held the Cardboard Box City fundraising event for Families Moving Forward at Baldwin Park.

16-19 - The Minnesota Beef Expo, presented by the State Fair, was held at the Warner Coliseum and livestock complex. Larson, Simon, Leach, Schuetz and LeVesseur attended the IAFE Institute of Fair Management Summit in Dallas and visited the State Fair of Texas. Mortenson Construction hosted an employee lunch at the Progress Center.

17-18 - The Scrapbook Expo was held at the Education Building and Annex.

18 - The University of Minnesota used the Grandstand lot for Gopher football parking.

18-19 & 24-26 - The South Como lot was used as a shuttle parking site for Zoo Boo at Como Zoo.

20-24 - Hammer gave a presentation at the Royal Agricultural Society of the Commonwealth conference in Brisbane, Australia, and visited the showgrounds of the Royal Easter Show in Sydney and the Royal Queensland Show in Brisbane.

21 - Sinclair, Simon and Doyle met with Michelle Witte to review activities and programming at the Wiser Living exhibit. Ward, Diedrick and Hines met with representatives of Lancer Management to discuss extension of their non-fair food and beverage license for the Coliseum. Hughes and Noonan met with Star Tribune staff to discuss the newspaper's special section for 2015, then attended a reception at Belmont Partners Public Relations.

23 - The State Fair Foundation conducted a board meeting at the History & Heritage Center.

24 - Sinclair and Simon met with Linda Falkman and Michael Vadnie of the Minnesota Newspaper Association to discuss newspaper museum exhibit activities at the '14 fair. Sinclair, Simon and Schuetz met with Steve Yaeger and Martha Parish of the Star Tribune newspaper to discuss their State Fair exhibit. Schuetz gave a presentation to Mounds View High School students about the fair's marketing program.

24-25 - Gold Country presented an apparel liquidation sale at the Visitor's Plaza.

25 - A wedding and reception was held at the Progress Center. The storage season for boats, campers and vehicles began at a variety of buildings around the fairgrounds.

25-26 - The Minnesota Weapons Collectors Show & Sale was held at the Warner Coliseum.

26 - The Riders & Ribbons Horse Show & Minnesota Academy Equestrian Finals were held at the AgStar Arena.

27 - Sinclair, Alexander, Leach and Schuetz met with representatives of the State Department of Human Rights, Minnesota State Council on Disabilities and Advocating Change Together to discuss accessibility at the State Fair.

28 - Huber, Miller, Mix and Sertich attended an employment law seminar conducted by the Fredrikson Byron law firm in Minneapolis.

29 - Hammer, Sinclair, Alexander, Leach, Diedrick and Ward met with St. Paul City Councilman Russ Stark, representatives of St. Paul's District 10 Community Council and the St. Paul Police Department to discuss non-fair events.

30 - The City of Falcon Heights hosted a meeting of the Twin Cities Managers at the Administration Building conference room. The North Star Roller Girls held a practice at the Warner Coliseum.

November

2 - The Minnesota Vikings used the Grandstand lot for home game parking.

3 - State Fair staff met with Minnesota Department of Health representatives to recap the '14 State Fair.

4 - State Fair and Foundation staff met with Minnesota Historical Society staff to discuss the fair's History & Heritage Center exhibit presentation for '15.

5 - Jesse Poppe represented the State Fair at opening ceremonies for the Jinju International Agriculture Festival in Jinju, South Korea.

MINNESOTA STATE FAIR MEETING OF THE GOVERNING BOARD AND SALES & PLANNING COMMITTEES

9 a.m. Thursday, Nov. 6, 2014

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Alexander; Mark Goodrich; Marshall Jacobson; Mary Miller; Cheryl Huber; Chris Leach; Michelle Butler; Wally LeVesseur; Gail Anderson; Sean Casey; Brienna Schuetz; Steve Grans; Theresa Weinfurter; Danyl Vavreck; Carol Doyle; Emily Diedrick; Brett Ward; Heather Brady; Chris Noonan; Josie Belde; Julie Samec; Kay Cady; Kent Harbison.

