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# ANNUAL REPORT





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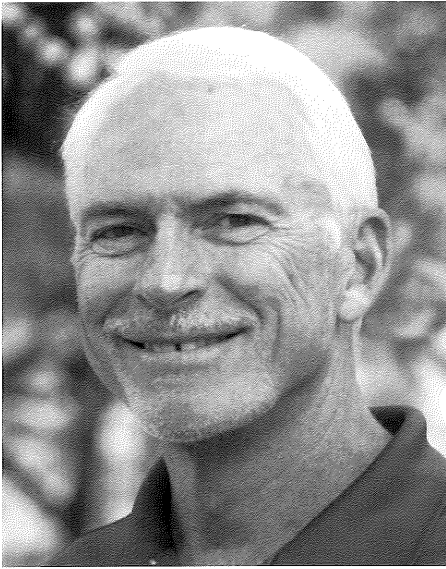
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# REPORT of the EXECUTIVE VICE PRESIDENT



The Minnesota State Fair is one of the largest and best-attended celebrations in the world, and it takes the time and talents of thousands of people to bring it to life each year. Our team understands that the State Fair is way more than a vast collection of exhibits, animals, shows and amusements. The fair provides Minnesota with its very own holiday season, and it's epic. We clearly understand our obligation to provide

our friends and neighbors from throughout the state and around the world with an experience unlike any other. Here's what some of our full-time and fair-time staff say about serving the Great Minnesota Get-Together:

"My favorite thing is seeing firsthand what the fair does for the human spirit. I get to do what I love, and I love what I do."

"What I enjoy most is seeing people experience the fair. Happiness, wonderment and one-of-a-kind moments that they will hold in their hearts for a lifetime."

"I was asked exactly what it is that I do in my job. I said 'I get to make people happy.'"

"Coming from another state, to see the loyalty that Minnesotans have and the love that they have for this event is unbelievable and undeniable. It makes you proud to see it and proud to share it."

They get it. They understand that the environment we create is what makes the fair special, and that the environment is a direct reflection of our culture. Our team knows that everyone is a leader, and that actions matter most. We go the extra mile, take the initiative, respect everyone, keep an upbeat attitude and maintain high standards in everything we do. Our goal is to be the best, and we strive to improve every year.

That will be a tall order for the upcoming fair. The 2015 fair was the best by every measure, with a number of records set for revenue and attendance. More importantly, it was the best fair program yet with a huge number of platinum opportunities for people to learn, to have new experiences, to break down barriers, to be entertained and ultimately to improve their lives. For 2016, the bar has been set even higher and we'll do our best to deliver.

On behalf of all of us who are privileged to serve the Great Minnesota Get-Together, thank you for the privilege to serve this great institution. I'll close with one last quote from one of our teammates:

"Thanks for the memories. Let's make some more."

God bless. 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: 1,779,738

## THURSDAY, AUG. 27 Thrifty Thursday: 110,267

High: 76 Low: 59  
Precipitation: none

## FRIDAY, AUG. 28 Governor's Fire Prevention Day: 114,292

High: 76 Low: 59  
Precipitation: trace

## SATURDAY, AUG. 29 4-H Day: 188,636

High: 74 Low: 56  
Precipitation: none

## SUNDAY, AUG. 30 Minnesota Cooks™ Day: 179,724

High: 81 Low: 62  
Precipitation: none

## MONDAY, AUG. 31 Seniors, Kids & MN State Patrol Day: 130,083

High: 86 Low: 63  
Precipitation: none

## TUESDAY, SEPT. 1 Military Appreciation Day: 104,697

High: 86 Low: 69  
Precipitation: none

## WEDNESDAY, SEPT. 2 Read & Ride Day: 100,142

High: 78 Low: 69  
Precipitation: .23 in.

## THURSDAY, SEPT. 3 Seniors Day: 123,733

High: 84 Low: 67  
Precipitation: none

## FRIDAY, SEPT. 4 MPR Day: 159,639

High: 89 Low: 71  
Precipitation: none

## SATURDAY, SEPT. 5 FFA Day: 211,126

High: 89 Low: 75  
Precipitation: .01 in.

## SUNDAY, SEPT. 6 Friends of the Fair Day: 178,532

High: 83 Low: 70  
Precipitation: .73 in.

## MONDAY, SEPT. 7 Kids & Last Chance Day: 178,867\*

High: 82 Low: 67  
Precipitation: trace

\*New attendance record

## 2015 PRICING

### PRE-FAIR ADMISSION PRICE

- All ages \$10

### REGULAR ADMISSION PRICES

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

### THRIFTY THURSDAY • AUG. 27

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

### SENIORS DAYS • AUG. 31 & SEPT. 3

- Seniors (65 +) \$8

### KIDS DAYS • AUG. 31 & SEPT. 7

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

### MILITARY APPRECIATION DAY • SEPT. 1

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

### READ & RIDE DAY • SEPT. 2

Public library cardholders who purchased a ticket at the gate:

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

### BLUE RIBBON BARGAIN BOOK

- \$5

### MIGHTY MIDWAY & KIDWAY

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

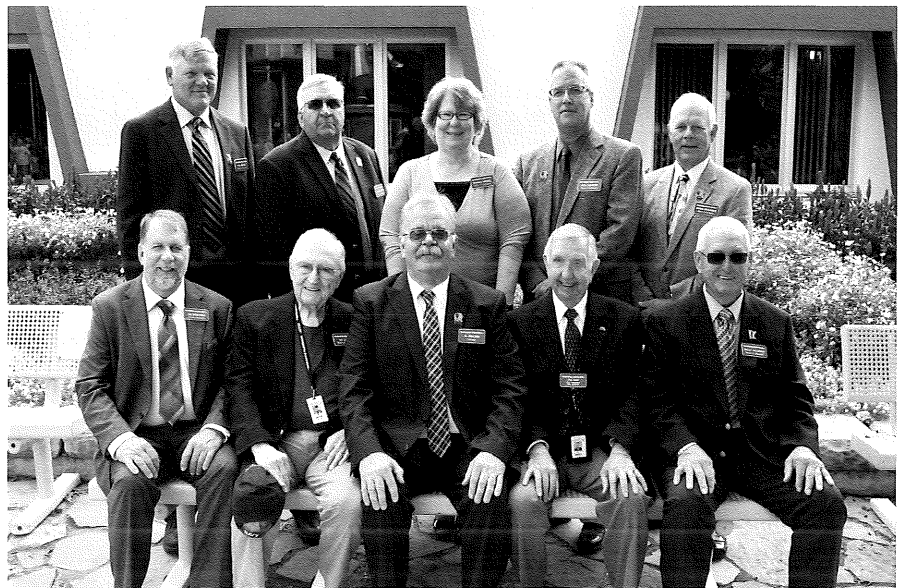
### PARKING

- \$13



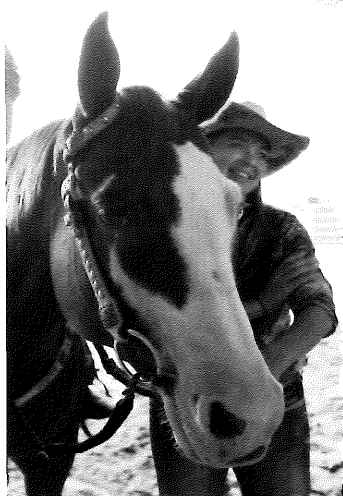
## 2015 State Fair BOARD OF MANAGERS

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

# AGRICULTURE, ANIMALS *and* COMPETITION



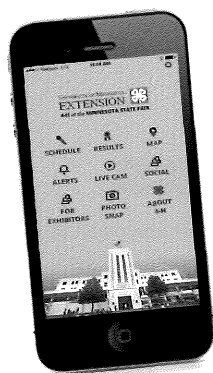
## AGRICULTURAL AND CREATIVE COMPETITION ENTRIES

The Minnesota State Fair's agricultural and creative competitions (including open class, FFA and 4-H) drew more than 30,000 entries in 2015, with more than 16,000 competitors vying for a share of ribbons, trophies and more than \$1.3 million in prize money.

By-the-numbers breakdown:

- More than 12,500 entries in livestock and horse competitions
- More than 6,500 entries in agriculture and horticulture competitions

- More than 15,500 entries in all other competitions (fine arts, creative activities, school projects, etc.)



## 4-H APP AND EXPANDED LIVESTREAM

4-H is integral to the life of the State Fair with nearly 6,000 4-H'ers exhibiting and competing each year. For 2015, 4-H'ers and the public had two new high-tech tools at their fingertips:

- 4-H at the Minnesota State Fair app: included complete judging results and schedules, an interactive map and more.
- 4-H cam with livestreams 9 a.m. to 9 p.m.: the public could watch 4-H events online from home every day of the fair. More than 100 hours of 4-H events were livestreamed, including the llama and alpaca costume competition, musical acts, fashion shows and the dairy goat show.

## NEW COMPETITIONS FOR 2015

- Non-Traditional Materials Contest in the Creative Activities department: Using recycled or upcycled materials, competitors made an outfit for an adult to wear for a "Day at the Minnesota State Fair."
- Decorated Cookie On-A-Stick in the Creative Activities department: Competitors depicted their favorite State Fair animal in cookie form and put it on a stick.
- Honey Beverages in the Ag-Hort-Bee department: Competitors concocted a lemonade sweetened with 100 percent honey.
- Supreme Champion Ram & Ewe in the Livestock department: The grand champions from each of the sheep breed shows competed for Supreme Champion titles.



## POULTRY BARN ACTIVITIES

Following the statewide cancellation of poultry competitions due to H5N2 avian flu, industry experts and State Fair staff worked to fill the Poultry Barn with activities and exhibits related to the poultry industry including: presentations on topics ranging from biosecurity and nutrition to animal health and poultry careers; talks by poultry producers, veterinarians and educators about the influence of avian flu and food production challenges; an opportunity to sign well wishes and thank-you messages to those whose livelihood depends on the poultry industry; and more.



# CONTESTS *and* ACTIVITIES



## STATE FAIR AMATEUR TALENT CONTEST

Nearly 6,000 fans cheered on the best amateur talent in the state at the 43rd Annual State Fair Amateur Talent Contest Finals held Sept. 6 at the Grandstand. Winners were:

### Open Division:

First place: Family Three of Buffalo, vocal, guitar and mandolin performance

Second place: Francesca Dawis of Minneapolis, vocal performance

Third place: Joy Berg of Annandale, vocal performance

### Teen Division:

First place: Nick Stone and Emily McCurdy of Taylors Falls, dance performance

Second place: Paige Parrucci of Forest Lake, vocal and piano performance

Third place: Trinity Kuether of Shoreview, dance performance

### Preteen Division:

First place: Emma Taggart of Blaine, piano performance

Second place: Jade Dyke, Kate Hoppe, Katy Laurman Dance Group of Eden Prairie, dance performance

Third place: Ava Hanson of New London, vocal and guitar performance

## HIGH SCHOOL MARCHING BAND COMPETITION

High school marching bands from Minnesota and Wisconsin competed in the State Fair's daily parade. Rosemount High School was awarded Grand Champion, as well as Class A honors; Waseca High School took first place in Class B and Cotter High School of Winona won in the Class C division. This competition is sponsored by McDonald's. The Butch Dufault Spirit Award was new in 2015 and acknowledged the best in pride, spirit, enthusiasm, friendliness and unity within a marching band and was awarded to the following: Edina, Moorhead, Rockford, 728 Cadets Marching Band and Onalaska, Wisc.

## MILK RUN

Kevin Ueland of Minneapolis and Kim Robinson of Bloomington were the overall male and female 5K Milk Run winners with times of 17:30 and 18:06, respectively.



# NEW ENTERTAINMENT, EXHIBITS *and* ELEMENTS



## MATH ON-A-STICK

This new exhibit was a space where kids and grown-ups could explore fun math concepts at the fair with special activities led by visiting mathematicians and artists who use math in their careers. Children counted their way through the fairgrounds on a Number Game Scavenger Hunt to earn ribbons, noticing that a corn dog has 1 stick, a cow has 4 legs, and so on.

## BEST AWARDS

The State Fair's 2015 Best Awards recognized outstanding vendors, attractions and commercial exhibits. Winners were:

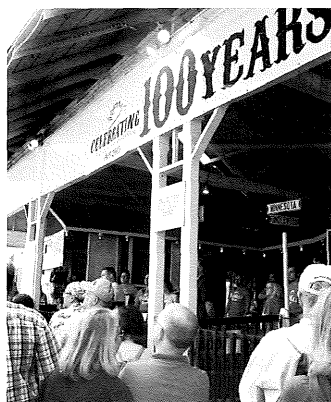
- Best product or service: JM Cremp's Boys Adventure Store
- Best food or beverage: San Felipe Tacos
- Best attraction: Bonanza Shooting Gallery
- Best value: Midway Men's Club
- Best customer service: Corn Roast
- Best midway ride: Rock It
- Best midway game: Drag-A-Fish
- Best Kidway ride: Monkey Maze

## FIGURE SKATING DAY AT CAROUSEL PARK

The artistry and athleticism of wintertime's most glamorous sport came to the fair on Aug. 31 to celebrate Saint Paul's hosting of the 2016 Prudential U.S. Figure Skating Championships. Olympic Gold Medalist and World Figure Skating Champion Kristi Yamaguchi signed autographs and answered fan questions.

## FREE SUNSCREEN

Free SPF 30 Vanicream Sunscreen was available in dispensers at each information booth as a partnership of Vanicream Sunscreen, Masonic Cancer Center, University of Minnesota and the Minnesota State Fair.



## ANNIVERSARIES OF YE OLD MILL & CROP ART AT THE FAIR

**Ye Old Mill Centennial:** The fair's oldest attraction – Ye Old Mill – is touted as the “original tunnel of love.” Generations of anniversaries, marriage proposals and special occasions have been marked here.

**Crop Art at the State Fair turned 50:** This competition and display of magnificent mosaics made from Minnesota seeds is a truly unique State Fair tradition.

## ECO EXPERIENCE NEW HIGHLIGHTS

This one-of-a-kind educational exhibit is a partnership of the Minnesota State Fair, the Minnesota Pollution Control Agency and more than 150 organizations and businesses across the state. A sampling of the new exhibits showcased in 2015:

- A 25-foot-tall plastic tornado, “Bagnado” called attention to the fact that Minnesotans throw away 500 tons of plastic bags and packaging every day – more than 12 pounds every second.
- Demonstrations of DIY reuse projects and repair techniques turned T-shirts into grocery bags and milk jugs into light fixtures, wiped data from your computer, repaired your bike, and more.
- “agriCULTURE: From First Peoples to New Immigrants” was home to daily cooking demonstrations, displays and food samples.
- Fair guests climbed into a larger-than-life sink, “flushed” themselves down a drain slide, and learned what happens when chemicals are put down the drain.



## HISTORY ON-A-SCHTICK

Minnesota history came alive in this brand-new show performed on the Schell's Stage at Schilling Amphitheater. Brought to the fair by the Minnesota Historical Society and Minnesota State Fair Foundation, the production was a vaudevillian romp through Minnesota's past with sing-alongs, trivia, prizes and historical tidbits.

## 2015 MINNESOTA STATE FAIR COMMEMORATIVE ART BY ADAM TURMAN

The 2015 Commemorative Art, shown on the cover, was the 12th in a series of artwork created annually for the Great Minnesota Get-Together. Artist Adam Turman's illustration combines bold colors and graphics with nostalgic, vintage charm for a fresh yet classic artistic interpretation of the Minnesota State Fair.

## STATE FAIR STORIES SCREENINGS

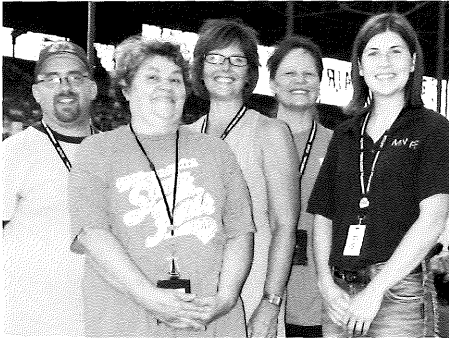
Debuting in the summer of 2015, “State Fair Stories,” a slice-of-life documentary covering the fair, is filled with hidden gems and diverse fair history. This TPT original production was shown nightly on the big screen at Carousel Park.

## Hmong MINNESOTA DAY

Hmong Minnesota Day, a daylong program held on Monday, Sept. 7, celebrated the culture, history and arts of Hmong Americans and highlighted their many contributions since first arriving in Minnesota 40 years ago. Activities and entertainment, presented at Carousel Park, included traditional Hmong music and dance; a fashion show; and talent competition showcase.



# AWARDS *and* ACCOLADES



## 2015 MSF ALL-STAR MVP WINNERS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and outstanding service. Winners for 2015 were (left to right): Todd Nickel (Sanitation), Jolynn Fricke (Grandstand Building), Kim Scibak (Employment/Guest Services), Kim Ustruck (Christmas Trees) and Sarah Berning (CHS Miracle of Birth Center).

## MINNESOTA STATE FAIR RURAL YOUTH SCHOLARSHIPS

The Minnesota State Fair Rural Youth Scholarships were established in 1994 to help further the educational endeavors of young adults from greater Minnesota. Scholarships of \$1,000 each are made available to rural youth or those enrolled in an agriculture program with participation in the current year's Minnesota State Fair. The following individuals were the 2015 recipients:

- Brady Bobendrier, Pipestone
- Jake Borst, Rochester
- Anthony Bosch, Montevideo
- Chase DeFrang, Plainview
- Abigail Donkers, Faribault
- Valerie Earley, Wykoff
- Kristin Erf, Oakdale
- Daniel Hayes, Lafayette
- Eric Hokanson, Cannon Falls
- Elizabeth Johnson, Spring Grove
- Ryan Kohlmeyer, Oronoco
- Haely Leiding, Fountain
- Katherine Maxa, Oakland
- Beth Moller, Princeton
- Brady Neel, Alden
- Andrew Pederson, Westbrook
- Josef Pettit, Rushford
- Nicholas Pitlick, Jordan

- Brian Prchal, Montgomery
- Matthew Raak, Jasper
- Madison Schafer, Goodhue

## 50 YEAR AWARDS

In 2015, 16 awards were presented to individuals who have actively participated in the Minnesota State Fair for a half-century. They were:

- Virginia Anderson - Concessionaire
- Judith Bjork - Concessionaire
- Dennis Boom - Concessionaire
- Pam Christoferson - Concessionaire
- Duane Hutton - FFA Superintendent
- Jane McEvoy - Concessionaire
- Paul Ranweiler - Admissions Dept.
- Edward Resner - Admissions Dept.
- Fredrick Rusch - Creative Activities Judge
- Penny Sandahl - Concessionaire
- Chuck Schwartz - Beef Cattle Superintendent
- Richard Sunderland - Concessionaire
- David Sunderland - Concessionaire
- Delphine Sunderland - Concessionaire
- Darlene Thorud - Exhibitor
- David Urch - Exhibitor

## HONORARY LIFE MEMBER

The Minnesota State Fair annually elects one individual for honorary life membership in the Minnesota State Agricultural Society. Retiring President Al Paulson of Shevlin, Minn., was this year's honoree. He was elected to the Minnesota State Fair board of managers in 2004 and has



*Al Paulson, 2016 Honorary Life Member*

been president since 2014. He is a lifelong resident of Clearwater County, serves as the Clearwater County auditor and was elected to the Clearwater County Fair Board in 1976. As a youth, Paulson participated in 4-H by showing livestock and judging, and from 1971 through 1977 he worked in the 4-H cafeteria on the State Fairgrounds as the cook's assistant. In 1990, he took a job with the Minnesota American Dairy Association and was later employed by the Minnesota Farm Bureau, which allowed him to experience the fair from all sides. In 2013, he received the Heritage Award from the IAFE (International Association of Fairs and Expositions) in recognition of his service to fairs and his community.

## OUTSTANDING SENIOR CITIZENS

Pat Rice of Faribault and Art Heinze of Thief River Falls were named Minnesota's 2015 Outstanding Seniors at the Leinie Lodge Bandshell on Seniors Day, Sept. 3. The two were honored for their outstanding commitment to community service since reaching the age of 65.



*Outstanding Seniors: Pat Rice of Faribault & Art Heinze of Thief River Falls*

## DOUGLAS K. BALDWIN AWARD

Matthew Gunderson of MACRAY's FFA Chapter, was named the recipient of the Douglas K. Baldwin Award, named in honor of Douglas K. Baldwin, who served as the State Fair's general manager from 1951 to 1963.

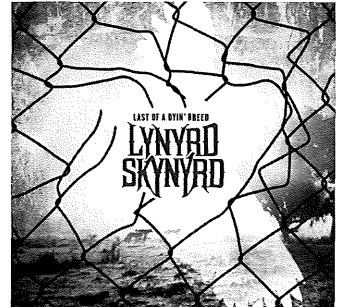
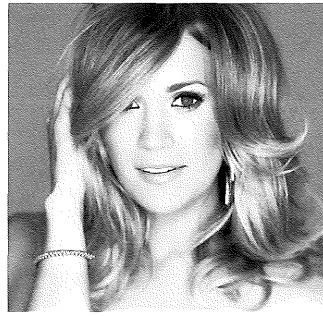
## PRINCESS KAY

Kyla Mauk of Howard Lake, representing Wright County, was crowned the 62nd Princess Kay of the Milky Way to serve as a goodwill ambassador for the dairy industry and more than 4,000 Minnesota dairy farmers.