Chairman Wessel called the meeting to order at 9:04 a.m.

Mr. Sinclair, Mr. Larson and Ms. Vavreck reported on \$12.5 million

in revenue generated during the '13 State Fair through food and beverage sales, commercial exhibits space license fees, midway rides and attractions, sponsorships and mobile marketing displays. The report will be reviewed by committee members and considered for approval at the next meeting of the sales committee in January, 2015.

The meeting was adjourned at 9:19 a.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

MEETING OF THE PLANNING COMMITTEE

Members present: Paul Merkins, chairman; Joe Fox; D.J. Leary; Danny Grunhovd; Ron Oleheiser; Joe Scapanski; Gordy Toenges; Sharon Wessel; Wally Wichmann; Al Paulson, ex officio; Jerry Hammer, ex officio; Chris Leach, ex officio; Mark Goodrich, ex officio; Sean Casey, ex officio.

Also present: Renee Alexander; Jim Sinclair; Marshall Jacobson; Mary Miller; Cheryl Huber; Michelle Butler; Wally LeVesseur; Dennis Larson; Gail Anderson; Brienna Schuette; Steve Grans; Theresa Weinfurtnr; Danyl Vavreck; Carol Doyle; Emily Diedrick; Brett Ward; Heather Brady; Chris Noonan; Josie Belde; Julie Samec; Kay Cady; Kent Harbison.

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

Mr. Leach reviewed improvements and maintenance projects undertaken in 2014 including a detailed report on the new West End Market, Gate and Transit Hub. Following the review, Mr. Hammer presented standard annual maintenance projects totaling \$1.06 million for fiscal 2015. After discussion, the budget items were passed on a motion by Ms. Wessel, seconded by Mr. Grunhovd and carried (Aye-8; Nay-0).

The meeting was adjourned at 9:28 a.m. on a motion by Mr. Oleheiser, seconded by Mr. Grunhovd and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Renee Alexander; Jim Sinclair; Mark Goodrich; Marshall Jacobson; Mary Miller; Cheryl Huber; Chris Leach; Michelle Butler; Wally LeVesseur; Sean Casey; Dennis Larson; Pam Simon; Gail Anderson; Brienna Schuette; Steve Grans; Theresa Weinfurtnr; Danyl Vavreck; Carol Doyle; Emily Diedrick; Brett Ward; Heather Brady; Chris Noonan; Josie Belde; Julie Samec; Kay Cady; Kent Harbison.

President Paulson called the meeting to order at 9:40 a.m.

Minutes of the board meeting conducted Aug. 31, 2014, were reviewed and approved on a motion by Ms. Wessel, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

Mr. Hammer reviewed minutes of interim activities covering the period Aug. 21 through Nov. 5, 2014; after discussion, the minutes were approved on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

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

Mr. Jacobson presented the October 2014 financial statement as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending October 31, 2014

GENERAL FUND ACTIVITY:

Cash Balance-Sept. 30, 2014	\$5,866,654
Add: Cash Deposits	\$5,226,076

Less: Payroll Ending Oct. 10	(258,642)
Payroll Ending Oct. 24	(240,788)
Cash Disbursements	(7,094,006)
	(2,367,360)
Balance-Oct. 31, 2014	\$3,499,294

BUILDING FUND ACTIVITY:

Balance-Sept. 30, 2014	\$ 450
Add: Interest Earned	
Securities Purchased	
Less: Securities Redeemed	
Balance-Oct. 31, 2014	\$ 450

CONSTRUCTION ACCOUNT:

Balance-Sept. 30, 2014	\$ -
Add: Note Proceeds	
Interest	
Less: Disbursements	
Balance-Oct. 31, 2014	\$ -

CASH BALANCES FOR MONTH ENDING OCTOBER 31:

	2013	2014
Operating Account	\$5,683,316	\$3,499,294
Petty Cash	6,100	6,100
Construction Account (Note Proceeds)	-	-
Building Fund	450	450
Total Cash Balances	\$5,689,866	\$3,505,844

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

Mr. Jacobson presented for review a report of fair-period payroll for 78 departments totaling \$2.3 million. After discussion, the report was approved on a motion by Ms. Wessel, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Goodrich gave a review of the State Fair's agricultural, creative and educational competitions with public participation by more than 15,000 people throughout Minnesota and surrounding states. Information only; no action taken.

Ms. Alexander reported on Grandstand, free entertainment, box office and marketing activities during the '14 State Fair. Information only; no action taken.

The State Fair's 2014 schedule of more than 120 non-fair events was reviewed by Mr. Ward, and Ms. Diedrick followed with a preview of the fair's 2015 events schedule. Information only; no action required.

A license for the sale of beer during the Beer Dabbler event Jan. 25, 2015, was approved on a motion by Mr. Scapanski, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Warner Coliseum food service provider Lancer Catering of St. Paul was granted a three-year license to continue providing concession services on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Ms. Cady and Mr. Paulson provided an update on State Fair Foundation activities during 2014. Information only; no action taken.

Ms. Huber reviewed planning for January's joint meetings of the Society, Minnesota Federation of County Fairs and Midwest Showmen's Association. Information only; no action taken.

On behalf of the board of managers, President Paulson thanked the State Fair staff for their work in producing the record-breaking 2014 Great Minnesota Get-Together.

President Paulson declared the meeting in executive session at 10:55 a.m. The meeting was reopened and adjourned at noon on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Nov. 6, 2014 through Jan. 18, 2015

November

6 - Hammer and board members Paulson, Wessel and Merkins participated in a meeting of the State Fair Foundation's nominating committee.

8 - The North Star Roller Girls conducted a meet at the Warner Coliseum. The University of Minnesota used the Grandstand lot for Gopher football parking.

12 - Senior staff met in the continuing series of planning meetings for the 2015 State Fair. Alexander, Schuette, Hughes, Noonan and Duda met with artist Adam Turman regarding the fair's '15 commemorative art. Schuette and Hughes attended an Ebola workshop presented by the Minnesota Department of Health. Mix hosted a meeting of the Ramsey County Employers Committee at the Libby Conference Center.

13 - Sinclair and Vavreck met with Coca-Cola representatives to discuss extension of their State Fair sponsorship agreement. Mix attended a meeting of the St. Paul Human Resources Association.

15 - The University of Minnesota used the Grandstand lot for Gopher football parking.

15-16 - Hmong American New Year celebration was held at the Warner Coliseum.

17 - Sinclair, Alexander, Diedrick and Ward met with Rand Levy and Gene Hollister of Rose Presents to discuss possible presentation of the '16 Soundset Music Festival at the fairgrounds. Schuette met with representatives of Minnesota Public Radio about State Fair advertising.

19 - The State Fair Employee Safety Committee met at the Administration Building. Sinclair and Larson met with Clint Roberts to review Minnesota Craft Brewers Guild operations at the '14 fair. Schuette met with Carla Beaurline of Around Town TV to recap the '14 fair and plan for coverage of the '15 fair.

19-20 - Alexander attended the Billboard Touring Conference in New York, N.Y.

20 - The State Fair staff Lunch & Learn program featured Metro Transit's David Hanson, Bruce Howard and Kelci Stones.

21 - Noonan attended a meeting hosted by Visit Saint Paul.

21-23 - Prime Promotions presented the Fall Antique Show at the Warner Coliseum.

22 - The Arthritis Foundation held the Jingle Bell 5K Run at the new History & Heritage Center and various roadways around the fairgrounds.

23 - The Minnesota Vikings used the Grandstand lot for home game parking.

25 - Sinclair, Hudalla and Leach met with representatives of Interstate Parking Company to discuss State Fair parking. Schuette and Hughes met with the managing producer of Twin Cities Public Television's Minnesota Original series about a segment on the fair's commemorative art program.

30 - The Vikings used the Grandstand lot for home game parking.

December

1 - Sinclair, Vavreck and Larson met with Green Mill representatives to discuss their concession and sponsorship at the State Fair.

2 - Diedrick, Noonan and Ward attended Visit Saint Paul's Taste of Saint Paul event.