## IAFE HERITAGE AWARDS

Each year, the International Association of Fairs & Expositions presents Heritage Awards to recognize the achievements of exceptional county fair volunteers. In 2014, State Fair board members Joe Scapanski of Sauk Rapids and Wally Wichmann of Balaton received Heritage awards for their work with the Benton and Lyon County Fairs, respectively. Board member Dan Grunhord of Gary received a Heritage award in 2015 for his service to the Polk County Fair.

# GRANDSTAND ATTENDANCE



THURSDAY, AUG. 27

**DEF LEPPARD** with special guests **STYX** and **TESLA**  
7 p.m. • \$67, \$52 • Attendance: 13,007 (sold out)

FRIDAY, AUG. 28

**KEITH URBAN RAISE 'EM UP TOUR 2015**  
with special guest **KELSEA BALLERINI**  
7:30 p.m. • \$64, \$49 • Attendance: 13,038 (sold out)

SATURDAY, AUG. 29

**CARRIE UNDERWOOD** with special guest **NATIVE RUN**  
7:30 p.m. • \$65, \$50 • Attendance: 13,063 (sold out)

SUNDAY, AUG. 30

**ALAN JACKSON** with special guest **BRANDY CLARK**  
7:30 p.m. • \$40 • Attendance: 12,247

MONDAY, AUG. 31

**THE HAPPY TOGETHER TOUR 2015**  
featuring **THE TURTLES WITH FLO & EDDIE**;  
**THE ASSOCIATION**; **MARK LINDSAY**, former lead singer  
of **PAUL REVERE & THE RAIDERS**; **THE GRASS ROOTS**;  
**THE COWSILLS**; and **THE BUCKINGHAMS**  
8 p.m. • \$21 • Attendance: 6,663

TUESDAY, SEPT. 1

**R5** with special guest **BEFORE YOU EXIT**  
7:30 p.m. • \$35 • Attendance: 2,702

WEDNESDAY, SEPT. 2

**PATTI LABELLE** with special guest **THE COMMODORES**  
7:30 p.m. • \$45 • Attendance: 3,138

THURSDAY, SEPT. 3

**LYNYRD SKYNYRD** with special guest **COLLECTIVE SOUL**  
7:30 p.m. • \$42 • Attendance: 7,692

FRIDAY, SEPT. 4

**A PRAIRIE HOME COMPANION** with **GARRISON KEILLOR**  
7:45 p.m. • \$32, \$25 • Attendance: 7,427

SATURDAY, SEPT. 5

**THE CURRENT'S MUSIC ON-A-STICK**  
featuring **THE AVETT BROTHERS** with special guest  
**PRESERVATION HALL JAZZ BAND**  
7:30 p.m. • \$45, \$35 • Attendance: 8,529

SUNDAY, SEPT. 6

**43<sup>RD</sup> ANNUAL MINNESOTA STATE FAIR**  
**AMATEUR TALENT CONTEST FINALS**  
7:30 p.m. • Free - No Grandstand Ticket Required  
Attendance: approx. 6,000

MONDAY, SEPT. 7

**MERLE HAGGARD & KRIS KRISTOFFERSON**  
with special guest **STURGILL SIMPSON**  
7:30 p.m. • \$35 • Attendance: 9,341



# FREE STAGES

## THE LEINIE LODGE BANDSHELL TONIGHT!



Aug. 27 & 28

**GAELIC STORM**



Aug. 29 & 30

**TERRI CLARK**



Aug. 31 & Sept. 1

**ANDY GRAMMER**



Sept. 2 & 3

**LOU GRAMM**  
"The Voice of Foreigner"



Sept. 4 & 5

**REEL BIG FISH**



Sept. 6 & 7

**HOME FREE**

### ■ LEINIE LODGE BANDSHELL

- Aug. 27 – Sept. 7: The Willis Clan
- Aug. 27 & 28: Tonic Sol-fa, Caitlyn Smith
- Aug. 29 & 30: Steve Meisner, Pine Leaf Boys
- Aug. 31 & Sept. 1: The 34th Infantry Division "Red Bull" Band, The Wright Brothers
- Sept. 2 & 3: Jeff Dayton, Old Dominion
- Sept. 4 & 5: Kenny Neal, Dallas Smith
- Sept. 6 & 7: Nora Jane Struthers & The Party Line, The Main Squeeze, C. Willi Myles

### ■ FAMILY FAIR STAGE AT BALDWIN PARK

- Aug. 27 – Sept. 7: Sean Emery, Break-Shop Bump'n
- Aug. 27 & 28: Justin Roberts with Liam Davis
- Aug. 29 & 30: Magician Star Michaelina
- Aug. 31 & Sept. 1: Kenny Ahern
- Sept. 2 & 3: Alex Clark
- Sept. 4 & 5: Duke Otherwise
- Sept. 6 & 7: Greg Frisbee

### ■ RAMBERG SENIOR CENTER

- Aug. 27 & 28: The Mellow Fellows, The Parisota Hot Club
- Aug. 29 & 30: The Marv Nissel Band, Big Bob Scoggin
- Aug. 31 & Sept. 1: The Banjo Boy Variety Band, The Irish Brigade
- Sept. 2 & 3: Jim Berner's Music Legends, The River Breeze Band
- Sept. 4 & 5: The Squires Band, The Flemming Fold
- Sept. 6 & 7: Hot Commodity Quartet, The Jim Shannon Trio

### ■ INTERNATIONAL BAZAAR

- Aug. 27 & 28: Atahualpa, The Pan-handlers Steel Drum Band
- Aug. 29 & 30: Dirty Shorts Brass Band; The Good, the Bad and the Funky
- Aug. 31 & Sept. 1: The Bavarian Musikmeisters, Mollie B from RFD-TV
- Sept. 2 & 3: The Robert Everest Expedition, Blindado Norteño
- Sept. 4 & 5: Dao Lan Asian Dance Studio, Native Pride Dancers
- Sept. 6 & 7: Chinelos San Pablo Apostol, Tom Mason and the Blue Buccaneers

### ■ BAZAAR AFTER DARK

- Aug. 27 & 28: Davina & The Vagabonds
- Aug. 29 & 30: UniverSoul
- Aug. 31 & Sept. 1: Sonny Knight & The Lakers
- Sept. 2 & 3: Lost Highway
- Sept. 4 & 5: Innocent Reggae Band
- Sept. 6 & 7: Malamanya

### ■ SCHELL'S STAGE AT SCHILLING AMPHITHEATER

- Aug. 27 – Sept. 7: MNHS presents History On-A-Schtick
- Aug. 27 & 28: Reina del Cid, The Good Intentions, Tina & Lena
- Aug. 29 & 30: Janie Miller Band, The Minnesota State Fiddle Contest, Steve Russell
- Aug. 31 & Sept. 1: U.S. Navy Band Country Current, The Moron Brothers, Lizzy – The Dream Girl
- Sept. 2 & 3: Kris and the Riverbend Dutchmen, The Barbary Coast Dixieland Showband, Jared Sherlock
- Sept. 4 & 5: Mark Kreitzer Band, Minnesota Bluegrass Duet Championships, Divas Through the Decades
- Sept. 6 & 7: The Holy Rocka Rollaz, The Best Westerns, Mary Mack

### ■ WEST END AT SUNSET

- Aug. 27 & 28: Charlie Parr
- Aug. 29 & 30: Crankshaft and The Gear Grinders
- Aug. 31 & Sept. 1: Becky Buller
- Sept. 2 & 3: Haley Bonar
- Sept. 4 & 5: The Bel Airs
- Sept. 6 & 7: The Cactus Blossoms

### ■ THE X-ZONE

- Aug. 27 – Sept. 7: 3rd Lair SkatePark

### ■ THE NORTH WOODS

- Aug. 27 – Sept. 7: All-Star Stunt Dogs Splash, Timberworks Lumberjack Show

## 2015 SPONSORS

- |                             |                                 |  |                                   |
|-----------------------------|---------------------------------|--|-----------------------------------|
| • August Schell Brewing Co. | • Gold'n Plump Poultry          | • LeafFilter                               | • North Suburban Eye Specialists  |
| • Cabela's                  | • Good Health Saunas            | • Mazda                                    | • RiverSouth                      |
| • Cal Spas                  | • Great River Energy            | • Midwest Dairy Association                | • Sam's Club                      |
| • Cargill                   | • Green Mill Restaurant         | • Minnesota Corn Growers Association       | • Sensodyne                       |
| • CenturyLink               | • Hyundai                       | • Minnesota Farm Bureau Foundation         | • Sleep Number                    |
| • Coca-Cola                 | • Jacob Leinenkugel Brewing Co. | • Minnesota Farmers Union                  | • Summit Brewing Co.              |
| • Cub Foods                 | • John Deere Company            | • Minnesota Livestock Breeders Association | • Texas On Tour                   |
| • DirecTV                   | • Kemps                         | • Minnesota State Lottery                  | • Treasure Island Resort & Casino |
| • DISH                      | • Kia                           |  | • Xfinity                         |
| • Gold Medal Flour          |                                 |  |                                   |



#### PRINCIPALS

Kenneth W. Malloy, CPA  
Thomas M. Montague, CPA  
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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, 2015, 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 \$2,388,702 and \$2,293,467, respectively, as of and for the year ended October 31, 2015. 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)

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

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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, 2015, 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.

## **EMPHASIS OF MATTER**

As described in Note 11 of the notes to basic financial statements, the Society has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, during the year ended October 31, 2015. Our opinion is not modified with respect to this matter.

## **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 (RSI), 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 RSI 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 schedule – 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 2014 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 April 16, 2015. 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, 2014 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 May 3, 2016 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  
May 3, 2016

# 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, 2015 and 2014, 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 2015 and 2014 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, liabilities and deferred inflows of revenues, 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 decreased to \$49.1 million during fiscal 2015. The actual change in net position was very positive during fiscal 2015 – an increase of \$7.0 million. However, a change in accounting principle for retirement pension liabilities in the amount of \$7.4 million, reduced the overall 2015 fiscal change in net position. The Society recorded a change in accounting principle in the current year for reporting the Society's participation in the Minnesota State Retirement System (MSRS) pension plan. This change in accounting principle significantly increased deferred outflows of resources, long-term liabilities, and deferred inflows of resources.

Approximately 98% of the Society's net position – \$47.9 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-round.

## ■ INCOME AND EXPENSE

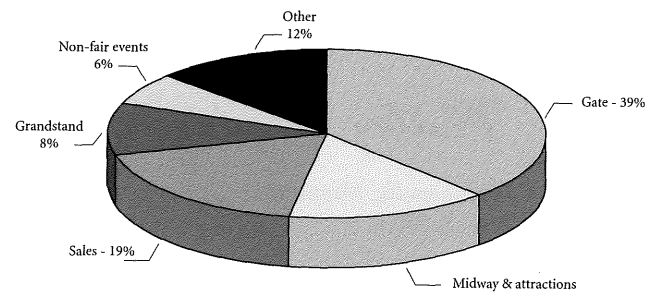
The State Fair realized an overall decrease in net position of \$400,000 in 2015, based upon gross revenues of \$48.8 million and gross expenses of \$41.8 million and a \$7.4 million change in accounting principle that reduced the year-end net position. The previous year showed an increase in net position of \$5.6 million from income of \$49.2 million and expenses of \$43.6 million. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space, and the rental of fair facilities for non-fair events.

In a typical year, ticket sales represent two-thirds of the State Fair's gross annual income. In 2015, the ticket sales total of \$29.8 million was earned chiefly through sales of outside gate and parking tickets (\$19.1 million),

## REVENUE, EXPENSE AND CHANGES IN NET POSITION

	2015	2014
<b>Revenue</b>		
Ticket sales	\$29,804,000	\$30,135,000
Activities	12,380,000	11,512,000
Other	5,115,000	5,184,000
<b>Non-operating revenue</b>		
Investment Income	4,000	7,000
Grant revenue	<u>1,462,000</u>	<u>2,347,000</u>
<b>Total revenue</b>	<b>48,765,000</b>	<b>49,185,000</b>
<b>Expense</b>		
Activities, support and administrative	28,113,000	29,300,000
General operations	<u>13,654,000</u>	<u>14,306,000</u>
<b>Total expense</b>	<b>41,767,000</b>	<b>43,606,000</b>
<b>Changes in net position</b>	<b>6,998,000</b>	<b>5,579,000</b>
<b>Beginning net position, as previously reported</b>	<b>49,462,000</b>	<b>43,883,000</b>
<b>Change in accounting principle</b>	<b>(7,375,000)</b>	<b>-</b>
<b>Beginning net position, restated</b>	<b>42,087,000</b>	<b>43,883,000</b>
<b>Ending net position</b>	<b>\$49,085,000</b>	<b>\$49,462,000</b>

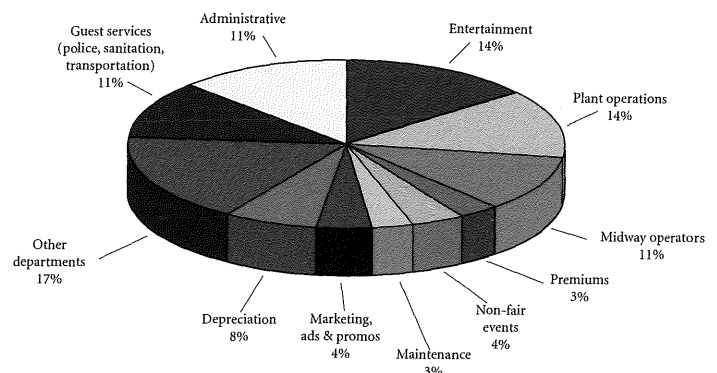
## 2015 INCOME (\$48.8 million)



## 2015 Income (in millions)

- Gate - \$19.0
- Sales - \$9.3
- Non-fair events - \$3.0
- Midway & attractions - \$7.8
- Grandstand - \$3.8
- Other - \$5.9

## 2015 EXPENSE (\$41.8 million)



## 2015 Expense (in millions)

- Midway operators - \$4.5
- Plant operations - \$5.7
- Entertainment - \$5.9
- Administrative - \$4.6
- Guest services - \$4.7
- (Police, sanitation, transportation)
- Other departments - \$7.1
- Depreciation - \$3.2
- Marketing, ads & promos - \$1.9
- Maintenance - \$1.4
- Non-fair events - \$1.3
- Premiums - \$1.4

Mighty Midway and Kidway tickets (\$6.9 million), and Grandstand tickets (\$3.8 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 (\$1.1 million) and Park & Ride bus service (\$2.2 million). Other expenses include Grandstand and free entertainment (\$5.9 million), fairgrounds plant operations (\$5.7 million) and maintenance and depreciation of State Fair facilities (\$4.5 million).

A detailed breakdown of the State Fair's income and expenses is included in the Revenues and Expenses Supporting Schedule on pages 26-29.

### ■ 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 2015, the State Fair invested \$2,885,000 in capital improvements. Projects included \$671,000 for improvements at the West End Market area; \$514,000 for the construction of event pavilions; and \$310,000 for improvements to the fairgrounds electrical system.

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

### ■ LONG-TERM LIABILITIES

Scheduled debt payments on notes in the current year reduced the Society's outstanding debt by \$1,990,000 during the year ended October 31, 2015. 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.

## CONDENSED STATEMENT OF NET POSITION

	2015	2014
Current & other assets	\$ 12,561,000	\$ 6,980,000
Capital assets	<u>63,579,000</u>	<u>64,749,000</u>
Total assets	76,140,000	71,729,000
Deferred outflows of resources	566,000	402,000
Long-term notes	16,001,000	17,991,000
Other liabilities	<u>8,242,000</u>	<u>4,678,000</u>
Total liabilities	24,243,000	22,669,000
Deferred inflows of resources	3,378,000	-
Net investment in capital assests	47,929,000	47,161,000
Restricted	2,485,000	2,518,000
Unrestricted	<u>(1,329,000)</u>	<u>(217,000)</u>
Total net position	<u>\$ 49,085,000</u>	<u>\$ 49,462,000</u>



# **■ MINNESOTA STATE FAIR STATEMENT OF NET POSITION**

As of October 31

	2015	2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 8,987,038	\$ 3,529,492
Cash and cash equivalents - restricted	2,484,855	2,517,732
Accounts receivable	1,025,561	798,494
Prepaid expenses	53,018	111,554
Note receivable - current	10,800	21,600
Accrued interest receivable	-	594
<b>Total current assets</b>	<b>\$ 12,561,272</b>	<b>\$ 6,979,466</b>
Non-current assets:		
Capital Assets, not being depreciated	2,503,439	3,253,914
Capital Assets, net of related depreciation	61,074,845	61,495,415
<b>Total non-current assets</b>	<b>\$ 63,578,284</b>	<b>\$ 64,749,329</b>
<b>Total assets</b>	<b>\$ 76,139,556</b>	<b>\$ 71,728,795</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on refunding of debt	\$ 352,026	\$ 402,315
Pension plan deferments - MSRS	214,143	-
<b>Total deferred outflows of resources</b>	<b>566,169</b>	<b>402,315</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 76,705,725</b>	<b>\$ 72,131,110</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 1,963,467	\$ 1,833,040
Accrued salaries	288,606	271,684
Unearned revenue	249,125	224,195
Note interest payable	61,046	67,003
Note payable - current	2,004,000	1,990,000
Compensated absences - current	416,215	402,801
<b>Total current liabilities</b>	<b>\$ 4,982,459</b>	<b>\$ 4,788,723</b>
Noncurrent liabilities:		
Note payable due in more than one year	\$ 13,997,000	\$ 16,001,000
Compensated absences	379,739	336,107
Other post employment benefit obligations	1,727,959	1,543,305
Net pension liability - MSRS	3,155,757	-
<b>Total non-current liabilities</b>	<b>\$ 19,260,455</b>	<b>\$ 17,880,412</b>
<b>Total liabilities</b>	<b>\$ 24,242,914</b>	<b>\$ 22,669,135</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension plan deferments - MSRS	\$ 3,377,776	\$ -
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 27,620,690</b>	<b>\$ 22,669,135</b>
<b>NET POSITION</b>		
Net invested in capital assets	\$ 47,929,310	\$ 47,160,644
Restricted for:		
Debt service	2,484,405	2,517,282
Capital improvements	450	450
Unrestricted	(1,329,130)	(216,401)
<b>Total net position</b>	<b>\$ 49,085,035</b>	<b>\$ 49,461,975</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 76,705,725</b>	<b>\$ 72,131,110</b>

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

# ■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF NET ASSETS

As of October 31

	2015	2014
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,003,874	\$ 924,029
Investments	287,477	235,237
Accounts receivable	3,806	-
Contributions receivable, net	1,081,331	922,128
Prepaid expenses and other assets	6,609	6,424
Merchandise inventory	4,886	4,735
Property and equipment, net of accumulated depreciation of \$6,610 and \$6,031, respectively	719	1,298
<b>Total assets</b>	<b>\$ 2,388,702</b>	<b>\$ 2,093,851</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 6,363	\$ 5,198
Accrued expenses	115,847	71,073
Payable due to the Minnesota State Agricultural Society	1,400	-
<b>Total Liabilities</b>	<b>123,610</b>	<b>76,271</b>
<b>Net Assets</b>		
Unrestricted:		
Undesignated	482,498	419,095
Board designated for fine arts	59,587	45,380
Board designated for endowment	3,672	3,606
Total unrestricted net assets	545,757	468,081
Temporarily restricted	1,425,100	1,309,101
Permanently restricted	294,235	240,398
<b>Total net assets</b>	<b>2,265,092</b>	<b>2,017,580</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,388,702</b>	<b>\$ 2,093,851</b>

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

2015

2014

## **OPERATING REVENUES**

Ticket sales	\$ 29,803,908	\$ 30,134,727
Activities	12,379,660	11,512,111
Other	<u>5,114,831</u>	<u>5,184,921</u>
<b>Total operating revenues</b>	<b>\$ 47,298,399</b>	<b>\$ 46,831,759</b>

## **OPERATING EXPENSES**

Administrative	\$ 4,573,569	\$ 5,434,693
Activities and support	23,539,350	23,865,342
Premiums	1,429,534	1,350,800
Plant operations	5,685,298	5,830,877
Plant maintenance	1,356,173	1,632,908
Other	1,436,080	1,780,865
Depreciation	<u>3,174,866</u>	<u>3,145,560</u>
<b>Total operating expenses</b>	<b>\$ 41,194,870</b>	<b>\$ 43,041,045</b>
<b>Operating income (loss)</b>	<b>\$ 6,103,529</b>	<b>\$ 3,790,714</b>

## **NON OPERATING REVENUES (EXPENSES)**

Investment income	\$ 4,062	\$ 6,818
Grant revenue	1,462,087	2,346,879
Interest expense	<u>(571,615)</u>	<u>(565,352)</u>
<b>Total non-operating revenues (expenses)</b>	<b>\$ 894,534</b>	<b>\$ 1,788,345</b>
Change in net position	\$ 6,998,063	\$ 5,579,059
<b>Total net position, beginning of year, as previously reported</b>	<b>\$ 49,461,975</b>	<b>\$ 43,882,916</b>
Change in accounting principle	<u>(7,375,003)</u>	<u>-</u>
<b>Net position, beginning of the year, restated</b>	<b><u>42,086,972</u></b>	<b><u>43,882,916</u></b>
<b>Net position, end of year</b>	<b><u>\$ 49,085,035</u></b>	<b><u>\$ 49,461,975</u></b>