3 - Hammer and Alexander met with Joe Johnston of Hubbard Broadcasting to discuss operations of Hubbard's radio and TV exhibits at the State Fair.

6 - The North Star Roller Girls conducted a meet at the Warner Coliseum. Noonan gave two presentations on the fair's social media program at the 2014 DECA Central Region Leadership Conference in Minneapolis.

7 - The Minnesota Vikings used the Grandstand lot for home game parking.

8-11 - The IAFE international convention in Las Vegas, Nev., was attended by members of the management staff and board.

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

11 - Noonan attended the Midway Chamber of Commerce Morning Mingle program.

16 - Alexander and Schuette met with representatives of the MSF Marketing Coalition to discuss marketing strategy for the '15 fair.

17 - The annual staff holiday lunch was held at the History & Heritage Center.

18 - Schuette met with representatives of All Over Media to discuss the fair's partnership for indoor advertising.

19 - Schuette gave a presentation on State Fair marketing to students at Stillwater Area High School.

22 - Schuette, Noonan and Anderson met with representatives of Rockhouse Partners regarding Grandstand marketing.

28 - The Minnesota Vikings used the Grandstand lot for home game parking.

January, 2015

6 - Senior staff met to discuss 2015 operating, capital improvements and maintenance budgets. Sinclair, Alexander, Diedrick, Ward, Hines and Franzmeier met with representatives of Rose Presents and Rhymesayers to discuss possible presentation of the '16 Soundset Music Festival at the fairgrounds.

7 - Schuette met with representatives of the Star Tribune to discuss '15 State Fair advertising. Schuette and Hughes had a second discussion with staff of Twin Cities Public Television's Minnesota Original series regarding a segment on the fair's commemorative art program. Alexander, Cady and Butler met with Minnesota Historical Society staff to discuss museum plans for '15.

10 - The North Star Roller Girls hosted a match at the Warner Coliseum.

12-16 - Anderson attended the International Ticketing Association conference in Denver, Colo.

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

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

15 - State Fair staff Lunch & Learn program featured a presentation by IAFE's COO Marla Calico.

16-18 - Prime Promotions presented the Winter Antique Show at the Warner Coliseum.

GENERAL BUSINESS SESSION OF THE SOCIETY

8:30 a.m. Sunday, Jan. 18, 2015

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 Paulson opened the meeting and asked State Fair CEO Jerry Hammer for his report. Mr. Hammer's report was accepted by the membership.

President Paulson called for a report of the credentials committee by Marie Pfilpsen of Benton 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:

East Ottertail County Fair – Perham, the secretary did not sign the credential form. Todd County Fair, the president did not sign the credential form.

President Paulson called for a report of the resolutions committee. Committee member Dan Dolan of Washington County presented the following resolutions for consideration by the Society:

1. Resolved, that the Minnesota State Agricultural Society expresses its sincere thanks to the 1,824,830 guests who joined us for the 2014 Minnesota State Fair and were part of the best-attended fair in history.

2. Resolved, that the Society acknowledges its responsibility to the citizens of Minnesota and is committed to advancing the State Fair's mission of educating and engaging our guests by presenting a world-class showcase of Minnesota's agriculture, art and industry, and providing exceptional customer service in a safe, clean environment that is accessible to all.

3. Resolved, that the State Fair will continue its tradition of excellence through the joint efforts of hardworking staff, board of managers, volunteers, exhibitors, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of 4-H and FFA, all of whom contribute to the enduring success of the Great Minnesota Get-Together.

4. Resolved, that the Minnesota State Fair Foundation has played a major role in preserving, improving and protecting the historic State Fairgrounds while supporting its educational programs; therefore, the Society extends its deepest gratitude to the Foundation's board, staff, donors and volunteers for their efforts and their generosity.