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



# **■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF ACTIVITIES**

For the Years Ended October 31

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES</b>								
Contributions	\$ 236,112	\$ 1,642,277	\$ 53,837	\$ 1,932,226	\$ 253,353	\$ 2,959,610	\$ 78,639	\$ 3,291,602
Support from the Minnesota State Agricultural Society	227,188	-	-	227,188	218,051	-	-	218,051
In-kind contributions	53,836	-	-	53,836	73,014	-	-	73,014
Special events, net of direct benefits of \$60,309 and \$23,853, respectively	66,335	-	-	66,335	68,932	-	-	68,932
Interest and dividends	1,588	-	-	1,588	1,333	3,912	-	5,245
Realized and unrealized gains (losses) on investments	(67)	4,949	-	4,882	(2,045)	15,352	-	13,307
Miscellaneous income	-	-	-	-	-	-	-	-
Net assets released from restrictions	1,531,227	(1,531,227)	-	-	2,403,851	(2,403,851)	-	-
Total	2,116,219	115,999	53,837	2,286,055	3,016,489	575,023	78,639	3,670,151
Merchandise sales and commissions	335,318	-	-	335,318	266,988	-	-	266,988
Less: cost of goods sold	(80,394)	-	-	(80,394)	(82,685)	-	-	(82,685)
Net merchandise sales and commissions	254,924	-	-	254,924	184,303	-	-	184,303
Total revenues	2,371,143	115,999	53,837	2,540,979	3,200,792	575,023	78,639	3,854,454
<b>EXPENSES</b>								
Grants to the Minnesota State Agricultural Society	1,462,087	-	-	1,462,087	2,346,879	-	-	2,346,879
Payroll	576,775	-	-	576,775	537,628	-	-	537,628
Production expenses	91,138	-	-	91,138	78,218	-	-	78,218
Contract services	44,927	-	-	44,927	56,392	-	-	56,392
Office expenses	45,302	-	-	45,302	60,362	-	-	60,362
Occupancy	25,427	-	-	25,427	25,314	-	-	25,314
Business expenses	37,191	-	-	37,191	39,013	-	-	39,013
Travel and meetings	3,126	-	-	3,126	2,779	-	-	2,779
Other expenses	7,494	-	-	7,494	7,670	-	-	7,670
Total expenses	2,293,467	-	-	2,293,467	3,154,255	-	-	3,154,255
<b>CHANGE IN NET ASSETS</b>	77,676	115,999	53,837	247,512	46,537	575,023	78,639	700,199
Net assets - beginning	468,081	1,309,101	240,398	2,017,580	421,544	734,078	161,759	1,317,381
<b>NET ASSETS - ENDING</b>	<u>\$ 545,757</u>	<u>\$ 1,425,100</u>	<u>\$ 294,235</u>	<u>\$ 2,265,092</u>	<u>\$ 468,081</u>	<u>\$ 1,309,101</u>	<u>\$ 240,398</u>	<u>\$ 2,017,580</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

	2015	2014
<b>Cash flow from operating activities</b>		
Cash received from operations		
Ticket sales	\$ 29,714,597	\$ 30,171,063
Activities	12,208,584	11,523,331
Other	5,173,081	5,249,892
Cash payment for operating expenses		
To suppliers for goods or services	(28,627,842)	(31,378,321)
To employees for services	(9,682,485)	(9,530,180)
Net cash provided by operating activities	<u>\$ 8,785,935</u>	<u>\$ 6,035,785</u>
<b>Cash flow from capital and related financing activities</b>		
Payments for acquisition and construction of capital assets	\$ (2,267,691)	\$ (18,850,348)
Payments on note receivable	10,800	48,000
Principal payments on revenue note	(1,990,000)	(1,986,000)
Interest payments on revenue note	(527,283)	(473,705)
Proceeds from issuance of revenue notes	-	12,000,000
Net cash provided (used) by capital and related financing activities	<u>\$ (4,774,174)</u>	<u>\$ (9,262,053)</u>
<b>Cash flow from non-capital financing activities</b>		
Grant revenue	<u>1,408,252</u>	<u>2,273,865</u>
<b>Cash flow from investing activities</b>		
Interest earnings	<u>4,656</u>	<u>6,963</u>
Net increase (decrease) in cash and cash equivalents	5,424,669	(945,440)
Cash and cash equivalents, beginning of year	<u>6,047,224</u>	<u>6,992,664</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 11,471,893</b></u>	<u><b>\$ 6,047,224</b></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ 6,103,529	\$ 3,790,714
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	3,174,866	3,145,561
Other non-operating revenues and cash expenses	53,835	73,014
Changes in assets, deferred outflows, liabilities and deferred inflows		
Assets: (increase) decrease		
Accounts receivable	(227,067)	57,647
Prepaid expenses	58,536	(103,958)
Deferred outflows of resources: (increase) decrease		
Pension plan deferments - MSRS	28,334	-
Liabilities: increase (decrease)		
Accounts payable	394,298	(1,233,566)
Accrued salaries	16,922	39,847
Compensated absences	57,046	41,927
Unearned revenue	24,930	54,880
Other post employment benefit obligations	184,654	169,719
Net pension liability - MSRS	(200,897)	-
Deferred inflows of resources: (increase) decrease	<u>(883,051)</u>	<u>-</u>
Total adjustments	<u>\$ 2,682,406</u>	<u>\$ 2,245,071</u>
<b>Net cash provided by operating activities</b>	<u><b>\$ 8,785,935</b></u>	<u><b>\$ 6,035,785</b></u>

Supplemental disclosure of non-cash transactions for fiscal year 2015 and 2014, accounts payable included capitalized expenses of \$151,566 and \$415,436, respectively. For fiscal year 2015 and 2014, the Society received in-kind contributions totaling \$53,835 and \$73,014, respectively.

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 2016.

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 to 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 two items that qualify for reporting in this category. The first item is the deferred amount on refunding of debt, which represents 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. The second item, deferred outflows of resources related to pensions, is reported in the Statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, the difference between projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

In addition to liabilities, Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Society has one item which qualifies for reporting in this category. Deferred inflows of resources related to pensions is reported in the Statement of Net Position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, and the difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Minnesota State Retirement System (MSRS) and additions to/deductions from MSRS's fiduciary net position have been determined on the same basis as they are reported by MSRS except that MSRS' fiscal year end is June 30. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 2015.



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 States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended October 31, 2014, 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 & 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, 2015, according to the bank records, the Society had short-term investments of \$10,302,213 that were invested in repurchase agreements that are backed by U.S. agency underlying securities. After adjusting the bank balance of \$2,604,885 for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$1,169,680. Cash and cash equivalents totaled \$11,471,893. At October 31, 2015, 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 ended October 31, 2015 were:

Cash equivalents - restricted	
Building account	\$ 450
Debt service account	2,484,405
Total restricted cash equivalents	2,484,855
Cash equivalents - unrestricted	8,987,038
Total cash equivalents	\$ 11,471,893

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, Chapter 118A and 37. As of October 31, 2015, the Society's investment in a Bremer Bank repurchase agreement, which matures daily, had underlying securities consisting of government agencies that were all rated AA 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, 2015, 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 11/01/14	Increases	Decreases	Ending Balance 10/31/15
Capital assets, not being depreciated				
Land	\$ 2,503,439	\$ -	\$ -	\$ 2,503,439
Construction in progress	750,475	131,000	(881,475)	-
Total capital assets, not being depreciated:	3,253,914	131,000	(881,475)	2,503,439
Capital assets, being depreciated:				
Land improvements	97,980,027	2,406,711	(23,347)	100,363,391
Utility systems	13,642,684	309,904	-	13,952,588
Personal property	1,582,680	37,681	-	1,620,361
Total capital assets, being depreciated	113,205,391	2,754,296	(23,347)	115,936,340
Less accumulated depreciation for:				
Land improvements	(43,330,593)	(2,610,983)	23,347	(45,918,229)
Utility systems	(7,050,953)	(421,826)	-	(7,472,779)
Personal property	(1,328,430)	(142,057)	-	(1,470,487)
Total accumulated depreciation	(51,709,976)	(3,174,866)	23,347	(54,861,495)
Total capital assets, being depreciated, net	61,495,415	(420,570)	-	61,074,845
Total capital assets, net	\$ 64,749,329	\$ (289,570)	\$ (881,475)	\$ 63,578,284

## Note 4: Long-Term Liabilities

	Balance 11/01/14	Additions	Deletions	Balance 10/31/15	Due Within One Year
Refunding revenue note	\$ 6,891,000	\$ -	\$ (1,090,000)	\$ 5,801,000	\$ 1,104,000
Revenue note series 2013	9,500,000	-	(100,000)	9,400,000	100,000
Revenue note series 2014	1,600,000	-	(800,000)	800,000	800,000
Total long-term liabilities	\$ 17,991,000	\$ -	\$ (1,990,000)	\$ 16,001,000	\$ 2,004,000

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 is payable solely from the revenues of the State Fair. Operating revenues at

October 31, 2015 were \$47,298,399 which exceeds the amount required for payment of principal and interest in 2016. The interest rate is 2.53 % and matures September 15, 2022. As of October 31, 2015, \$5,655,000 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
2016	\$ 1,104,000	\$ 146,765
2017	1,110,000	118,834
2018	680,000	90,751
2019	699,000	73,547
2020	718,000	55,862
2021–2022	<u>1,490,000</u>	<u>56,799</u>
	<u>\$ 5,801,000</u>	<u>\$ 542,558</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, 2015 were \$47,298,399 which exceeds the amount required for payment of principal and interest in 2016. 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
2016	\$ 100,000	\$ 321,720
2017	1,000,000	314,340
2018	1,549,000	280,540
2019	1,603,000	228,184
2020	1,658,000	174,002
2021–2022	<u>3,490,000</u>	<u>177,957</u>
	<u>\$ 9,400,000</u>	<u>\$ 1,492,743</u>

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

	Principal	Interest
2016	\$ 800,000	\$ 15,920

#### Compensated Absences:

	Balance 11/01/14	Additions	Retirements	Balance 10/31/15	Due within one year
Severance benefits payable	\$ 406,406	\$ 45,092	\$ (22,294)	\$ 429,204	\$ 15,271
Vacation benefits payable	<u>332,502</u>	<u>425,736</u>	<u>(391,488)</u>	<u>366,750</u>	<u>400,944</u>
	<u>\$ 738,908</u>	<u>\$ 470,828</u>	<u>\$ (413,782)</u>	<u>\$ 795,954</u>	<u>\$ 416,215</u>

#### Note 5: Short Term Obligations

During fiscal year 2015, the Society renewed a working capital line of credit in the amount of \$1.5 million, with a maturity date of June 30, 2016, for possible short-term financing of Fair operations. The interest rate is the prime interest rate plus .25%, with a minimum interest rate of 4.5%. No short-term financing was necessary in fiscal 2015.

#### Note 6: Retirement Pension Plan

##### Plan Description

The State Employees Retirement Fund (SERF) is administered by the Minnesota State Retirement System (MSRS), and is established and

administered in accordance with Minnesota Statutes, Chapters 352 and 356. SERF includes the General Employees Retirement Plan (General Plan), a multiple-employer, cost-sharing defined benefit plan, and three single-employer defined benefit plans: the Military Affairs Plan, the Transportation Pilots Plan, and the Fire Marshal's Plan. Only certain employees of the Department of Military Affairs, the Department of Transportation and the State Fire Marshal's Division are eligible to be members of those plans, but all State of Minnesota employees who are not members of another plan are covered by the General Plan. The Transportation Pilots Plan has been closed to new entrants since July 1, 2008.

MSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.msrs.state.mn.us/financial-information](http://www.msrs.state.mn.us/financial-information); or by writing to MSRS at 60 Empire Drive, #300, St. Paul, Minnesota, 55103; or by calling (651) 296-2761 or 1-800-657-5757.

##### Benefits Provided

MSRS provides retirement, disability, and death benefits through the State Employees Retirement Fund. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefits are based on a member's age, years of credit, and the highest average salary for any sixty successive months of available service at termination of service. Benefit increases are provided to benefit recipients each January, and are related to the funded ratio of the plan. Annuitants receive benefit increases of 2.0 percent each year. When the fund reaches a 90 percent funded status for two consecutive years, annuitants will receive a 2.5 percent increase.

Retirement benefits can be computed using one of two methods: the Step formula and the Level formula. Members hired before July 1, 1989, may use the Step or Level formula, whichever is greater. Members hired after July 1, 1989, must use the Level formula. Each formula converts years and months of service to a certain percentage. Under the Step formula, members receive 1.2 percent of the high-five average salary for each of the first 10 years of covered service, plus 1.7 percent for each year thereafter. It also includes full benefits under the Rule of 90 (age plus years of service equals 90). In contrast, the Level formula does not include the Rule of 90. Under the Level formula, members receive 1.7 percent of the high-five average salary for all years of covered service, and full benefits are available at normal retirement age.

##### Contributions

Minnesota Statutes Chapter 352 sets the rates for employer and employee contributions. Eligible General Plan members and participating employers were required to contribute 5.0 percent of the annual covered salary in fiscal 2014. Effective July 1, 2014, member and employer rates increase to 5.5 percent of total compensation. The Society's contribution to the General Plan for the fiscal year ending October 31, 2015 was \$301,287. These contributions were equal to the contractually required contributions for each year as set by state statute.

##### Actuarial Assumptions

The Society's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent per year
Active Member Payroll Growth	3.50 percent per year
Investment Rate of Return	7.90 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 generational mortality tables for males or females, as appropriate, with adjustments to match fund experience. Benefit increases for retirees are assumed to be 2.0 percent every January 1st through 2015 and 2.5 percent thereafter.

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies for the period July 1, 2014, through June 30, 2008, with an update of economic assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.90 percent. The rate of assumption was selected as the result of a 2015 actuarial review of economic assumptions. The review combined the asset class target allocations and long-term rate of return expectations from the State Board of Investment (SBI) with return expectations from eight other investment consultants. The review also factored in information from the Social Security Trustees Report, U.S. Department of the Treasury yield curve rates, and historical observations of inflation statistics and investment returns.

The SBI, which manages the investments of MSRS, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method. Best estimates of expected future real rates of return are developed for each major asset class. These asset class estimates and target allocations are combined to produce a geometric, expected long-term rate of return as summarized in the following table:

Asset class	Target allocation	SBI's long-term expected real rate of return (geometric mean)
Domestic stocks	45%	5.50%
International stocks	15%	6.00%
Bonds	18%	1.45%
Alternative assets	20%	6.40%
Cash	2%	0.50%

#### **Discount Rate**

The discount rate used to measure the total pension liability as of June 30, 2015 was 7.90 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. A similar analysis was performed as of July 1, 2013, based on a long-term expected rate of return of 7.90 percent and a municipal bond rate of 4.63 percent. The projection showed that assets would be available to pay benefits only through 2045, with a resulting single discount rate of 6.63 percent, and an increase of 1.27 percent between the beginning and the end of the measurement period.

#### **Net Pension Liability**

At October 31, 2015, the Society reported a liability of \$3,155,757 for its proportionate share of MSRS' net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Society's proportion of the net pension liability was based on the Society's contributions received by MSRS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2015, the Society's proportion was 0.205 percent.

Two changes in benefit provisions affected the measurement of the total pension liability since the prior measurement date. Member and employer contribution rates increased from 5.0 percent to 5.5 percent of pay effective the first day of the first full pay period beginning after July 1, 2014. Beginning July 1, 2014, the funding ratio threshold that must be attained to pay a 2.5 percent post-retirement benefit increase to benefit recipients was changed from 90 percent for one year to 90 percent for two consecutive years.

Two changes in assumptions affected the measurement of the total pension liability since the prior measurement date. The single discount rate changed from 6.63 percent to 7.90 percent. The post-retirement increase changed from 2.0 percent indefinitely, to 2.0 percent through 2015, and 2.5 percent thereafter.

#### **Pension Liability Sensitivity**

The following represents the Society's proportionate share of the net pension liability calculated using the discount rate disclosed in the discount rate section above, as well as what the proportionate share of the net pension liability would

be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% decrease in discount rate (6.9%)	Discount rate (7.9%)	1% increase in discount rate (8.9%)
Society's proportionate share of the net pension liability	\$6,459,819	\$3,155,757	\$406,167

#### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the MSRS Comprehensive Annual Financial Report, available on the MSRS website ([www.msrs.state.mn.us/financial-information](http://www.msrs.state.mn.us/financial-information)).

#### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended October 31, 2015, the Society recognized pension revenue of \$766,708. At October 31, 2015, the Society reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	-	\$863,518
Changes in assumptions	-	\$1,834,814
Net difference between projected and actual earnings on investments	-	\$661,409
Changes in proportion and differences between actual contributions and proportionate share of contributions	\$97,586	\$18,035
Contributions paid to MSRS subsequent to the measurement date	\$116,557	-
Total	\$214,143	\$3,377,776

Amounts reported as deferred outflows of resources related to pensions resulting from Society contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended October 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended October 31	Pension expense amount
2016	(\$1,078,218)
2017	(\$1,078,218)
2018	(\$1,078,218)
2019	(\$45,536)

#### **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)	\$ 269,323
Interest on net OPEB obligation	57,874
Adjustment to annual required contribution	<u>(86,561)</u>
Annual OPEB cost	240,636
Contributions during the year	<u>(55,982)</u>
Increase (decrease) in net OPEB obligation	184,654
Net OPEB obligation beginning of year	<u>1,543,305</u>
Net OPEB obligation end of year	<u>\$ 1,727,959</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, 2013	\$ 275,403	\$ 98,778	35.9%	\$1,373,586
October 31, 2014	\$ 276,959	\$ 107,240	38.7%	\$1,543,305
October 31, 2015	\$ 240,636	\$ 55,982	23.3%	\$1,727,959

As of October 31, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$2,101,466 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,101,466. The annual covered payroll was \$5,207,000, and the ratio of the UAAL to the annual covered payroll was 40.4 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far in to the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial assumptions include a 3.75% discount rate; an inflation rate of 2.75%; and an annual medical trend rate of 7.2% initially, reduced by decrements of one-half percent to an ultimate rate of 5% after 7 years. OPEB benefits were calculated under the Projected Unit Credit method and the unfunded actuarial accrued liability (\$2,101,466) 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>72</u>
Total members	76

#### Note 8: Disaggregation of Receivable & Payable Balances

Receivables: Accounts receivable balances for the year ended October 31, 2015 were:

Tickets	\$ 93,500
Activities	575,415
Other	<u>356,646</u>
Total receivables	<u>\$ 1,025,561</u>

Payables: Accounts payable balances for the year ended October 31, 2015 were:

Administration	\$ 104,555
Activities	807,979
Plant operations	628,041
Capitalized	151,566
Other	<u>271,326</u>
Total payables	<u>\$ 1,963,467</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 Ave. 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, 2015.

Contributions receivable at October 31, 2015 represent the present value of receivable due. Present value is determined using discount rates ranging from 1.24% to 4.5%. The expected collection periods of the contributions receivable at October 31, 2015 are as follows:

<u>Year ending October 31</u>	<u>Amount</u>
2016	\$ 357,911
2017	326,550
2018	305,900
2019	103,000
2020	<u>43,000</u>
Total	\$1,136,361
Less: unamortized discount	35,030
Less: allowance for doubtful pledges	<u>20,000</u>
Total	<u>\$1,081,331</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, 2015, volunteer hours were 2,083. 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 follows:

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 include 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.

### **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, 2015, the Foundation had no outstanding payables due to the Society for payroll and other compensation-related expenses. The Society contributed payroll expenses of \$178,812 during fiscal 2015.

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, 2015, the Foundation granted \$1,132,675 towards the construction costs of the West End Market; fair-time educational

enrichment and artistic experiences valued at \$132,893; recognition pavers and benches valued at \$98,426, and various other miscellaneous gifts valued at \$98,093, for a grant total of \$1,462,087 during fiscal 2015.

## Note II: Change in Accounting Principle

During the year ended October 31, 2015, the Society implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. GASB Statement No. 68 included major changes in how employers account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (proprietary funds), an employer is required to recognize a liability for its share of the net pension liability provided through the pension plan. An employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources for its share related to pensions. This standard required retroactive implementation, which resulted in the restatement of net position as of October 31, 2014. The net position of the enterprise fund financial statement as of October 31, 2014 was decreased by \$7,375,003. This change reflects the Society's proportionate share of the net pension liability (\$3,356,653 decrease in net position), related deferred outflows of resources (\$242,477 increase in net position), and related deferred inflows of resources (\$4,260,827 decrease in net position) for the MSRS pension plan which is now reported by employers under current guidance. Certain amounts necessary to fully restate fiscal 2014 financial information are not determinable; therefore, prior year comparative amounts have not been restated.

## Required Supplementary Information

### Actuarial Measures of Other Post-employment Benefits Funding Progress

The State Agricultural Society offers other post-employment 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
	2015	10/31/15
Actuarial value of plan assets	2009	\$ -
	2012	\$ -
	2015	\$ -
Actuarial accrued liability	2009	\$ 2,988,572
	2012	\$ 2,307,373
	2015	\$ 2,101,466
Total unfunded actuarial liability	2009	\$ 2,988,572
	2012	\$ 2,307,373
	2015	\$ 2,101,466
Funded ratio (1)	2009	0%
	2012	0%
	2015	0%
Annual covered payroll	2009	\$ 4,284,124
	2012	\$ 4,599,335
	2015	\$ 5,207,000
Ratio of unfunded actuarial liability to annual covered payroll	2009	69.8%
	2012	50.2%
	2015	40.4%

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

## Required Supplementary Information

### DEFINED BENEFIT PENSION PLANS

Schedule of Society's Proportionate Share of Net Pension Liability  
State Employees Retirement Fund - October 31, 2015

#### Minnesota State Retirement System:

	2015
Society's proportion of the net pension liability	<u>0.2050%</u>
Society's proportionate share of the net pension liability	<u>\$ 3,155,757</u>
Society's covered-employee payroll	<u>\$ 5,455,335</u>
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>57.85%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.64%</u>

### DEFINED BENEFIT PENSION PLANS

Schedule of Society Contributions  
State Employees Retirement Fund - October 31, 2015

#### Minnesota State Retirement System:

	2015
Statutorily required contribution	\$ 301,287
Contributions in relation to the statutorily required contributions	<u>301,287</u>
Contribution deficiency (excess)	<u>\$ -</u>
Society's covered-employee payroll	<u>\$ 5,477,929</u>
Contributions as a percentage of covered-employee payroll	<u>5.50%</u>

Note: The Society implemented GASB Statement No. 68 in fiscal 2015.  
This information is not available for previous fiscal years.

# **■ MINNESOTA STATE FAIR SUPPORTING SCHEDULE – REVENUES AND EXPENSES**

For the years ended October 31

2015

2014

## **OPERATING REVENUE**

### Ticket sales:

Carnival	\$ 6,947,691	\$ 6,504,909
Grandstand	3,840,171	4,914,734
Outside gate	17,654,050	17,302,151
Parking	1,361,996	1,412,933

### **Total ticket sales**

**\$ 29,803,908** **\$ 30,134,727**

### Activities:

Campground	\$ 140,447	\$ 121,429
Carnival	157,155	125,602
Competition	314,222	308,365
Entertainment	59,763	48,319
Fine arts	57,277	66,826
Forage	138,402	139,936
4-H auction	677,625	567,685
Public safety	9,911	10,037
Sales	10,138,261	9,491,354
Ticket office	686,597	632,558

### **Total activities**

**\$ 12,379,660** **\$ 11,512,111**

### Other:

Beef Expo	\$ 119,539	\$ 115,883
Licensee utilities	289,096	277,022
Miscellaneous	45,989	204,157
Non-fair events	2,893,333	2,916,804
Sale of bulk milk	7,931	16,738
Sale of market animals	63,076	104,891
Sponsorships	1,088,375	958,625
Telephone	81,827	78,799
Utility assessments	525,665	512,002

### **Total other**

**\$ 5,114,831** **\$ 5,184,921**

### **Total operating revenue**

**\$ 47,298,399** **\$ 46,831,759**

## **OPERATING EXPENSES**

### Administrative:

Administrative services	\$ 381,799	\$ 307,448
Annual meeting	44,874	52,644
Auditing services	47,808	48,735
Bad debt	-	290
Computer	357,790	383,322
Dues and subscriptions	17,437	19,602
Insurance	328,975	229,878
Legal services	108,761	101,589
Managerial services	491,524	470,604
Medical insurance	1,104,134	1,132,767
Paid leave	789,746	759,489
Postage and mailing service	101,324	103,745
Printing and supplies	87,545	89,414
Retirement fund	(766,708)	268,241
Social security	733,392	723,443
Support services	188,810	209,844
Telephone	215,062	209,867
Travel expense	111,053	100,997
Unemployment compensation	106,214	88,508

	2015	2014
Workers compensation	124,029	134,266
<b>Total administrative</b>	<b>\$ 4,573,569</b>	<b>\$ 5,434,693</b>
Activities and Support:		
Admissions	\$ 200,319	\$ 170,625
Advertising	989,014	955,522
Bee culture	15,965	11,135
Beef Expo	100,427	80,378
Campground	68,479	50,806
Carnival	5,177,363	4,820,217
Cattle	155,444	181,086
Christmas trees	7,588	6,131
Competition	595,549	731,803
Creative activities	83,352	75,677
Dairy products	1,652	1,426
Dog trials	3,044	3,070
Education programming	280,865	-
Farm crops	30,781	28,382
FFA	37,531	98,999
Finance	266,768	289,823
Fine arts	38,323	37,170
Flower and agriculture shows	39,131	56,396
Flowers	11,604	8,872
Forage	205,955	166,399
4-H club	274,784	268,253
Free entertainment	1,564,889	1,488,825
Fruit	12,409	12,054
Gate tickets	264,158	294,564
Goats - Boer	2,452	2,516
Goats - Dairy	6,980	5,112
Grandstand - concerts	4,345,068	5,422,020
Heritage exhibits	102,095	492,185
Horse and rodeo	215,539	215,939
K-12 competition	37,041	35,545
Llamas	4,153	3,009
Marketing	377,754	375,844
Park & Ride	2,166,327	1,995,584
Parking	164,609	168,805
Poultry	27,595	18,156
Publications	417,004	441,418
Public safety	1,411,488	1,369,463
Sales	1,535,642	1,303,850
Sanitation	1,130,357	1,182,773
Senior citizens	8,971	7,845
Sheep	8,904	7,156
Swine	18,150	18,110
Ticket audit	2,599	3,118
Ticket office	544,911	463,875
Ticket promotion	492,826	434,874
Trams	42,069	26,000
Transportation	43,297	26,440
Vegetables	8,125	8,092
<b>Total activities and support</b>	<b>\$ 23,539,350</b>	<b>\$ 23,865,342</b>
Premiums:		
Bee culture	\$ 3,824	\$ 3,814
Beef Expo	24,812	24,256



	2015	2014
Cattle	123,586	116,925
Christmas trees	2,815	3,050
Creative activities	16,078	15,855
Dairy products	1,425	1,455
Dog trials	1,110	1,110
K-12 competition	8,595	8,297
Farm crops	17,478	17,052
FFA	79,174	73,744
Fine arts	13,150	13,450
Fine arts sales	57,277	66,826
Flowers	2,948	2,951
4-H auction	674,575	565,180
4-H club	79,401	77,866
Fruit	2,517	2,297
Goats - Boer	1,446	1,127
Goats - Dairy	15,859	14,199
Horse	111,270	98,155
Llama	4,055	3,985
Poultry	2,869	8,193
Rural youth scholarships	21,000	20,000
Sale of bulk milk	7,554	16,721
Sale of market animals	63,216	104,884
Sheep	32,786	29,544
Swine	36,863	35,573
Talent contest	19,525	19,675
Vegetables	4,326	4,616
<b>Total premiums</b>	<b>\$ 1,429,534</b>	<b>\$ 1,350,800</b>
Plant operations:		
Architectural and engineering	\$ 42,386	\$ 45,338
Fire and police service	324,552	303,559
Fuel, oil and gasoline	90,956	127,738
Greenhouse	239,867	233,724
Operations	1,254,839	1,323,537
Salaries and contract services	591,340	726,232
Set-up and take-down	1,629,670	1,789,376
Signs	154,820	129,398
Supplies	146,300	155,528
Utilities	1,031,866	772,730
Water and sewer	178,702	223,717
<b>Total plant operations</b>	<b>\$ 5,685,298</b>	<b>\$ 5,830,877</b>
Plant maintenance:		
Electric system	\$ 227,659	\$ 311,430
Fence and fixtures	34,484	-
Gas system	19,137	3,161
Land	102,620	86,583
Personal property	275,064	474,268
Sewer system	81,739	4,747
Streets and sidewalks	138,869	98,158
Structures	168,388	363,762
Vehicles	285,015	257,969
Water system	23,198	32,830
<b>Total plant maintenance</b>	<b>\$ 1,356,173</b>	<b>\$ 1,632,908</b>
Other expenditures:		
Miscellaneous	\$ 1,760	\$ 220,254
Non-fair events	1,403,639	1,529,966
Veterinarian service	30,681	30,645
<b>Total other</b>	<b>\$ 1,436,080</b>	<b>\$ 1,780,865</b>

	2015	2014
Depreciation:		
Electric system	\$ 270,984	\$ 261,025
Fence and fixtures	94,148	94,147
Gas system	320	627
Land improvement	295,085	348,936
Personal property	142,057	171,796
Sewer system	125,941	137,356
Streets & sidewalks	46,991	43,224
Structures	2,174,759	2,063,822
Water system	24,581	24,627
<b>Total depreciation</b>	<b>\$ 3,174,866</b>	<b>\$ 3,145,560</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 41,194,870</b>	<b>\$ 43,041,045</b>
<b>Operating income (loss)</b>	<b>\$ 6,103,529</b>	<b>\$ 3,790,714</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>		
Investment income	\$ 4,062	\$ 6,818
Grant revenue	1,462,087	2,346,879
Interest expense	<u>(571,615)</u>	<u>(565,352)</u>
<b>Net non-operating revenue (expenses)</b>	<b>\$ 894,534</b>	<b>\$ 1,788,345</b>
<b>CHANGE IN NET POSITION</b>	<b><u>\$ 6,998,063</u></b>	<b><u>\$ 5,579,059</u></b>



#### PRINCIPALS

Kenneth W. Malloy, CPA  
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, 2015, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated May 3, 2016. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation) as of and for the year ended October 31, 2015. 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)

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

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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  
May 3, 2016



## MINNESOTA STATE AGRICULTURAL SOCIETY ANNUAL MEETING

January 15-16-17-18, 2015

DoubleTree by Hilton Hotel, Bloomington

The 156th 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. 15 at the DoubleTree Hotel in Bloomington, Minn.

### MEETING OF THE SALES COMMITTEE

5 p.m. Thursday Jan. 15, 2015

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

**Also present:** Renee Alexander; Cheryl Huber; Brett Ward; Kay Cady. Chairman Wessel called the meeting to order at 5:08 p.m.

Mr. Sinclair reviewed the report of '14 State Fair sales revenue, originally distributed at the Nov. 6, 2014 meeting of the board. After further discussion, the report was approved as submitted on a motion by Mr. Leary, seconded by Mr. Fox and carried (Aye-7; Nay-0).

Mr. Sinclair offered the following percentage fees for percentage attractions at the 2015 State Fair as follows:

CONCESSIONAIRE	ATTRACTION	2014	2015
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.

Following discussion, the percentage attraction percentage fees were approved on a motion by Mr. Scapanski, seconded by Mr. Grunhove and carried (Aye-7; Nay-0). The approved percentage fees 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.

Mr. Sinclair presented the following ticket prices for the attractions:

CONCESSIONAIRE	ATTRACTION	2015 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	<u>Krazy Maze</u>	\$5.00
Mighty Midway and Kidway	Rides, Shows and Games of Skill  (Advance Purchase)	\$1.00 single \$25.00 for 30 tickets (\$ .833 per ticket) \$40.00 for 54 tickets (\$ .741 per ticket) \$15.00 for 25 tickets (\$ .600 per ticket)
River Raft Ride, Inc.	Raft Ride Pirate Tag	\$4.00 \$3.00
Skyfair, Inc.	SkyGlider	\$4.00 one way \$6.00 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. 27 (Thrifty Thursday), Monday, Aug. 31 (Seniors & Kids Day), Thursday, Sept. 3 (Seniors Day) and Monday, Labor Day, Sept. 7 (Kids and Last Chance Day.)

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

After discussion, the ticket prices were approved as presented on a motion by Mr. Toenges, seconded by Mr. Fox and carried (Aye-7; Nay-0).

Mr. Sinclair presented the following concessionaires recommended for beer and wine licenses during the '15 State Fair:

CONCESSIONAIRE	BLOCK	LOCATION
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
Blue Plate Restaurant Company Inc. dba The Blue Barn (Stephanie Shimp and David Burley)	Block 27	1839 W Dan Patch Ave. 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 47	1801 Dan Patch Ave., Bldg. 289A Malt Beverages
French Crêperie (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
Hildebrand Concessions, Inc. (Jan Hildebrand)	Block 28	1755 Dan Patch, Bldg. 286S 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
FireFly Group Inc. dba LuLu's Public House (Charlie Burrows, Mike Brennan)	Block 27	1839 W Dan Patch Ave. Malt Beverages
Mancini's al Fresco (Pat and Jane Mancini)	Block 36	1715 Carnes Ave. Malt Beverages
Mintahoe Winery, Inc. dba Minn. Farm Wine Assoc. (James McMerty)	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
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 (James 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. Scapanski, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

Mr. Sinclair presented the following list of concessionaires recommended for multiple-site licenses at the '15 fair:

CONCESSION-EXHIBIT	DESCRIPTION	SITES
Big Dog Corn Dogs	Corn Dogs, Foot Long Hot Dogs and Beverages	2
Butcher Boys	London Broil Sandwiches/Sausages	2
Cenaiko Enterprises, Inc.	Chamois, Shami Mops/E-Z Can Openers	2
Delrick Enterprises	Popcorn, Caramel Corn, Caramel Apples and Beverages	2
Gary Crutchfield Concessions	Cheese on-a-stick	2
George Funk-Moon Beam Coffee	Leather Goods/Coffee	2
Giant Ride, Inc.	Giant Slide/Cheese on-a-stick	2
Groscurth Concessions	Corn Dogs & Beverages	2
Gregory J. Tetrault	Ice Cream, Sno Cones, Caramel Apples and Beverages	2
Holly's Hobby	Seasonal Handcrafts	2
James Crocker	Root Beer Barrels	2
Larry Abdo-Gopher State Ice Co.	Big Fat Bacon, Ice (Ice=wholesale permit only)	2
Mark Andrew	French Fries/S'Mores	2
Midwest Dairy Association	Ice Cream, Milk and Dairy Foods	2
Minn. Honey Producers	Honey, Honey Ice Cream & Honey Candy	2
Minne-Kabob Foods	Kabobs	2
Netterfield's Lemonade and Popcorn	Popcorn, Caramel Corn/Sausage, Corn Dogs, Burgers	2
Orange Treet Sales	Orange Treet Drink, Smoothies/Dairy Bar	2
Produce Exchange	Fresh Fruits	2
Stafford Enterprises	Microfiber Mops, Miracle Mats/Therapy Products	2
Starr International	Magic Spin Mop/UGO Mini Speakers	2
Tina Isaac	Sandwiches and Spiral Chips/Designer Coffees and Desserts	2
Wozniak Concessions, Inc.	Fresh Cut French Fries	2
Crocker Ent. - Cameron Crocker	Root Beer Barrels	3
Icee USA Corp.	Icee Frozen Beverages	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
Midwest Coca Cola	Coca Cola Soft Drinks	3
Wee Dazzle	Novelties, Souvenirs & Toys	3
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 Makers/Whisks	4
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

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

Mr. Sinclair presented data covering 1,117 commercial exhibits including ownership, food locations and product categories. Information only; no action taken.

Mr. Sinclair presented the following non-fair event rental rates for the following facilities, labor and equipment:

West End Market.....	1,200 per day
History & Heritage Center.....	1,300 per day
Schilling Amphitheater.....	900 per day
Camping areas per unit.....	25 per night
Roadways up to 5 kilometers.....	325 per day
Roadways more than 5 kilometers .....	1,000 per day
Labor:	
Event supervisor .....	32 per hour
Ticket supervisor .....	32 per hour
Ticket seller .....	14 per hour
Ticket taker.....	12 per hour
Equipment:	
Forklift.....	65 per hour
Jumbotron video screen .....	75 per day
Office trailer .....	75 per day
Horse jump equipment.....	100 per day
Horse trail equipment .....	50 per day
Electric consumption .....	10¢ per kilowatt hour

After discussion, the rates were approved on a motion by Mr. Merkins, seconded by Mr. Toenges and carried (Aye-7; Nay-0).

The sales committee meeting was adjourned at 5:53 p.m. on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

## MEETING OF THE BOARD OF MANAGERS

10:15 a.m. Friday Jan. 16, 2015

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

**Also present:** Renee Alexander; Brian Hudalla; Marshall Jacobson; Mary Miller; Cheryl Huber; Chris Leach; Brienna Schuette; Theresa Weinfurtnr; Pam Simon; Michelle Butler; Wally LeVesseur; Brett Ward; Nikki Hines; Jen Bower; Kay Cady; Mark Haidet; Sarah Psick; and Joe Bagnoli.

President Paulson called the meeting to order at 10:17 a.m.

Ms. Psick and Mr. Bagnoli 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. Hammer and Mr. Jacobson offered historical background on attendance, income and expenses, cash flow and capital projects, followed by detailed reports on the Society's financial activities during fiscal '14. Information only; no action taken.

The proposed operating budget for fiscal 2015 was presented by Mr. Hammer, followed by discussion on the budget's relationship to capital improvements, maintenance projects, debt structure and future capital projects. Information only; no action taken.

The meeting adjourned at 11:48 a.m. on a motion by Mr. Leary, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

## MEETING OF THE BOARD OF MANAGERS

2:30 p.m. Friday Jan. 17, 2015

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

The meeting was called to order at 3:01 p.m. by President Paulson and declared in executive session.

The meeting was adjourned by President Paulson at 4:20 p.m.

## SOCIETY DISTRICT CAUCUSES

11:15 a.m. Saturday Jan. 17, 2015

Society delegates from the seventh and ninth regional districts met in caucus to certify nominees for election to the Society's board of managers during the Society's general business session on Sunday Jan. 18. Selected were Steve Storck of Morris (seventh district) and Dan Grunhovid of Gary (ninth district).

## MEETING OF THE PLANNING COMMITTEE

1 p.m. Saturday Jan. 17, 2015

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

**Also present:** Renee Alexander; Jim Sinclair; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Chris Leach; Brienna Schuette; Theresa Weinfurtnr; Steve Grans; Brett Ward; Josie Belde.

Chairman Merkins called the meeting to order at 1:29 p.m.

Mr. Hammer and Mr. Hudalla reviewed capital improvements and maintenance work done during fiscal '14. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented recommended improvements and maintenance projects for '15 totaling \$2.6 million. Following is a summary of the complete project list, including projects previously approved at the Nov. 6, 2014, meeting of the board:

## 2015 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

A. Structure improvements:	<u>\$790,000</u>
B. Land improvements:	
BI. Fencing & fixtures	_____ -
BII. Land	_____ -
BIII. Sewer system	_____ -
BIV. Streets & sidewalks	<u>95,000</u>
BV. Water distribution system	_____ -
BVI. Gas distribution system	_____ -
BVII. Land purchases	_____ -
<b>TOTAL Land improvements</b>	<b>\$ 95,000</b>
C. Personal property	<u>\$ 53,000</u>
D. Electric plant:	<u>\$ 342,000</u>
<b>TOTAL improvements</b>	<b>\$ 1,280,000</b>
E. Structure maintenance:	<u>\$ 287,000</u>
F. Land maintenance:	
FI. Fencing & fixtures	<u>38,000</u>
FII. Land	<u>125,000</u>
FIII. Sewer system	<u>36,000</u>
FIV. Streets & sidewalks	<u>125,000</u>
FV. Water distribution system	<u>39,800</u>
FVI. Gas distribution system	<u>2,500</u>
<b>TOTAL Land maintenance</b>	<b>\$ 366,300</b>
G. Personal property maintenance:	<u>\$ 199,550</u>
H. Vehicle maintenance:	<u>\$ 143,000</u>

I. Electric plant maintenance:	\$ 303,000
<b>TOTAL maintenance</b>	<b>\$ 1,298,850</b>
<b>TOTAL maintenance &amp; improvements</b>	<b>\$ 2,578,850</b>

Following review and discussion, Mr. Fox moved, Ms. Wessel seconded and motion carried that the '15 improvements and maintenance budget be approved by the committee as presented and recommended to the full board for approval (Aye-8; 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 2:18 p.m. on a motion by Ms. Wessel, seconded by Mr. Leary and carried (Aye-8; Nay-0).

## 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 Pflipsen of Benton County. The committee report was presented as follows and adopted as read:

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 popcorn 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 Grunhovd 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.

## MEETING OF THE BOARD OF MANAGERS

**10:30 a.m. Sunday Jan. 18, 2015**

**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:** Renee Alexander; Jim Sinclair; Brian Hudalla; Marshall Jacobson; Mary Miller; Cheryl Huber; Chris Leach; Theresa Weinfurtnier; Michelle Butler; Pam Simon; Dennis Larson; Wally LeVesseur; Gail Anderson; Pam Mix; Brienna Schuette; Marie LeFebvre; Shannon Buchda; Heather Brady; Josie Belde; Emily Diedrick; Brett Ward; Mary Pittelko; Lara Hughes; Julie Samec; Pat Bailey; Dave Sorenson; Kay Cady; Mark Haidet; Danielle Dullinger.

President Paulson called the meeting to order at 10:48 a.m.

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

Al Paulson of Shevlin, president (one-year term); Joe Fox of Maplewood, fourth district vice president (two-year term); Wally Wichmann of Balaton, seventh district manager (three-year term); Dan Grunhovd of Gary, ninth district manager (three-year term).