5. Resolved, that the Society is dedicated to maintaining strong relationships with organizations that are essential to improving the fair industry statewide, regionally and internationally. In particular, the Society acknowledges the great value of participating in 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 the Society is deeply saddened by the loss of Society members and State Fair friends who passed away this year. We extend our deepest sympathies to the families of: Gregory Auge, operator of The Peg restaurant for 31 years; Daniel T. "Tom" Cousins, former WCCO-TV promotions executive; John F. Degnan, longtime pop corn concessionaire; Mark DeJoy, Town Square Television producer and media partner; William Hallstead, information technology supervisor at the Minnesota State Fair for eight years; James G. "Jim" Hartley, 40-year cotton candy concessionaire; Dianne Hohrman, former 4-H exhibitor and poultry committee co-chair; Leonard Janski, Como Avenue gate ticket taker for 12 years; Michel Kawas, proprietor of Bible Land Crafts concession; William "Bill" Korff, representative of the first district on the State Fair board of managers from 1975 to 1988, board president from 1989 to 1990 and honorary life member of the Minnesota State Agricultural Society; Peter Lupori, longtime State Fair Fine Arts Exhibition participant; Louise "Wee Zee" Miner, Minnesota State Fair's horse show award presenter for more than 50 years; Dominic Postiglione ("Nick Post"), longtime 1919 Root Beer concessionaire; Larry Rush, admissions gate captain and 50-Year Award recipient; Leslie O. Smith, former superintendent of Machinery Hill, the International Bazaar and Empire Commons; and Marvel Staloch, longtime employee with the public safety and admissions departments.

7. Whereas, the Minnesota State Fair, with its more than 155 years of history and tradition, has earned international acclaim for providing an array of high-caliber, unique hands-on learning opportunities for Minnesotans of all ages to explore our state's agriculture, industry,

culture, art, history and scientific innovation, and

Whereas, tens of thousands of exhibitors, concessionaires, entertainers and employees (including thousands of school-age workers) rely on a successful State Fair each year for worthwhile work experience and important income, and

Whereas, thousands of young 4-H and FFA members, who represent the future of our state's agriculture industry, gain invaluable life and educational experiences from their participation in State Fair exhibitions and programs, and

Whereas, the State Fair, as one of the most popular and treasured end-of-summer traditions in the region, has a \$250-million economic impact in the Twin Cities alone and additional unmeasured impact throughout the state, resulting in a detrimental effect on businesses and their employees when State Fair attendance is driven down, and

Whereas, the State Fair joins with Minnesota's tourism, hospitality and resort industries and businesses whose livelihoods depend on end-of-summer traditions, and who provide major revenue to the State of Minnesota, and

Whereas, a recent University of Minnesota study shows conclusively that Minnesota's tourism, hospitality and resort industries and all allied businesses are greatly harmed when schools open early, causing economic havoc, reducing state tax revenue and consequently funding available for schools, and

Whereas, the Minnesota State Fair is completely self-supporting, has not received any public money or government appropriations since 1949, and relies on the economics related to robust attendance in order to present, year after year, a Great Minnesota Get-Together at the unparalleled level the people of our state have come to cherish and expect, and

Whereas, Minnesota schools are lobbying increasingly for early school starts that would have a huge negative economic impact on the state while reducing State Fair participation and attendance,

Now therefore be it resolved, that the thousands of members of the Minnesota State Agricultural Society from every corner of the state strongly urge all state lawmakers to support the State Law that requires Minnesota schools to open no earlier than Labor Day and the traditional end of summer, thus ensuring that children, families and workers from throughout the state can fully participate in and benefit from the historic, educational and culturally rich Minnesota State Fair.

8. Resolved, the Society acknowledges and thanks all those who attended and contributed to the success of its 156th annual meeting. The resolutions were adopted as read.

President Paulson 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 Paulson was reelected and reassumed the chair.

Long-time 4-H cafeteria coordinator and Hamline Dining Hall supervisor Elaine Christiansen was elected to Honorary Life Membership in the Society.

President Paulson then proceeded to conduct elections as follows: Joe Fox of Maplewood was reelected to a two-year term as fourth district vice president, Wally Wichmann of Balaton was reelected to a three-year term as seventh district representative and Dan Grunhvd of Gary was reelected to a three-year term as ninth district representative.

There being no further business to be brought before the Society, President Paulson declared the 156th meeting of the State Agricultural Society adjourned at 10:12 a.m.

MINNESOTA STATE FAIR

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