On a motion by Mr. Fox, seconded by Mr. Leary 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. 6, 2014, were reviewed and approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Nov. 6, 2014, through Jan. 14, 2015, were approved on a motion by Mr. Oleheiser, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for Dec. 31, 2014, as follows:

## MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

**Month Ending December 31, 2014**

### OPERATING ACCOUNT ACTIVITY:

Cash balance-Nov. 30, 2014		\$2,871,891
Add: cash deposits	\$931,671	
Less: payroll ending Dec. 5	(236,911)	
payroll ending Dec. 19	(210,519)	
cash disbursements	(1,571,868)	(1,087,627)
Balance-Dec. 31, 2014		\$1,784,264

### BUILDING FUND ACTIVITY:

Balance-Nov. 30, 2014		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-Dec. 31, 2014		\$450

### CONSTRUCTION ACCOUNT:

Balance-Nov. 30, 2014		\$-
Add: note proceeds		

interest

Balance-Dec. 31, 2014

\$-

## CASH BALANCES FOR MONTH ENDING DECEMBER 31:

	2013	2014
Operating account	\$(31,628)	\$1,784,264
Petty cash	6,100	6,100
Construction account (note proceeds)	9,600,000	-
Building fund	450	450
<b>Total cash balances</b>	<b>\$9,574,922</b>	<b>\$1,790,814</b>

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

The following standing committee appointments for 2015 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; Christiansen; Grass; Hagen; Keenan; Krueger; Lake; Prokosch; Reinhardt; Roehlke; Schmidt; Simons; Wenzel; Paulson, ex officio; Hammer, ex officio; Huber, ex officio.

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

**Planning Committee** - Merkins, chairman; Fox; Grunhovd; 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; Grunhovd; Merkins; Toenges; Wessel; Wichmann; Paulson, ex officio; Hammer, ex officio; Alexander, ex officio; Schuette, ex officio.

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

**Sales Committee** - Wessel, chairman; Fox; Grunhovd; 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. Oleheiser and carried (Aye-9; Nay-0).

President Paulson presented the following board liaison and superintendent appointments for 2015:

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 (John Gintner, superintendent)  
 Llamas - Grunhovd (Jen Rouillard, superintendent)  
 Milking Parlor - Leary (Doris Mold, superintendent)  
 Miracle of Birth Center - Fox (Jim Ertl, superintendent)  
 Poultry - Wichmann (Paul Bengston, 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 (Chris Sycks, superintendent)

The board liaison and department superintendent appointments were approved on a motion by Ms. Wessel, seconded by Mr. Toenges 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 '15 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. Oleheiser and carried (Aye-5; Nay-0).

The operations committee meeting was adjourned on a motion by Mr. Fox, seconded by Mr. Grunhovd 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. Schuette presented advertising, marketing and publications budgets for 2015, along with a summary of the fair's media relations and social media programs. After discussion, the budgets were approved on a motion by Chairman Leary, seconded by Ms. Wessel and carried (Aye-5; Nay-0).

The public affairs committee meeting was adjourned on a motion by Mr. Merkins, seconded by Mr. Grunhovd 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 2015 operating budget on a motion by Mr. Grunhovd, seconded by Ms. Wessel and carried (Aye-5; Nay-0).

The rules & premium list committee was adjourned on a motion by Mr. Grunhovd, seconded by Mr. Merkins 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 further discussion the 2015 operating budget, which was reviewed in detail by the board Jan. 16, and the 2015 improvements and maintenance budgets, which were approved Jan. 17 by the board's planning committee. After further discussion, the budgets were approved by the finance committee on a motion by Ms. Wessel, seconded by Mr. Scapanski 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. Leary, seconded by Mr. Merkins and carried (Aye-5; Nay-0).

The finance committee meeting adjourned on a motion by Mr. Leary, seconded by Ms. Wessel 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 Mr. Wichmann and carried (Aye-9; Nay-0).

After discussion, the following admission fee schedule was approved for the 2015 State Fair on a motion by Mr. Scapanski, seconded by Mr. Wichmann 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 status of negotiations with four building trades contractors providing architectural and engineering, electric, carpentry, and plumbing and heating services. Authority to continue negotiations with TKDA Architectural & Engineering, Collins Electric Inc., Maertens-Brenny Construction and Sprigg's Plumbing & Heating was granted on a motion by Mr. Merkins, seconded by 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 Ms. Wessel 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. Merkins, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Ms. Alexander reported on the status of entertainment bookings for the '15 State Fair. Ms. Alexander's report was accepted on a motion by Mr. Leary, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

The next meeting of the Society's board of managers was tentatively set for Thursday, April 2.

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

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

**Jan. 19 through April 2, 2015**

### January

21 - The State Fair Employee Safety Committee met at the Administration Building. Hughes, Noonan, Schuette, Simon and Vavreck attended a St. Paul Area Chamber of Commerce member luncheon.

22 - Hammer, Psick and Bagnoli along with Tony Kwilas of Hospitality Minnesota and the Minnesota Chambers of Commerce met with State Rep. Dave Baker to discuss pre-Labor Day school start legislation. Sinclair, Goodrich, Diedrick and Ward met with Jay Thesing of the Minnesota American Quarter Horse Association Corporate Challenge horse show to discuss show date options for 2016 and 2017. Noonan participated in a panel discussion on social media presented by the Association of Government Communicators. Schuette and Hughes participated in a TPT "MNOriginal" series segment taping at 2015 Commemorative Artist Adam Turman's studio in St. Louis Park.

22-Feb. 1 - The St. Paul Winter Carnival Snow Sculpting Competition and Giant Snow Slide, presented by the Winter Carnival Vulcans, was presented at the Kidway lot.

23 - Noonan attended a seminar on video use in social media presented by Social Media Breakfast. Schuette spoke to students at Tartan High School in Oakdale about the fair's marketing program.

24 - The St. Paul Winter Carnival Beer Dabbler event was held at the Midway lot and Warner Coliseum. Alexander and Butler attended a meeting of the Minnesota Farm Bureau in Red Wing.

27 - Alexander, Sinclair, Hudalla and Leach met with representatives of the Minnesota Department of Human Rights and the Minnesota Council on Disabilities to discuss elements of the fair's accessibility program.

28 - Barnett, Cunningham, Franzmeier, Mix and Schuldt participated in a workplace safety webinar presented by the Minnesota Safety Council. Schuette and Alexander met with representatives of the MSF Marketing Coalition to discuss advertising and marketing plans for 2015.

29 - Sinclair, Alexander and Leach met with Dr. Ingrid Polcari and Megan Wood of the University of Minnesota Medical School to discuss a program to provide complimentary sunscreen to fair guests. Alexander, Schuette, Hughes and Noonan met with representatives of KSTP-TV to discuss media coverage plans for 2015.

30 - Hughes, Schuette and Noonan attended a live taping of KSTP's Twin Cities Live lifestyle show.

31 - The North Star Roller Girls held a bout at the Warner Coliseum.

### February

2-3 - Diedrick and Noonan attended the Explore Minnesota conference.

3 - Hammer testified before the Minnesota House of Representatives Education Innovation Policy Committee in opposition to bills that would allow public schools to open prior to Labor Day. Hughes met with TPT "MNOriginal" series producers and staff at Carter Avenue Frame Shop regarding a segment on the 2015 Commemorative Art. Hudalla, Casey and Rougier met with representatives of Airwavz LLC and MP Technologies to discuss a directional antenna communications system for the fairgrounds.

3-7 - Sinclair and Ward 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.

4 - Alexander and Cady met with members of the Minnesota Historical Society to discuss the State Fair's History & Heritage Center exhibits. Hughes and Schuette met with public relations and marketing representatives of Minnesota United FC Soccer Club.

11 - Hammer testified before the Minnesota Senate Education Policy Committee regarding bills that would allow public schools to open before Labor Day. Mix and Edman attended a meeting of the St. Paul Human Resources Association in St. Paul.

12 - Miller, Huber, Mix and Edman attended an employment law seminar presented by the Fredrickson & Byron law firm.

13 - Hammer met with Kent Harbison to discuss legal services. Schuette spoke to students at Augsburg College about the fair's marketing program.

14-15 - The 2015 Gina Morri Memorial Invitational gymnastics tournament was held at the Warner Coliseum.

18 - Lunch & Learn program for fair staff featured a presentation by Adam Turman, 2015 State Fair Commemorative Artist.

21 - The North Star Roller Girls presented a bout at the Warner Coliseum.

24 - The State Fair Foundation conducted a volunteer appreciation event at the History & Heritage Center.

25 - Schuette met with representatives of the MSF Marketing Coalition to discuss radio advertising for 2015.

25-26 - Sinclair presented a seminar on midway rides and attractions as part of the IAFE Institute of Fair Management in Tampa, Fla., and visited the Osceola County Fair.

26 - Hudalla, Blakey and Leach met with representatives of the St. Paul Police Department to discuss an agreement for various services. Noonan gave a presentation to marketing class at White Bear Lake Area High School North Campus. Hughes accompanied TPT "MNOriginal" series crew for a taping of 2015 commemorative artist Adam Turman printing the limited edition run of screen prints.

26-28 - Hammer and Alexander attended the annual meeting of the Mid-West Fairs Association and visited the San Diego County Fairgrounds in Del Mar, Calif. Sinclair presented two seminars on midway operations and commercial exhibits as part of the IAFE Institute of Fair Management in Tampa, Fla.

27-March 1 - The St. Paul Bird, Buck, Bait & Boat Show was presented at the Warner Coliseum.

### March

3 - Hammer, Sinclair and Hudalla met with representatives of the International Institute of Minnesota to discuss real estate matters.

5 - Sinclair and Hines met with Dave Rustad of Midwest ATM, Inc., to review an agreement for ATM service for non-fair events.

5-9 - Miller and Huber attended an employment law conference in Anaheim, Calif.

6 - Goodrich, LeVeuvre and Harder met in Hinckley with members of the Minnesota Purebred Dairy Cattle Association to discuss the State Fair's open

class dairy cattle show. Sinclair and Simon met with representatives of Exhibit Development Group to discuss their participation at the State Fair. Butler met with the Minnesota Ag Communicators Group including representatives of the Minnesota Farm Bureau, Minnesota Beef Council, Minnesota Turkey Growers, Minnesota Ag in the Classroom, Minnesota Board of Animal Health and the Minnesota Agriculture and Leadership Council.

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

12 - Alexander, Goodrich and Hammer met with representatives of the Minnesota Livestock Breeders Association.

13 - Hammer participated in a teleconference regarding IAFE International Convention events and programming. Mix, Miller and Edman participated in a webinar on criminal records and employment sponsored by the Littler Law Firm.

14-15 - The Minnesota Weapons Collectors Association held their annual spring show at the Warner Coliseum.

17 - Members of the North Star Rollergirls presented a program as part of the State Fair employee Lunch & Learn series. Hughes, Noonan and Goldstein visited Seven Corners Printing for a segment taping with TPT's "MNOriginal" series.

18 - The State Fair Employee Safety Committee met at the Administration Building.

19 - Sinclair, Goodrich, Diedrick, Ward and Harder met with Jay Thesing of the Minnesota American Quarter Horse Association Corporate Challenge horse show to further discuss show date options for '16 and '17.

20 - Sinclair and Larson met with Terri Steanblock and Ron Schweagle of the Minnesota Department of Revenue to discuss commercial exhibit tax matters. Hughes and Noonan attended That's Saint Paul meeting presented by Visit Saint Paul at CHS Field.

21 - The North Star Roller Girls presented a bout at the Warner Coliseum.

22 - The Riders & Ribbons Horse Show was held at the AgStar Arena.

23-25 - Alexander, Hudalla, Huber, Casey, Leach, Weinfurter, Franzmeier, Belde and Samec along with board members Paulson, Wessel, Scapanski, Grunhove and Wichmann attended the IAFE Zone 4 meeting in Sioux Falls, S.D.

24 - Hammer took part in a conference call meeting of the IAFE nominating committee. Hughes and Schuette hosted TPT's "MNOriginal" series for a taping at Carter Avenue Frame Shop for the original art framing selection and at the History & Heritage Center for interviews.

24-April 4 - Butler and Ward participated in a staff exchange program with the Royal Easter Show in Sydney, Australia.

25 - Hammer and Jacobson met with Jim Eichten and Jackie Huegel of Malloy, Montague, Karnowski, Radosevich & Co., P.A. to review their audit of Society financial activities for fiscal 2014.

26 - Hammer participated in a teleconference meeting of the IAFE executive search committee. Hudalla and Leach participated in a teleconference meeting of the IAFE Master Planning/Physical Plant Operations Committee. K. Huber gave a presentation on The Storied History of the Minnesota State Fair at the Great River Regional Library in St. Cloud.

26-29 - The St. Paul Osman Temple Shrine Circus was presented at the Warner Coliseum.

30 - Hammer provided a tour of the fairgrounds to State Representative John Lesch.

## MINNESOTA STATE AGRICULTURAL SOCIETY MEETINGS OF THE GOVERNING BOARD

10 a.m. Thursday April 2, 2015

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 Grunhove; Paul Merkins; Ron Oleheiser; 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; Dennis Larson; Pam Simon; Sean Casey; Brienna Schuette; Marie LeFebvre; Theresa Weinfurter; Carol Doyle; Christine Noonan; Shannon Buchda; Emily Diedrick; Danielle Wadsworth; Jim Rougier; Debbie Edman; Josie Belde; Julie Samec; Kay Cady; Jesse Poppe; Sarah Psick; Joe Bagnoli; Kent Harbison; Leah Janus and Jessica Edwards.

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

Minutes of the Society's board meetings, committee meetings, caucuses and general business session conducted Jan. 15-18 were approved on a motion by Ms. Wessel, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Minutes of interim activities covering the period Jan. 18 through April 2, 2015, were reviewed and approved on a motion by Mr. Leary, seconded by Mr. Grunhove and carried (Aye-8; Nay-0).

Mr. Jacobson presented the financial statement for March 31, 2015, as follows:

### MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

#### MONTH ENDING MARCH 31, 2015

##### OPERATING ACCOUNT ACTIVITY:

Balance-Feb. 28, 2015		\$1,150,342
Add: cash deposits	\$430,210	
Less: payroll ending Mar. 13	(215,765)	
payroll ending Mar. 27	(212,454)	
cash disbursements	<u>(633,976)</u>	
		(631,985)
Balance-Mar. 31, 2015		\$518,357

##### BUILDING FUND ACTIVITY:

Balance-Feb. 28, 2015	\$450
Add: interest earned	
securities purchased	
Less: securities redeemed	
Balance-Mar. 31, 2015	\$450

##### CONSTRUCTION ACCOUNT:

Balance-Feb. 28, 2015	\$-
Add: note proceeds	
interest	
Less: disbursements	
Balance-Mar. 31, 2015	\$-

##### CASH BALANCES FOR MONTH ENDING:

	2014	2015
Operating account	\$51,082	\$518,357
Petty cash	6,100	6,100
Construction fund (note proceeds)	7,773,062	-
Building fund	<u>450</u>	<u>450</u>
<b>Total cash balances</b>	<b>\$7,830,694</b>	<b>\$524,907</b>

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

Ms. Psick and Mr. Bagnoli reported on the current session of the Minnesota Legislature, including a summary of legislation that would allow early school openings and permit distribution of certain craft brews. Information only; no action taken.

Mr. Hudalla offered a detailed report on the fairgrounds' communications and utilities infrastructure. Information only; no action taken.

Ms. Simon reported on the review and selection process for commercial exhibits, along with a preview of new offerings for the '15 State Fair. Information only; no action taken.

Ms. Alexander reviewed the status of Grandstand bookings, the free stage lineup and on-line ticket sales options for the upcoming fair. Information

only; no action taken.

An update on the fair's busy schedule of year-round events was provided by Ms. Diedrick. Information only; no action taken.

Ms. LeFebvre reported on activities and improvements in the fair's agricultural and creative contests. Information only; no action taken.

Ms. Cady provided an update on activities of the State Fair Foundation. Information only; no action taken.

President Paulson declared the meeting in executive session at 11:58 a.m.

The meeting was reopened and adjourned at 12:40 p.m. on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

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

**April 2 through June 4, 2015**

### **April**

3 - Sinclair, Larson and Bower met with representatives of the Minnesota Craft Brewers Guild to discuss their exhibit operations for the 2015 fair.

6 - Sinclair and Hines met with Don McClure of DMC, Inc., to discuss Skyride operations.

7 - Hammer, Cady and State Fair Foundation Chairman Mitch Davis met for a discussion on future projects and a tour of the fairgrounds. Mix and Edman attended a presentation on employee background checks.

8 - Sinclair and Vavreck met with representatives of Coca-Cola to discuss sponsorship renewal. Mix and Edman attended a meeting of the St. Paul Human Resources Association.

9 - Sinclair and Leach met with representatives of the University of Minnesota's Department of Dermatology and Pharmaceutical Specialties, Inc., to review a sunscreen program for fair visitors. Hudalla, Grans and Leach met with representatives of Metro Transit to discuss bus operations for the '15 State Fair. State Fair staff Lunch & Learn program featured KSTP-TV meteorologist Dave Dahl and Kate Bendell. Schuette, Noonan and Simon met with representatives of TPT to discuss their exhibit presence at the upcoming fair.

11 - The Dog Olympics, presented by the University of Minnesota College of Veterinary Medicine, were held at the AgStar Arena.

11-12 - The Gopher State Timing Association Rod & Custom Spectacular was held at the Warner Coliseum.

14 - The first of weekly Tuesday Night Worlds Bicycle Races was held on Machinery Hill. Mix and Edman attended a meeting of the Legal Employees Education Association.

15 - Franzmeier, Schuldt, Paulson and Shafer led a training session on bloodborne pathogens for full-time staff. The Minnesota Royal student group at the University of Minnesota presented the Royal Run at the Midway Lot. Noonan gave two career day presentations at White Bear Lake High School.

16 - Sinclair, Hudalla, Leach, Diedrick, Ward and Blakey met with representatives of the City of St. Paul's District 10, St. Paul Police Department, St. Paul City Council and the Minnesota Street Rod Association to discuss the MSRA's '15 Back To The '50s Weekend. Edman, Sertich and Mix led two training sessions on employee hiring and payroll procedures for State Fair department superintendents and assistant superintendents. Schuette gave a marketing presentation to students at Century College.

17 - Schuette, Hughes, Noonan and Hines met with John and Jim Keenan to discuss this year's 100th Anniversary of Ye Old Mill.

18 - The Minnesota Half Arabian Horse Association held their Spring Schooling Show at the AgStar Arena and Horse Barn.

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

20 - Sinclair met with Dave Rustad of Midwest ATM to discuss ATM locations for the 2015 fair.

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

23 - Miller and Mix met with senior citizens department staff members Kruger and Kost regarding the '15 State Fair's senior citizens program.

24 - Schuette and Hughes met with representatives of TPT's MN Original series to preview their segment on the fair's commemorative art program. Staff members participated in the Great River Greening through a tree planting program in Woodbury.

24-26 - The Minnesota Horse Expo was presented at the Warner Coliseum and livestock complex.

25 - Straw Bale Garden Day was held at the north parking lots.

25-26 - Munchkin Market's Children's Spring & Summer Sale was held at the Education Building.

26 - The University of Minnesota Gopher Critarium bicycle race was conducted on Machinery Hill roadways.

27 - The Minnesota FFA Livestock, Horse & Dairy Judging Contest was held at the Warner Coliseum and AgStar Arena, and the FFA's CDE competition was presented at the Merchandise Mart.

28 - At a meeting of all full-time staff, Butler and Ward offered a presentation on the Royal Sydney Easter Show. Tuesday Night Worlds Bicycle Races were held on Machinery Hill.

29 - Alexander hosted the St. Paul Area Chamber of Commerce Leadership St. Paul Masters Program at the History & Heritage Center. Schuette spoke to students at Prior Lake High School.

30 - Edman, Sertich and Mix led two training sessions on employee hiring and payroll procedures for State Fair department superintendents and assistant superintendents.

30-May 3 - Hammer, Alexander, Sinclair, Goodrich, Hudalla and Huber attended the IAFE Spring Management Conference and visited the Erie County Fairgrounds in Buffalo, N.Y.

### **May**

1 - The Center for Transportation Safety presented a drivers safety course at the South Como parking lot.

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

2-3 - Shuttle parking for Como Park was provided at the South Como parking lots.

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

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

5 - Alexander and Butler met with representatives of the Common Table to discuss their exhibit. Alexander and Schuette met with representatives at the University of Minnesota to discuss the sunscreen program for fair visitors. Tuesday Night Worlds Bicycle Races were held on Machinery Hill.

5-7 - Best, Edman, Franzmeier, Koenen, Levine, Paulson, Pittelko, Schuldt, Schultz, Shafer and Steffenhagen attended the Minnesota Safety & Health Conference at the Minneapolis Convention Center.

6 - Goodrich and Alexander met with staff from the CHS Miracle of Birth Center to discuss the '15 State Fair.

7-10 - The Friends of the American Saddlebred Horse Show was presented at the Warner Coliseum and livestock complex.

8 - Schuette hosted a field trip of students from Chaska Middle School West for presentations on entrepreneurship at the fair and the State Fair History Walking Tour.

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

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

9-10 - Shuttle parking for Como Park was provided at the South Como parking lot.

11 - Schuette met with representatives of Around Town TV to discuss the fair's advertising production.

12 - Tuesday Night Worlds Bicycle Races were held on Machinery Hill. Alexander, Sinclair, Diedrick, Ward, Franzmeier and Hines attended a planning meeting for the 2015 Soundset festival at Canterbury Park in Shakopee.

13 - The Dassel-Cokato FFA Chapter presented Urban Ag In The Classroom at the CHS Miracle of Birth Center and Warner Coliseum. Hammer addressed a meeting of the Brooklyn Park Rotary Club. The State Fair Employee Safety Committee met at the Administration Building. Edman and Mix attended a meeting of the St. Paul Human Resources Association. Hughes met with Tim "Giggles" Weiss to discuss the '15 State Fair commemorative art unveiling on June 4 at Giggles' Campfire Grill.

13-16 - The St. Paul YMCA Garage Sale was presented at the Merchandise Mart.

14 - Paulson and Hammer participated in a meeting of the State Fair Foundation at the Libby Conference Center.

14-17 - Title Nine, Inc. Blowout Clearance Sale was held at the Dairy Building.

15 - The State Fair and the Minnesota Board of Animal Health announced that poultry shows at the State Fair and Minnesota county fairs would be canceled for 2015. Alexander and Butler met with the Math-On-A-Stick committee to discuss plans for events at the upcoming fair.

15-16 - The Minnesota Barbecue Society presented Minnesota in May Barbecue Competition on Machinery Hill.

15-31 - ApplianceSmart's Major Appliance Liquidation Event was held at the Education Building.

16 - The State Fair Foundation hosted the Colonial Dames at the History & Heritage Center.

16-17 - The Minnesota Comic Book Association's Comicon was presented at the Grandstand. Shuttle parking for Como Park was provided at the South Como lots.

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

19 - Full-time supervisory staff attended the Disney Institute's Business Excellence program at the Holiday Inn St. Paul East. K. Huber gave a presentation on The Storied History of the Minnesota State Fair at the University of Minnesota Enhancing Quality Staff symposium. Tuesday Night Worlds Bicycle Races were held on Machinery Hill. The Minnesota Employees Recreation & Services Council met at the History & Heritage Center.

20 - Schuette met with members of the State Fair Advertising Coalition to discuss the '15 State Fair marketing program.

21 - Edman attended a job fair at Roseville High School to recruit for fair-time job openings.

20-25 - The Minnesota American Quarter Horse Association Corporate Challenge horse show was held at the Warner Coliseum and livestock complex.

22 - Schuette spoke to students at Como Park Senior High regarding the fair's marketing program.

22-24 - Motor Sports Lab Ride & Drive held the Supercar Autocross Experience at the Grandstand parking lot.

23 - Liebhard and Olson wedding was held at the Progress Center.

23-25 - South Como parking lots were used for Como Park shuttle parking.

25 - The Memorial Day Race presented by Loon State Cyclists was held on Machinery Hill.

29 - A graduation party was held at Giggles' Campfire Grill.

29-30 - The Minneapolis-St. Paul Mini Maker Faire was held at the International Bazaar, Dairy Building, CHS Miracle of Birth Center and Ramberg Senior Center. The Artists Market, presented by North Star Water Media Society, was held at the Fine Arts Center.

29-31 - The International Gem & Jewelry Show was presented at the Progress Center.

30 - The Children's Hospitals and Clinics of Minnesota Foundation presented the Baby Steps 3K race at the Grandstand and various roadways. Hammer attended funeral services for Jean Steltz, wife of former Society board member and Honorary Life Member Lyle Steltz, in Rush City.

## **June**

1 - The State Fair Employment Center opened for the summer.

2 - The State Fair Affair - Shops and Hops bike race was held on Machinery Hill.

4 - The 2015 State Fair's commemorative artwork, created by Minneapolis artist Adam Turman, was unveiled during a celebration at Giggles' Camp Fire Grill.

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

**9 a.m. Friday June 5, 2015**

**Libby Conference Center, State Fairgrounds**

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

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

**Also present:** Renee Alexander; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Michelle Butler; Wally LeVesseur; Theresa Weinfurter; Gail Anderson; Brienna Schuette; Chris Noonan; Shannon Buchda; Danyl Vavreck; Emily Diedrick; Lara Hughes; Danielle Dullinger; Josie Belde; Julie Samec; Kay Cady; Kent Harbison; Jessica Edwards and Leah Janus.

Chairman Wessel called the meeting to order at 9:03 a.m.

Ms. Simon highlighted several of the new commercial exhibits, institutional and educational displays and rides scheduled to participate at the upcoming fair. Information only; no action taken.

Mr. Sinclair presented a request by River Raft Ride Inc. to increase their ticket price from \$4 to \$5, along with staff analysis of the ride's financial records and operations for the past four years. After discussion, Mr. Scapanski moved and Mr. Fox seconded a motion to approve a ticket price adjustment to \$4.50; motion carried (Aye-7; Nay-0).

Mr. Sinclair presented a request from D.M.C. Inc. to reduce the Skyride's percentage fee payment from 30 percent to 25 percent, along with staff analysis of the ride's financial records and operations over the past five years. After review and discussion, the request was declined on a motion by Mr. Oleheiser, seconded by Mr. Merkins and carried (Aye-7; Nay-0).

Mr. Sinclair presented a request by KB Concessions LLC - owners and operators of a new roller coaster at the Mighty Midway - for a one-year reduction in their percentage fee payment from the standard 41 percent to 30 percent to help off-set initial investment and startup costs. After review and discussion, the request was granted on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-7; Nay-0).

### **MEETING OF THE GOVERNING BOARD**

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

**Also present:** Jim Sinclair; Renee Alexander; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Michelle Butler; Chris Leach; Wally LeVesseur; Theresa Weinfurter; Gail Anderson; Brienna Schuette; Chris Noonan; Shannon Buchda; Danyl Vavreck; Emily Diedrick; Lara Hughes; Danielle Dullinger; Josie Belde; Julie Samec; Kay Cady; Jesse Poppe; Joe Bagnoli; Kent Harbison; Jessica Edwards and Leah Janus.

President Paulson called the meeting to order at 9:55 a.m.

Minutes of the Society board's general business meeting conducted April 2, 2015, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Minutes covering interim activities April 2 through June 4, 2015, were reviewed and approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Action taken earlier in the morning by the sales committee was approved on a motion by Ms. Wessel, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Jim Eichten of Malloy, Montague, Karnowski, Rodosevich & Co., P.A., and Mr. Jacobson reviewed the audit of the Society's books and accounts for fiscal 2014. After discussion, the audit report was approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Financial statement for May 2015 was presented by Mr. Jacobson as follows:

## MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

### Month Ending May 31, 2015

#### OPERATING ACCOUNT ACTIVITY:

Balance-April 30, 2015		\$1,688,492
Add: cash deposits	\$989,685	
Less: payroll ending May 8	(286,968)	
payroll ending May 22	(244,433)	
cash disbursements	(980,484)	
	(522,200)	
Balance-May 31, 2015		\$1,166,292

#### BUILDING FUND ACTIVITY:

Balance-April 30, 2015		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-May 31, 2015		\$450

#### CONSTRUCTION ACCOUNT:

Balance-April 30, 2015		
Add: note proceeds		\$-
interest		
Less: disbursements		
Balance-May 31, 2015		\$-

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

	2014	2015
Operating account	\$383,779	\$1,166,292
Petty cash	6,100	6,100
Construction account (note proceeds)	4,965,114	-
Building fund	450	450
<b>Total cash balances</b>	<b>\$5,355,443</b>	<b>\$1,172,842</b>

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

Ms. Butler reviewed the fair's education programming efforts in agriculture,

arts, sciences and early education. Information only; no action taken.

Ms. Alexander presented the following entertainment contracts for consideration:

CONTRACTOR	DATES	TERMS	VENUE
RES Specialty Fireworks	8/27-9/7	\$30,000 flat	Grandstand Production
P.E.S.O., Inc. (Concert Ushers)	8/27-9/7	Payable upon receipt of invoice \$17.60/hour per person	Grandstand Production
A.S.I.A., Inc. (Concert Security)	8/27-9/7	Payable upon receipt of invoice \$18.95/hour per person	Grandstand Production
Eat Your Heart Catering (Grandstand Catering)	8/27-9/7	\$20,000 plus final payment due upon receipt of invoice	Grandstand Production
Perk Global Productions Inc. (Grandstand Stage Manager)	8/27-9/7	\$20,000 flat	Grandstand Production
Brian Bourn (Grandstand Follow Spots)	8/27-9/7	\$3,500 flat	Grandstand Production
Def Leppard Touring, Inc. f/s/o Def Leppard	8/27	\$350,000 plus 90% over \$540,000	Grandstand Artist
TMB Productions, LLC f/s/o Styx	8/27	\$63,500 flat	Grandstand Artist
TMB Productions, LLC f/s/o Styx	8/27	\$1,500 flat (production expenses)	Grandstand Artist
Guitar Monkey Touring, Inc. f/s/o Keith Urban	8/28	\$500,000 plus 80% over \$650,000	Grandstand Artist
Teal Heel Touring Inc. f/s/o Kelsea Ballerini	8/28	\$5,000 flat	Grandstand Artist
Lion Cub, Inc. f/s/o Carrie Underwood	8/29	\$550,000 plus 80% over \$605,000	Grandstand Artist
BOTS Touring, Inc. f/s/o Native Run	8/29	\$5,000 flat	Grandstand Artist
HWY 508, LLC f/s/o Brandy Clark	8/30	\$15,000 flat	Grandstand Artist
Real World Tours, Inc. f/s/o Alan Jackson	8/30	\$200,000 plus 85% over \$315,000	Grandstand Artist
Flower Power Concerts, Inc. f/s/o Happy Together Tour 2015	8/31	\$65,000 plus 85% over \$165,000	Grandstand Artist
Pattonium, Inc. f/s/o Patti LaBelle	9/2	\$90,000 plus 80% over \$255,000	Grandstand Artist
Pattonium, Inc. f/s/o Patti LaBelle	9/2	\$5,000 (travel reimbursement)	Grandstand Artist
Minnesota Public Radio f/s/o A Prairie Home Companion	9/4	60% of box office receipts	Grandstand Artist



High Top Mountain f/s/o Sturgill Simpson	9/7	\$50,000 flat plus \$1,000 (production expenses)	Grandstand Artist
Hag, Inc. f/s/o Merle Haggard	9/7	\$125,000 plus 80% over \$225,000	Grandstand Artist
Gaelic Storm, Inc. f/s/o Gaelic Storm	8/27-28	\$25,000 flat	Bandshell Tonight!
Terri Clark Tours, Inc. f/s/o Terri Clark	8/29-30	\$50,000 flat	Bandshell Tonight!
Ladder Soul Music LLC f/s/o Andy Grammer	8/31-9/1	\$50,000 flat	Bandshell Tonight!
Home Free Touring, LLC	9/6-7	\$25,000 flat	Bandshell Tonight!
Willis Clan, LLC f/s/o The Willis Clan	8/27-9/7	\$60,000 flat	Bandshell
Caitland Productions f/s/o Caitlyn Smith	8/27-28	\$7,000 flat	Bandshell
Tonic Sol-fa, Inc.	8/27-28	\$8,000 flat	Bandshell
Steve Meisner	8/29-30	\$3,500 flat	Bandshell
Michael Morrison f/s/o The Main Squeeze	9/6-7	\$10,000 flat	Bandshell
C. Willi Myles Ent, Inc. f/s/o C. Willi Myles	9/6-7	\$2,500 flat	Bandshell
Chops, Inc. f/s/o The Pan-Handlers Steel Drum Band	8/27-28	\$3,000 flat	Bazaar
Rolando B. Burga f/s/o Atahualpa	8/27-28	\$2,500 flat	Bazaar
LaNee J. Willey f/s/o The Dirty Shorts Brass Band	8/29-30	\$2,500 flat	Bazaar
Jhonny Joe Rocha Jr. f/s/o Blindado Norteño	9/2-3	\$2,800 flat	Bazaar
Native Pride Inc. f/s/o Native Pride Dancers	9/4-5	\$4,000 flat	Bazaar
Tom Mason f/s/o Tom Mason & The Blue Buccaneers	9/6-7	\$3,500 flat	Bazaar
Secret Stash Records LLC f/s/o Sonny Knight & The Lakers	8/31-9/1	\$3,500 flat	Bazaar at Night
Lost Highway, LLC f/s/o Lost Highway	9/2-3	\$4,200 flat	Bazaar at Night
Guava Entertainment f/s/o Innocent Reggae Band	9/4-5	\$3,000 flat	Bazaar at Night
Malamanya Music f/s/o Malamanya	9/6-7	\$3,500 flat	Bazaar at Night
Kenneth Richard Ahern Jr.	8/30-9/1	\$1,700 flat	Family Fair at Baldwin Park
BC Characters, Inc. f/s/o Break-Shop Bump'n	8/27-9/7	\$30,360 flat	Family Fair at Baldwin Park
Sean Emery	8/27-9/7	\$15,000 flat	Family Fair at Baldwin Park
Carpet Square Records f/s/o Justin Roberts	8/27-28	\$3,200 flat	Family Fair at Baldwin Park

Star Michaelina Newman f/s/o Star Michaelina	8/29-30	\$1,800 flat	Family Fair at Baldwin Park
Alexander Clark	9/2-3	\$2,000 flat	Family Fair at Baldwin Park
Noah Riemer Productions, LLC f/s/o Duke Otherwise	9/4-5	\$2,400 flat	Family Fair at Baldwin Park
Greg Walter Frisbee	9/6-7	\$2,400 flat	Family Fair at Baldwin Park
Dan Sparkman	8/30	\$50 flat	Milk Run
Rick Recker	8/30	\$350 flat	Milk Run
Lasertainment LLC f/s/o Lasertainment Laser Hitz Show	8/27-9/7	\$19,000 flat	Misc Attractions
Action Sports of Minnesota, Inc. f/s/o 3rd Lair Skatepark	8/27-9/7	\$45,475 flat	Misc Attractions
Flippenout Productions LLC f/s/o Flippenout	9/2-7	\$21,375 flat	Misc Attractions
Chris Perondi dba Extreme Canines Stunt Dog Show	8/27-9/7	\$14,000 flat	North Woods
DL Weatherhead Timberworks Lumberjack Show LLC	8/27-9/7	\$35,500 flat	North Woods
Elwyn Juenke	8/27-9/7	\$1,080 flat	Old Iron Show
Duane H. Rolstad	8/27-30	\$480 flat	Old Iron Show
Devon Lark	8/27-30	\$280 flat	Old Iron Show
Joseph Schimml	8/27-9/4	\$1,080 flat	Old Iron Show
David M. Lewerer	8/27-9/6	\$1,320 flat	Old Iron Show
Steven G. Bauer	8/27-9/7	\$2,700 flat	Old Iron Show
Robert D. Wilson	8/27-9/7	\$1,440 flat	Old Iron Show
James Birk	8/27-9/7	\$840 flat	Old Iron Show
Jack's PC Consulting LLC f/s/o C. John Deschene	8/27-9/7	\$1,440 flat	Old Iron Show
James M. Quirk	8/27-9/7	\$594 flat	Old Iron Show
Lee Jason Sackett	8/27-9/7	\$1,680 flat	Old Iron Show
Glen William Westphal	8/27-9/7	\$720 flat	Old Iron Show
Lorraine Quirk	8/27-9/7	\$594 flat	Old Iron Show
Shannon M. Sackett	8/27-9/7	\$1,680 flat	Old Iron Show
Joseph Stevermer	8/27-9/7	\$1,680 flat	Old Iron Show
Ken Anderson	8/27-9/7	\$1,680 flat	Old Iron Show
Elwyn Juenke	8/27-9/7	\$1,080 flat	Old Iron Show

John Morley	8/31-9/3	\$240 flat	Old Iron Show
Cecil Lenard Bechel f/s/o Cecil Bechel	9/4-7	\$1,320 flat	Old Iron Show
Rickie D. Grufman	9/4-7	\$840 flat	Old Iron Show
Tom Haugen	8/27-9/6	\$2,530 flat	Parade
Jason Stock f/s/o Jason Stock Trolley Service	8/27-9/7	\$1,800 flat	Parade
Jeff Goldsmith	8/27-9/6	\$2,200 flat	Parade
Tri-State Judging Association	8/27-9/7	\$2,300 flat	Parade
Jolly Giants Entertainment f/s/o Wacky Wheeler	8/27-9/7	\$6,600 flat	Parade
Joseph Stevermer	8/27-9/7	\$420 flat	Parade
Regents of the University of Minnesota	9/5	\$1,500 flat	Parade
David A. Fruehauf f/s/o The Banjo Boy Variety Band	8/31-9/1	\$1,000 flat	Ramberg Center
Michael A. Wallace f/s/o The Irish Brigade	8/31-9/1	\$1,400 flat	Ramberg Center
The Mellow Fellows	8/27-28	\$800 flat	Ramberg Center
Robert E. Henry f/s/o Parisota Hot Club	8/27-28	\$1,600 flat	Ramberg Center
Robert E. Scoggin f/s/o Big Bob Scoggin	8/29-30	\$600 flat	Ramberg Center
Marv Nissel f/s/o The Marv Nissel Band	8/29-30	\$1,600 flat	Ramberg Center
James P. Berner f/s/o Jim Berner's Music Legends	9/2-3	\$800 flat	Ramberg Center
David J. Haedt f/s/o The River Breeze Band	9/2-3	\$900 flat	Ramberg Center
Thomas C. Colosimo f/s/o The Squires Band	9/4-5	\$1,400 flat	Ramberg Center
Sandra Marie Flemming f/s/o The Flemming Fold	9/4-5	\$1,800 flat	Ramberg Center
David Paul Speidel f/s/o The Hot Commodity Quartet	9/6-7	\$1,200 flat	Ramberg Center
James D. Shannon f/s/o The Jim Shannon Trio	9/6-7	\$1,200 flat	Ramberg Center
Moriah Huerta	9/6	\$450 flat	Talent Contest
Sunday Manisto-Saari	9/6	\$50 flat	Talent Contest
Jacob Taggart	9/6	\$50 flat	Talent Contest
Mary Kleingarn f/s/o Lizzy-The Dream Girl	8/31-9/1	\$2,000 flat	West End Market
Michael T. Carr f/s/o The Moron Brothers	8/31-9/1	\$3,800 flat	West End Market
Susan K. Edwards f/s/o Tina & Lena	8/27-28	\$2,000 flat	West End Market

Chris Silver f/s/o The Good Intentions	8/27-28	\$2,500 flat	West End Market
Steven S. Russell	8/29-30	\$1,800 flat	West End Market
Minnesota State Fiddlers Assoc. f/s/o Minnesota State Fiddle Contest	8/29-30	\$5,000 flat	West End Market
Jane A. Miller f/s/o The Janie Miller Band	8/29-30	\$3,000 flat	West End Market
Sherlock Studios LLC f/s/o Jared Sherlock	9/2-3	\$2,000 flat	West End Market
Barbary Coast Productions f/s/o The Barbary Coast Dixieland Show Band	9/2-3	\$3,800 flat	West End Market
Kristofer Kelgen f/s/o Kris & The Riverbend Dutchmen	9/2-3	\$2,000 flat	West End Market
Belladiva f/s/o Divas Through The Decades	9/4-5	\$3,000 flat	West End Market
Mark Kreitzer f/s/o The Mark Kreitzer	9/4-5	\$3,000 flat	West End Market
Minnesota Bluegrass & Old-time Music Association, Inc. f/s/o Minnesota Bluegrass Duet Championships	9/4-5	\$5,000 flat	West End Market
Mark Hembree f/s/o The Best Westerns	9/6-7	\$3,000 flat	West End Market
Mikelle Budge f/s/o Mary Mack	9/6-7	\$2,000 flat	West End Market
Gerald Mark Flora f/s/o The Holy Rocka Rollaz	9/6-7	\$1,500 flat	West End Market
Becky Buller	8/31-9/1	\$5,000 flat	West End at Sunset
Bel Airs	9/4-5	\$3,000 flat	West End at Sunset
Page Burkum	9/6-7	\$4,000 flat	West End at Sunset

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

Mr. Goodrich reported on the State Fair's competitions in agriculture, education and the arts, along with a review of the current avian influenza and its impact on poultry competitions across the Midwest. Information only; no action taken.

Mr. Fox offered a motion supporting the Minnesota State Board of Animal Health in their actions to aid and protect Minnesota's poultry industry; motion was seconded by Mr. Merkins and carried (Aye-8; Nay-0).

Mr. Bagnoli reported on the regular session of the Minnesota legislature, the prospects for the upcoming special session and the Minnesota Senate's shortsighted decision to include language in the education bill allowing school to start before Labor Day this year. Information only; no action taken.

Mr. Hammer presented the following list of board-hosted functions for the '15 State Fair: Minnesota Federation of County Fairs lunch Friday Aug. 28; State Fair Hall of Fame and Life Member lunch Sunday Aug. 30; and Minnesota Livestock Breeders Association breakfast Thursday Sept. 3. The functions were approved on a motion by Mr. Merkins, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

Ms. Cady reviewed contributions and activities of the State Fair Foundation.

Information only; no action taken.

President Paulson declared the meeting in executive session at 11:07 a.m.

The meeting was reopened at 11:32 a.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

The meeting was adjourned at 11:32 a.m. on a motion by Ms. Wessel, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

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

**June 5 through August 27, 2015**

### June

5-6 - Shuttle parking for the Minnesota State High School League's track and field championships was provided at the South Como lots.

6 - The St. Paul Summer Beer Fest was presented at the International Bazaar. Northern Voices held a Kannonball Fun Charity Rally on the Kidway lot.

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

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

9 - MacQueen Equipment Company's training event was held at the Progress Center. Sinclair, Alexander, Leach, Ward, Diedrick, Franzmeier and Hines met with representatives of Rhymesayers and Rose Presents to discuss presentation of the Soundset event in May 2016. Loon State Cyclists held a Tuesday Night Bike Race.

10 - Sinclair and Larson met with Minnesota Craft Brewers Guild representatives to review their plans for the upcoming fair.

10-11 - The Arc Greater Twin Cities held a Sort & Share event at the Dairy Building.

10-13 - The 4-H Youth Exploring Leadership & Learning Outloud event was held at the 4-H Building and Baldwin Park.

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

11 - Franzmeier, Schuldt, Paulson and Shafer led a training session on bloodborne pathogens for full-time staff at the Libby Conference Center.

12-13 - The Viking Chapter of the Antique Motorcycle Club of America hosted the AMCA's National Meet at the Progress Center and Campgrounds.

14 - Minnesota Autosports Club presented the Novice Autocross Drivers School at the Grandstand infield.

16 - Loon State Cyclists held a Tuesday Night Bike Race.

18 - Mix attended the 4-H Science of Agriculture Challenge at the University of Minnesota.

19-20 - The 29th Annual Twin Cities Classic Car Auction was held at the Cattle Barn.

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

23 - Loon State Cyclists held a Tuesday Night Bike Race.

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

26-27 - The Twin Cities Antiquarian & Rare Book Fair was presented at the Progress Center.

26-28 - The Star of the North Antique Show was held at the Education Building.

27 - The CBS Radio Pet-A-Palooza was held on Machinery Hill. The Mattson-Olson wedding was held at the Department of Natural Resources Building.

27-July 1 - Huber attended the Society for Human Resource Management in Las Vegas.

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

29 - Sinclair met with Dave Rustad of Midwest ATM to discuss ATM service at the upcoming fair.

30 - Hammer attended the annual meeting of the American Red Cross Minnesota Region where the State Fair was presented with an award for supporting Red Cross blood services. A Minnesota Safety Council instructor provided staff training in heavy equipment operation. Sinclair met with Skip Johnson of the River Raft Ride to discuss operational and aesthetic improvements.

### July

4-5 - The South Como lots were used as shuttle parking for the Hmong Sports Festival at Como Park.

4-9 - The 2015 National Senior Games bicycle and foot races were held on various streets throughout the fairgrounds.

5-10 - American International Junior Charolais Association National Show was held at the Warner Coliseum and livestock complex.

8 - The Midsummer Mile foot race was held at the Visitors Plaza and various streets.

9 - Miller, Huber and Mix participated in a webinar on the Fair Labor Standards Act presented by the Society for Human Resource Management. Seventy State Fair Police Officers attended a session on Human Sex Trafficking conducted by Ramsey County.

11-12 - The American Saddlebred Association hosted the Capitol Classic at the AgStar Arena.

12 - The Color Run was held at the Grandstand and various roadways around the fairgrounds.

15 - The State Fair Employee Safety Committee met in the lower conference room of the Administration Building.

16 - Miller and Huber attended a webinar on Affordable Care Act compliance conducted by Eide Bailly.

17 - Hammer attended the Ramsey County Fair in Maplewood. K. Huber gave a presentation on The Storied History of the Minnesota State Fair at the Whitney Senior Center in St. Cloud.

17-19 - The Street Machine & Muscle Car Show utilized most of the fairgrounds.

18 - The Midwest Pole Bending Association held a one-day Minnesota Challenge practice at the Warner Coliseum.

23 - The St. Paul Winter Carnival's King Boreas Picnic was held at Giggles' Campfire Grill.

23-26 - The Midwest Pole Bending Association's Minnesota Challenge horse show was held at the Warner Coliseum and livestock complex.

24-25 - The Scrapbook Expo was presented at the Education Building and Creative Activities Annex.

25-26 - Minnesota Water Garden Society included the State Fairgrounds on their Twin Cities garden tour.

26 - The Grandstand lots were used as shuttle lots for the One Direction concert at University of Minnesota's TCF Bank Stadium.

28 - A pre-fair meeting with Emergency Medical Service and State Risk Management and staff from multiple departments was held at the Libby Conference Center.

30 - Hammer and Hudalla met with Peter Lindstrom of Clean Energy Resource Teams and Peter Berger of the Minnesota Department of Commerce to discuss the state's Clean Energy Resource Teams program.

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

### August

3 - Miracle of Birth staff participated in a training session at Libby Conference Center.

4 - A special preview of Twin Cities Public Television's new State Fair documentary was hosted by the State Fair Foundation at the DNR Building

Theater, and attended by State Fair staff, TPT producers and executives, Foundation board members, donors and guests. A training session for Care & Assistance staff was held at the Care & Assistance Center. Sinclair and Larson met with representatives of the Minnesota Craft Brewers Guild for continuing discussions on the upcoming fair. Sinclair, Alexander and Hines met with Kyle Heino to discuss food and beverage service at Soundset in May 2016.

5 - A meeting of full-time staff was held at the Libby Conference Center, and included the presentation of Length of Service Awards. Hammer gave a presentation to residents of Lyngblomsten. Sinclair met with Ramon Rosario of Zamperla to discuss amusement ride development.

6-7 - Barnett, Belde, Dungan, Fischer, Koeck, Schadeck, Schuldt, Schultz and Tapia attended the Wisconsin State Fair in West Allis.

11 - K. Huber gave a presentation on The Storied History of the Minnesota State Fair at the Hamline Midway Elders in St. Paul.

13-14 - Birdsall, Buchda, Diedrick, Dullinger, K. Huber, Koenen, Mold, Shafer and Wadsworth attended the Iowa State Fair in Des Moines.

15 - Guest Services staff training was conducted at Libby Conference Center.

18 - Judging for the 2015 Outstanding Senior Citizens program was conducted at the Libby Conference Center.

19 - Park & Ride conducted a staff training session at the Employment Center.

22 - Admissions, gate and midway ticket sales, public safety and attraction ticket takers held fair-time staff training sessions at the Employment Center. Franzmeier, Schuldt, Paulson and Shafer led a training session on bloodborne pathogens at Sanitation headquarters.

20 - More than 1,100 people attended the State Fair Foundation's Taste of the Fair fundraiser, presented at the International Bazaar.

26 - The Midwest Dairy Association crowned the 2015 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.

27 - The 2015 Great Minnesota Get-Together opened at 6 a.m.

## MINNESOTA STATE FAIR MEETING OF THE GOVERNING BOARD

10 a.m. Friday Aug. 28, 2015

Officers Quarters, State Fairgrounds

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

**Also present:** Kent Harbison; Bill McGrann; Sarah Psick; Joe Bagnoli; Kay Cady.

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

Minutes from the board meeting of June 15, 2015, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period from June 5 through Aug. 26 were reviewed and accepted on a motion by Mr. Oleheiser, 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, 2015

### OPERATING ACCOUNT ACTIVITY:

Cash balance-June 30, 2015		\$1,343,906
Add: cash deposits	\$3,349,785	
Less: payroll ending July 3	(396,400)	
payroll ending July 17	(287,092)	
payroll ending July 31	(333,229)	

Cash disbursements	(900,546)	
		1,432,518
Cash balance-July 31, 2015		\$2,776,424

### BUILDING FUND ACTIVITY:

Balance-June 30, 2015		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-July 31, 2015		\$450

### CONSTRUCTION ACCOUNT:

Balance-June 30, 2015		\$-
Add: note proceeds		
interest		
Less: disbursements		
Balance-July 31, 2015		\$-

### CASH BALANCES FOR MONTH ENDING JULY 31:

	2014	2015
Operating account	\$ 1,945,967	\$ 2,776,424
Petty cash	21,968	23,348
Construction account (note proceeds)	2,767,907	-
Building fund	450	450
<b>Total cash balances</b>	<b>\$4,736,292</b>	<b>\$2,800,222</b>

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

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

The following list of entertainment contracts were presented for review:

CONTRACTOR	DATES	TERMS	VENUE
Premier Global Production Company, Inc.	8/27-9/7	\$105,675 flat	Grandstand Production
Premier Global Production Company, Inc. (Lighting)	8/27-9/7	\$36,750 flat	Grandstand Production
Clair Brothers Audio, Inc. (GS Sound)	8/27-9/7	\$72,370 flat	Grandstand Production
Freestyle Productions, Inc.	8/27-9/7	\$85,929 flat	Grandstand Production
Hag, Inc. f/s/o Merle Haggard	9/7	\$125,000 plus 80% over \$225,000	Grandstand Artist
Double L Touring, LLC f/s/o Collective Soul	9/3	\$55,000 flat	Grandstand Artist
PHJB Tours, Inc. f/s/o Preservation Hall Jazz Band	9/5	\$32,500 flat	Grandstand Artist
Before You Exit	9/1	\$10,000	Grandstand Artist
R5 Touring Inc.	9/1	\$101,000 plus 80% & over \$211,000	Grandstand Artist
Still Unbroken, Inc. f/s/o Lynyrd Skynyrd	9/3	\$150,000 plus 80% over \$305,000	Grandstand Artist
YSW, Inc. f/s/o The Avett Brothers	9/5	\$250,000 plus 80% over \$382,500	Grandstand Artist
J.T. Productions f/s/o Kris Kristofferson	9/7	\$25,000 flat	Grandstand Artist

Davina Sowers f/s/o Davina & The Vagabonds	8/27-28	\$4,000 flat	Bazaar at Night
Musicians 4 Musicians LLP f/s/o UniverSoul	8/29-30	\$4,500 flat	Bazaar at Night
Allied Audio (Free Stage Sound & Lights)	8/27-9/7	\$217,649 flat plus final payment due upon receipt of invoices	Misc.
Devon Lark	8/27-30	\$0 flat	Old Iron Show
Jonathan T Baller	8/27-30	\$120 flat	Old Iron Show
Derold V. McDonough	8/27-9/7	\$2,100 flat	Old Iron Show
Steve L. McDonough	8/27-9/7	\$2,100 flat	Old Iron Show
Robert A. McDonough	8/27-9/7	\$2,100 flat	Old Iron Show
Kenneth Scott	8/27-9/7	\$360 flat	Old Iron Show
Delores Nelson f/s/o Dee Scott	8/27-9/7	\$360 flat	Old Iron Show
Christopher J. Chadwick	8/27-9/7	\$1,440 flat	Old Iron Show
Roger Geist	9/4-7	\$560 flat	Old Iron Show
Rodney Mondor	9/4-9/7	\$240 flat	Old Iron Show
Paul Husby f/s/o St. Anthony Park Community Band	9/28	\$100 flat	Parade
St. Paul Police Band	9/29	\$250 flat	Parade
Jolly Giants Entertainment f/s/o Wacky Wheeler	8/27-9/7	\$0.00	Parade
Women's Drum Center f/s/o Drumheart	8/30 & 9/6	\$900 flat	Parade
Susan M. Hirschmugl f/s/o Upstanding Stilts	8/27-9/7	\$3,900 flat	Parade
Twin Cities Unicycle Club	8/28	\$450 flat	Parade
Minnesota Pipes & Drums	8/29	\$1,200 flat	Parade
Ernest James Torok f/s/o Pig's Eye Jass Band	9/7	\$560 flat	Parade
Thomas W. Logan f/s/o Tom's Carousel Music	9/3	\$200 flat	Parade
Jack Brass Band	9/3	\$4,800 flat	Parade
Crow River Drumline Association f/s/o Phoenix Drumline	9/5	\$750 flat	Parade
Jeffrey C. Lanik Parr f/s/o Charlie Parr	8/27-28	\$4,000 flat	West End at Sunset
Alex Larson f/s/o Crankshaft & The Gear Grinders	8/29-30	\$4,000 flat	West End at Sunset
Haley Bonar	9/2-3	\$10,000 flat	West End at Sunset

Wright Brothers Band	8/31-9/1	\$11,500 flat	Bandshell Day
Pine Leaf Boys LLC	8/29-30	\$12,500 flat	Bandshell Day
Jeff Dayton	9/2-3	\$6,600 flat	Bandshell Day
Two Up Two Down, LLC f/s/o Old Dominion	9/2-3	\$10,000 flat	Bandshell Day
Maybe This Productions f/s/o Dallas Smith	9/4-5	\$16,000 flat	Bandshell Day
Booga Music LLC f/s/o Kenny Neal	9/4-5	\$8,000 flat	Bandshell Day
Blue Pig Touring LLC f/s/o Nora Jane Struthers	9/6-7	\$5,000 flat	Bandshell Day
High Mileage Inc. f/s/o Lou Gramm The Voice of Foreigner	9/2-3	\$50,000 flat	Bandshell Tonight!
Reel Big Fish	9/4-5	\$30,000 flat	Bandshell Tonight!
The Bavarian Musikmeisters	8/31-9/1	\$1,600 flat	Bazaar Day
James J Busta f/s/o Mollie B from RFD-TV	8/31-9/1	\$3,000 flat	Bazaar Day
Rachelle Cordova f/s/o Reina del Cid	8/27-28	\$2,000 flat	Bazaar Day
CW's HMX f/s/o The Good, the Bad and the Funky	8/29-30	\$3,000 flat	Bazaar Day
Robert K. Everest f/s/o Robert Everest Expedition	9/2-3	\$2,500 flat	Bazaar Day
Dao Lan Dance School f/s/o Dao Lan Asian Dance Studio	9/4-5	\$3,000 flat	Bazaar Day
Rogelio Onofri f/s/o Chinelos San Pablo Apostol	9/6-7	\$1,500 flat	Bazaar Day

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

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

Mr. Hammer presented the following list of State Fair Scholarship winners: Brady Bobendrier, Pipestone; Jake Borst, Rochester; Anthony Bosch, Montevideo; Chase DeFrang, Plainview; Abigail Donkers, Faribault; Valerie Earley, Wykoff; Kristin Erf, Oakdale; Daniel Hayes, Lafayette; Eric Hokanson, Cannon Falls; Elizabeth Johnson, Spring Grove; Ryan Kohlmeyer, Oronoco; Haely Leiding, Fountain; Katherine Maxa, Oakland; Beth Moller, Princeton; Brady Neel, Alden; Andrew Pederson, Westbrook; Josef Pettit, Rushford; Nicholas Pitlick, Jordan; Brian Prchal, Montgomery; Matthew Raak, Jasper; and Madison Schafer, Goodhue. The scholarship winners were approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Hammer provided updates on activities of the fair's first day. Information only; no action taken.

State Fair Foundation Director Kay Cady reported on Foundation activities. Information only; no action required.

Proclamations recognizing long-time sheep exhibitors the Bobendrier Family and Ye Old Mill owners and operators the Keenan Family were approved on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-9; Nay-0). The proclamations celebrate 100 years of participation in the State Fair and were issued jointly by the State Agricultural Society and the State Fair Foundation.

The meeting adjourned at 11:03 a.m. on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-9; Nay-0).

## **MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD**

**10 a.m. Sunday Sept. 6, 2015**

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

**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:** Kent Harbison

President Paulson called the meeting to order at 9:58 a.m.

Minutes of the board meeting conducted Aug. 28, 2015, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Action taken by the Life Member Advisory Committee meeting Aug. 30 recommending Al Paulson for Honorary Life Membership in the Society was approved on a motion by Ms. Wessel, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. Hammer provided an update on activities of the 2015 State Fair. Information only; no action taken.

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

It was moved by Mr. Scapanski, seconded by Mr. Fox and carried that members of the board and certain staff members designated by the secretary be authorized to attend the International Association of Fairs & Expositions 2015 international convention in Las Vegas, Nev. (Aye-9; Nay-0).

The dates of the 2016 Minnesota State Fair were set for Thursday Aug. 25 through Labor Day, Sept. 5, on a motion by Mr. Leary, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

The next meeting of the Society's board of managers was set for Thursday Nov. 5.

Thursday Dec. 24, 2015, 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 gratitude to staff, commercial exhibitors, vendors and everyone whose efforts contributed to the success of the 2015 Great Minnesota Get-Together.

The meeting adjourned at 10:42 a.m. on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

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

**Aug. 27 through Nov. 5, 2015**

### **August**

27 - The 2015 Great Minnesota Get-Together opened at 6 a.m. Later that morning, Society President Al Paulson presided over opening ceremonies at the Bandshell.

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

### **September**

1 - Military Appreciation Day featured discounted admission for active, retired and veteran military members along with a variety of special activities. Included was a Veterans Garden program commemorating the 150th Anniversary of the conclusion of the Civil War and the 70th Anniversary of the end of World War II attended by WW II veterans James Carroll of the 101st Airborne Division and Ted Homdrom of the Army Air Force 381st Bomb Group, along with U.S. Chief Warrant Officer Don Nesheim, Ret., Rosetown American Legion Post 542 and the Como Park U.S. Military

Veterans Association. Special entertainment was provided at Carousel Park and scores of military services exhibitors were at the north end of the fairgrounds.

3 - Pat Rice of Faribault and Art Heinze of Thief River Falls were named Minnesota's Outstanding Senior Citizens during ceremonies conducted on Seniors Day at the Bandshell.

6 - At a special Grandstand ceremony, 17 State Fair staff members were recognized for outstanding performance, and five from that group received State Fair All Star MVP Awards – Sarah Berning, CHS Miracle of Birth Center; Jolynn Fricke, Grandstand; Todd Nickel, Sanitation; Kim Scibak, Employment/Guest Services; and Kim Ustruck, Christmas Trees.

7 - The 2015 Minnesota State Fair closed with attendance of 1,779,738. One daily record was set on Labor Day with 178,867 in attendance. Visitors included Chris and Thelma Riddle of the Royal Cornwall Show in Wadebridge, Cornwall, England; Michael Lambert, Honorary Secretary of the Royal Agricultural Society of the Commonwealth from Surrey, England; Allan Murray of the Royal Highland Show in Edinburgh, Scotland; Aled Jones of the Royal Welsh Agricultural Society in Powys, Wales; Michael Kenny, Danielle Krix and Russell Phillips of the Royal Easter Show in Sydney, Australia; Jim Tucker, Marla Calico and Max Willis of the International Association of Fairs & Expositions in Springfield, Mo.; Mayor of Baltimore Stephanie Rawlings-Blake; Jen Puente and six staff members of the Wisconsin State Fair in West Allis; Gary Slater and 33 staff members of the Iowa State Fair in Des Moines; Mike Jernigan and staff of the Coastal Carolina Fair in Charleston, S.C.; Randy Moore and staff of the Georgia National Fair in Perry, Ga.; Jeremy Parsons of the Clay County Fair in Spencer, Iowa; Patty Dee of the Miami-Dade County Fair in Miami, Fla.; Rey O'Day of the National Independent Concessionaires Association, Pomona, Calif.; and Tom Powell of the Outdoor Amusement Business Association, Nashville, Tenn.

9 - Edman and Mix attended a meeting of the St. Paul Human Resources Association.

11 - State Fair full-time and seasonal staff were hosted to a post-fair lunch at Giggles' Campfire Grill.

11-12 - The first of several fall household hazardous waste drop-offs for Ramsey County residents was conducted at the South Como parking lot.

15 - Huber and Miller attended an employee benefits training session presented by the State Employee Group Insurance Program. Sinclair, Goodrich, Diedrick, Ward and Harder met with Jay and Patrice Thesing to discuss dates for the 2016 Corporate Challenge horse show.

17 - Arc Greater Twin Cities and Arc's Value Village held a volunteer event at the Dairy Building.

17-24 - Metro Transit held their annual Bus Rodeo driver training event at the south Como parking lots.

18-19 - Giggles' Campfire Grill hosted two class reunion events.

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

19 - The TC Model Railroad Club's model railroad and hobby sale was held at the Education Building and Annex. The University of Minnesota utilized the Grandstand parking lot for a Gophers football home game.

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

21 - Hammer, Sinclair, Alexander and Harbison met with Minnesota Administration Commissioner Matt Massman to discuss the selection process for commercial exhibit space. Alexander, Sinclair, Schuette and Leach met with staff of the University of Minnesota's Department of Dermatology to review the 2015 State Fair's free sunscreen program.

23 - The State Fair Employee Safety Committee met at the Administration Building. Alignex, Inc. held a simulation event at the Progress Center.

24 - Huber attended the Minnesota Federation of County Fairs board meeting at the DoubleTree hotel in Bloomington.



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

25–27 - Munchkin Markets Children's Consignment Sale was held at Education Building. The Half Price Books Clearance Event was held at the Grandstand.

26 - The University of Minnesota used the Grandstand parking lot for a Gophers football home game. The University also used south Como parking lots as a shuttle parking site for the Griak Cross Country Meet, conducted at the U of M golf course. The City of St. Paul District 10 used the north parking lots for a community cleanup drop off site.

26–27 - Twin Cities 20th Century Art & Design Sale was held at the Progress Center. The Minnesota 4-H Dog Show was held at the 4-H Building.

27 - The Minnesota Vikings utilized the Grandstand lot for home game parking.

28 - K. Huber gave a presentation on The Storied History of the Minnesota State Fair for SALT (Senior Adults Learning Together) in Apple Valley.

29 - Sinclair, Simon, Larson and Doyle met with the Vendor Communication Committee.

30 - Hammer and Alexander accepted the St. Paul Chamber of Commerce's Celebrate Business Success Award during a Chamber event at Metropolitan State University in St. Paul. Hammer addressed more than 100 State Fair Foundation volunteers during an appreciation dinner at the Progress Center. The Metropolitan Conservation District held the Children's Water Festival at the 4-H Building and surrounding area. The Center for Transportation Safety conducted a driving course at the south Como parking lot. Sinclair, Alexander, Simon, Cady and Poppe met with Amy Noble Seitz of Exhibit Design Group to discuss exhibit possibilities for the State Fair.

#### **October**

2 - The Minnesota State Fair was named as the Best State Fair in the Nation according to a USA Today 10Best Readers' Choice poll.

2–4 - The Fall Festival Arabian Horse Show was held at the Warner Coliseum and livestock complex.

3–4 - 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.

4 - The Midwest Fall Swap Meet & Antique Auto Show was held at the north parking lots. The Celebration of Life event was held at the History & Heritage Center.

5 - Butler attended an Ag In The Classroom anniversary event at CHS Field in St. Paul.

6 - At a meeting of full-time staff, Cunningham and Harper reported on their experiences as part of a staff exchange program with the Royal Cornwall Show and the South of England Show in the United Kingdom. The fall FFA Invitational was held at the CHS Miracle of Birth Center. Giggles' Campfire Grill hosted a lunch for Mortenson Construction employees.

6–11 - The Minnesota Harvest Horse Show was held at the Warner Coliseum and livestock complex.

7 - Miller and Mix met with Marge Krueger to recap senior citizen department activities and begin planning for '16.

8–9 - Hammer and the IAFE board's executive committee met in Chicago to conduct business related to the IAFE's CEO search.

9–11 - Greenspring Media presented the Midwest Home Show in the Grandstand.

7–10 - The Camp du Nord and Widjiwagan YMCA Garage Sale was held at the Merchandise Mart.

9–10 - Twin Cities Oktoberfest presented by HMH of St. Paul was held at the Progress Center.

10 - Minnesota Comic Book Association's Fallcon was presented at the

Education Building. CHS and Progressive Agriculture held a safety day event at the Miracle of Birth Center.

12 - Sinclair, Simon and Casey met with State Department of Natural Resources representatives to review 2015 State Fair operations and plans for 2016.

10–14 - Alexander and Dungan attended the annual International Entertainment Buyers Association conference in Nashville, Tenn.

12 - Huber met with representatives of the DoubleTree Hotel in Bloomington to discuss the Society's January annual business meeting. The Center for Transportation Safety held a training course at the south Como parking lot.

13 - At a meeting of full-time staff, Birdsall, Buchda, Diedrick, Dullinger, K. Huber, Koenen, Mold, Shafer and Wadsworth reported on their experiences at the Iowa State Fair.

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

15 - Interfaith Action of Greater St. Paul held the Cardboard Box City event at Baldwin Park and surrounding areas.

15–18 - The Minnesota Beef Expo, presented by the Minnesota State Fair, was held at the Warner Coliseum and livestock complex.

17 - 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. The American Brain Tumor Association used the south Como lot as shuttle parking for an event in Como Park.

17–18 - The south Como parking lot was used as a shuttle parking site for the Zoo Boo at Como Zoo.

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

20 - Alexander, Duda and Hughes met with the 2016 State Fair commemorative art artist.

21 - Alexander, Hudalla, Simon and Poppe accepted the Top Projects 2014 Award for the West End project, presented by Finance & Commerce Magazine. Hammer participated in a meeting of the State Fair Foundation audit committee. Etix CEO Joe Kustelski presented a program for full-time staff as part of the monthly Lunch & Learn series.

22 - Hammer participated in meetings of the State Fair Foundation finance and investment committees.

23–24 - The State Fair Foundation and Gold Country conducted a merchandise clearance sale at the Visitors Plaza.

23–25 - The south Como parking lot was used as a shuttle parking site for the Zoo Boo at Como Zoo.

24 - The Shields/Dos wedding was held at the Progress Center. The State Fair's winter vehicle storage program began at various exhibit buildings.

24–25 - Hmong American New Year celebration was held at the Lee & Rose Warner Coliseum. The Minnesota Saddlebred Horse Association held the Riders & Ribbons horse show at the AgStar Arena.

27 - Huber met with Jolene Hawkins of the DoubleTree Hotel in Bloomington to discuss the Society's annual meeting.

26–28 - Alexander and Butler visited the Raising Nebraska agriculture education exhibit at the Nebraska State Fairgrounds in Grand Junction, Neb.

29 - Paulson and Hammer participated in a meeting of the State Fair Foundation board at Libby Conference Center. Hammer and Hudalla met with Jeremy Parsons of the Clay County Fair in Spencer, Iowa.

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

31 - The University of Minnesota used the Grandstand lot for Gophers football parking.

#### **November**

3 - Butler hosted the Minnesota Agriculture Communicators group at the Libby Conference Center. Senior staff held the first of several planning

sessions for the 2016 State Fair.

10 – At a meeting of full-time staff, Barnett, Belde, Dungan, Fischer, Koeck, Schadeck, Schuldt, Schultz and Tapia reported on their experiences at the Wisconsin State Fair.

## **MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD AND SALES & PLANNING COMMITTEES**

**9 a.m. Thursday Nov. 5, 2015**

**Libby Conference Center, State Fairgrounds**

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

**Members present:** Sharon Wessel, chairman; Joe Fox; D. J. Leary; 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.

**Also present:** Renee Alexander; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Chris Leach; Cheryl Huber; Michelle Butler; Gail Anderson; Marie LeFebvre; Steve Grans; Sean Casey; Wally LeVesseur; Greg Harder; Danyl Vavreck; Theresa Weinfurtnier; Carol Doyle; Christine Noonan; Heather Brady; Shannon Buchda; Virginia Mold; Lara Hughes; Emily Diedrick; Brett Ward; Danielle Dullinger; Samantha Fischer; Josie Belde; Jennifer Bower; Nikki Hines; Kent Harbison; Jessica Edwards.

Chairman Wessel called the meeting to order at 9:01 a.m.

Mr. Sinclair, Mr. Larson and Ms. Vavreck provided a detailed review of the 2015 State Fair's sales division income of \$13.4 million from commercial exhibits, food and beverage concessions, Midway, Kidway, ticketed attractions, sponsorships and touring promotional exhibits. The report will be reviewed by committee members and considered for approval at the next meeting of the sales committee in January, 2016.

The Sales Committee meeting adjourned at 9:16 a.m. on a motion by Mr. Leary, seconded by Mr. Merkins and carried 8-0.

### **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; Brian Hudalla, ex officio; Mark Goodrich, ex officio; Sean Casey, ex officio.

**Also present:** Renee Alexander; Jim Sinclair; Marshall Jacobson; Chris Leach; Cheryl Huber; Michelle Butler; Dennis Larson; Gail Anderson; Marie LeFebvre; Steve Grans; Wally LeVesseur; Greg Harder; Danyl Vavreck; Theresa Weinfurtnier; Carol Doyle; Christine Noonan; Heather Brady; Shannon Buchda; Virginia Mold; Lara Hughes; Emily Diedrick; Brett Ward; Danielle Dullinger; Samantha Fischer; Josie Belde; Jennifer Bower; Nikki Hines; Kent Harbison; Jessica Edwards.

Chairman Merkins called the meeting to order at 9:16 a.m.

Mr. Hudalla presented proposed standard maintenance projects, totaling \$1 million, along with capital items totaling \$100,000 for fiscal 2016. The projects were approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-8; Nay-0); the projects will be included in the comprehensive 2016 capital and maintenance budgets to be considered at the Society's January meetings.

The meeting was adjourned at 9:26 a.m. on a motion by Ms. Wessel, seconded by Mr. Oleheiser 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; Brian Hudalla; Mark Goodrich; Marshall Jacobson; Chris Leach; Cheryl Huber; Michelle Butler; Dennis Larson; Gail Anderson; Sean Casey; Marie LeFebvre; Steve Grans; Wally

LeVesseur; Greg Harder; Danyl Vavreck; Theresa Weinfurtnier; Carol Doyle; Christine Noonan; Heather Brady; Shannon Buchda; Virginia Mold; Lara Hughes; Emily Diedrick; Brett Ward; Danielle Dullinger; Samantha Fischer; Josie Belde; Jennifer Bower; Nikki Hines; Kay Cady; Clare Eisenberg; Kent Harbison; Jessica Edwards.

President Paulson called the meeting to order at 9:27 a.m.

Minutes of the board meeting conducted Sept. 6, 2015, were approved on a motion by Mr. Leary, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Aug. 27 through Nov. 5, 2015, were approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Action taken earlier by the Sales and Planning Committees was approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Jacobson presented the October financial statement as follows:

## **MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY**

**Month Ending October 31, 2015**

### **GENERAL FUND ACTIVITY:**

Cash balance-Sept. 30, 2015		\$9,379,202
Add: cash deposits	\$6,159,984	
Less: payroll ending Oct. 9	(267,714)	
payroll ending Oct. 23	(263,918)	
cash disbursements	(6,027,392)	
		(399,040)
Cash balance-Oct. 31, 2015		\$8,980,162

### **BUILDING FUND ACTIVITY:**

Balance-Sept. 30, 2015		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-Oct. 31, 2015		\$450

### **CONSTRUCTION ACCOUNT:**

Balance-Sept. 30, 2015		\$-
Add: note proceeds		
interest		
Less: disbursements		
Balance-Oct. 31, 2015		\$-

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

	<b>2014</b>	<b>2015</b>
Operating account	\$ 3,499,294	\$ 8,980,162
Petty cash	6,100	6,100
Building fund	<u>450</u>	<u>450</u>
<b>Total cash balances</b>	<b>\$3,505,844</b>	<b>\$8,986,712</b>

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

Mr. Jacobson presented for review a report of fair-period payroll for 79 departments totaling \$2.4 million. After discussion, the report was approved on a motion by Mr. Leary, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Goodrich reported on the 2015 State Fair's competitive events for agriculture, horticulture, education and creative arts, with public participation of more than 16,000 exhibitors. Information only; no action taken.

Ms. Alexander reviewed the 2015 programs for Grandstand and free entertainment, marketing and promotions. Information only; no action taken.

Ms. Butler reported on the 2015 fair's educational programs in agriculture, arts, sciences and early learning. Information only; no action taken.

Ms. Diedrick and Mr. Ward reported on the schedule of 150 non-fair events hosted at the State Fairgrounds in 2015. Following the report, Mr. Hammer presented the following list of equipment and vehicle rental rates for non-

fair events. The recommended rates incorporate all labor and vehicle costs associated with equipment rental:

**Equipment** (per event)

Chairs (1 to 3 event days)	1.25
Chairs (4 or more event days)	1.50
Tables (1 to 3 event days)	7.75
Tables (4 or more event days)	11.00
Picnic tables	22.50
Benches	10.50
Rope stanchions	4.00
Bike racks	14.25
Bleachers (8' to 10')	95.00
Bleachers (15' to 20')	150.00
Traffic cones	4.00
Personnel barricades	6.50
Traffic barricades	4.00
Concrete barricades	26.75
Ticket booth	175.00
Office trailer	200.00
Information booth	175.00

**Service vehicles** (hourly fee includes hourly rate of vehicle operator)

Dump truck	75.00
Forklift	85.00
Scissor lift	45.00
Skid steer loader	75.00
Snow plow	100.00
Tractor	100.00
Truck	40.00
Water truck	60.00

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

A license for the sale of beer during the Beer Dabbler event Feb. 6, 2016, was approved on a motion by Mr. Scapanski, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

A report on activities of the State Fair Foundation was provided by Ms. Cady, and Mr. Hammer discussed the Foundation's role in the development of a new facility on the north end of the fairgrounds. Information only; no action taken.

Ms. Huber provided an update on the upcoming joint conventions of the Society, the Minnesota Federation of County Fairs and the Midwest Showmen's Association.

President Paulson extended his and the board's thanks to the staff for a great fair and a productive year.

The meeting was declared in executive session at 10:42 a.m.

At the conclusion of the executive session, the following salary ranges for State Fair full-time staff were approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0):

**Operating Classification (Title: Specialist)**

\$616 to \$1,150 (\$32,032 to \$59,800 yearly)

**Intermediate & Professional Classification (Title: Supervisor)**

\$790 to \$1,240 (\$41,080 to \$64,480 yearly)

**Middle Management Classification \* (Title: Manager)**

\$1,100 to \$1,720 (\$57,200 to \$89,440 yearly)

**Executive Classification \***

(Titles: Director, Controller, Executive Administrator, Deputy GM)

\$1,400 to \$2,600 (\$72,800 to \$135,200 yearly)

\* Exempt from overtime

Mr. Hammer presented background on property in Block 55 platted by the City of St. Paul circa 1900 as Aldine and Wynne Streets. After discussion, the board approved a motion to initiate street vacation proceedings with the City, and authorized the Society to enact an agreement with the International Institute for use of a portion of block 55 for parking, on a motion by Mr. Oleheiser, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

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

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

**Nov. 5 2015 through Jan. 14 2016**

**November**

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

6 - Miller, Huber, Mix and Edman attended an annual employment and labor law seminar presented by the Fredrikson & Byron law firm.

10 - At a meeting of full-time staff, Barnett, Belde, Dungan, Fischer, Koeck, Schadeck, Schuldt, Schultz and Tapia gave a presentation on the Wisconsin State Fair.

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

13 - Sinclair and Hines met with John and Jim Keenan to discuss Ye Old Mill operations.

18 - The Employee Safety Committee met at the Administration Building.

19 - Members of State Fair staff met with representatives of the Minnesota Departments of Health and Agriculture to review the '15 State Fair and discuss the '16 fair.

20 - Hammer met with Brian Tempas and Andrew Tisue of Cuningham & Associates to begin discussions on major new attraction facilities for the north end of the fairgrounds.

30-Dec. 2 - Members of the management staff and board attended the IAFE International Convention in Las Vegas, Nev.

**December**

4-5 - Goodrich and Harder attended the Minnesota State Cattlemen's Convention in Hinckley.

8 - Goodrich and Harder met with Minnesota Beef Expo committees in Belle Plaine to review the '15 Expo and begin planning for '16.

9 - Senior staff met with Brian Tempas and Andrew Tisue of Cuningham & Associates to discuss the North End project. Mix and Edman attended a meeting of the St. Paul Human Resources Association.

10 - Hammer participated in a meeting of the State Fair Foundation's planning committee.

14 - Hammer met with Bill McGrann, Sarah Psick and Joe Bagnoli of the McGrann Shea law firm to discuss the 2016 session of the Minnesota legislature. Sinclair and Larson met with Wayne Kostroski and Mark Haugen to discuss the Tejas concession in the Garden.

15 - Senior staff met to review the status of facilities, and begin discussions on capital and maintenance projects for '16. Hammer, Alexander and Sinclair met with Joe Johnston and Monica Doyle of Hubbard Broadcasting to discuss fair-time programming and facilities.

16 - The State Fair Employee Club hosted full-time and seasonal employees to a Christmas holiday lunch at the History & Heritage Center. Sinclair and Larson met with representatives of Dino's concession and Surly Brewing Co. to discuss a joint proposal.

- 17 - Sinclair, Alexander, Noonan, Diedrick and Ward met with representatives of the Roseville Visitors Association to discuss the North End project.
- 18 - Goodrich, LeFebvre, State Fair board member Merkins and Poultry Superintendent Paul Bengston met with members of the Minnesota Poultry Association board to discuss the 2016 State Fair poultry show.
- 20 - The Minnesota Vikings used the Grandstand parking lots for home game park & ride.
- 27 - The Minnesota Vikings used the Grandstand parking lots for home game park & ride.
- 28 - Goodrich, LeFebvre, Harder and Fischer met with State Fair horse exhibitors and supporters to discuss the fair's horse shows.
- 29 - LeVesseur, Rougier, Miller and Mix met with Tim Landsberger of the McDowell Agency regarding human resources electronic management systems.

#### January

- 2-4 - Hammer gave a presentation at the Western Fairs Association annual convention in Anaheim, Calif.
- 5 - Goodrich, Harder, Ward, Diedrick and Hines met with managers of non-fair horse shows to discuss and review show activities and procedures. Sinclair, Simon and Larson met with Martha and Gary Olson and Neil and Brenda O'Leary of Sweet Martha's Cookies to discuss operations for the '16 State Fair.
- 6 - Senior staff met to finalize recommendations for 2016 capital and maintenance projects. Sinclair, Alexander, Noonan, Diedrick and Ward met with representatives of Visit St. Paul to discuss the North End project.
- 7 - Senior staff met with Brian Tempas and Andrew Tisue of Cuningham & Associates for continued discussions on the North End project.
- 11 - President Paulson, Vice President Fox, Vice President Leary, Wessel and Hammer met to discuss the Society's upcoming annual meeting. Hammer participated in a meeting of the State Fair Foundation's Audit Committee.
- 13 - Mix and Edman attended a meeting of the St. Paul Human Resources Association.

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

**8:30 a.m. Sunday, Jan. 17, 2016**

Delegates, staff and friends of the Minnesota State Agricultural 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 Brad Brejcka of Douglas County. The committee report was presented as follows and adopted as read:

MN Farmers Union, MN Pork Producers Association & State Fair Exhibitor Association – Did not file with the secretary of state by Dec. 20, 2015 deadline.

American Dairy Association did not list their president as a delegate; therefore they are entitled to only two votes.

MN State Horticulture Society did not list their president as a delegate; therefore they are entitled to only two votes.

President Paulson called for a report of the resolutions committee. Committee member Brad Brejcka of Douglas County presented the following resolutions for consideration by the Society:

**1. Resolved**, that the Minnesota State Agricultural Society expresses its utmost gratitude to the 1.8 million guests who joined us for the 2015 Minnesota State Fair and to the additional 1 million people who attended events at the State Fairgrounds throughout the year.

**2. Resolved**, that the Society pledges its best efforts to advance the State Fair's mission of educating and engaging people by presenting an exposition of the highest quality, bringing together all of Minnesota and showcasing our finest agriculture, art and industry, while providing exceptional customer service in a safe, clean environment that is accessible to all.

**3. Resolved**, that the Society acknowledges with profound appreciation the invaluable contributions of the State Fair staff, board of managers, volunteers, exhibitors, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of 4-H and FFA, and thousands of dedicated individuals who make the Great Minnesota Get-Together a success.

**4. Resolved**, that the Society recognizes the Minnesota State Fair Foundation's significant role in preserving, improving and protecting the historic State Fairgrounds while supporting its educational programs, and thanks the Foundation's board, staff, donors and volunteers for their commitment and generosity.

**5. Resolved**, that the Society appreciates the value of strong relationships with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association, Midwest Showmen's Association, and other organizations dedicated to improving the fair industry.

**6. Resolved**, that the Society acknowledges with sadness the loss of Society members and State Fair friends who passed away this past year. We extend our condolences to the families and friends of: Terry Anderson, longtime game concessionaire with former carnival contractor Royal American Shows Inc.; Phyllis Annexstad, wife of Martin Annexstad, State Fair board member from 1983 to 1996 and president in 1997; Lisa Baker, daughter-in-law of Denny Baker, former State Fair board member and president; John A. Beulke, attraction ticket taker from 1961 to 2011 and a 50-Year Award recipient; LaVerne Carney, former Grandstand ticket office and sales division employee and State Fairgrounds neighbor; Bruce Christie, Winona County Agricultural & Industrial Fair Association board member; Jim Crocker, longtime Spaghetti Village and Root Beer Barrels concessionaire; Bert Enestvedt, 50-year proprietor of Enestvedt Brothers Seed Corn Company, a longtime Machinery Hill exhibitor; Tim Heffernan, former IAFE Zone 4 director and great friend of the State Fair; Darlene Magel, Mighty Midway game concessionaire; Leo McGough, longtime construction contractor and State Fair friend; Judi Ohlhauser, sales division employee from 1989 to 1991; James Peters, owner of the Peters Hot Dogs concession and a 50-Year Award recipient; Eileen Roehlke, representative of the third district on the State Fair board of managers from 1979 to 1992, board president from 1993 to 1994 and honorary life member of the Society; Walter "Speedy" Spidahl, Foot-Long Hot Dogs concessionaire and 50-Year Award recipient; Jean Steltz, wife of Lyle 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 Society; Lorraine Gonyea Stewart, prolific Creative Activities knitting award winner; and Greg Ustruck, Christmas tree superintendent for 39 years.

**7. Whereas**, the Minnesota State Fair, with its 162 years of history, has become an indispensable institution famous throughout the world for presenting an unparalleled forum for knowledge, ideas and unique experiences for Minnesotans of all ages to learn about our state's agriculture, industry, culture, art, history and scientific innovation, and

**Whereas**, the State Fair's exhibitions and programs provide significant life and educational experiences for thousands of young 4-H and FFA participants, who play a key role in the future of our state's agriculture industry, and for any and all Minnesota youth who have the opportunity to take advantage of the fair's more than 358 hours of educational programming, and

**Whereas**, a successful State Fair provides thousands of exhibitors, concessionaires, entertainers and employees (including school-age workers) with valuable employment and income each year, and

**Whereas**, the State Fair is an important economic engine, generating thousands of jobs and more than \$250 million in economic benefit annually for the Twin Cities alone, plus additional unmeasured economic impact throughout the state, and

**Whereas**, a recent University of Minnesota study definitively shows that schools opening prior to Labor Day has a negative effect on Minnesota's tourism, hospitality and resort industries, related businesses and their employees, resulting in economic harm, reduced state tax revenue and, as a

result, 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 thriving attendance in order to continue producing treasured and unmatched end-of-summer tradition, thereby contributing to the state's quality of life, and

**Whereas**, Minnesota schools continue to seek exemption from the State Law mandating post-Labor-Day starts and to lobby for early school starts, which would have a detrimental economic impact on the state while driving down State Fair participation and attendance,

**Now therefore be it resolved**, that the thousands of members of the Minnesota State Agricultural Society, representing every county in the state, strongly urge lawmakers to support the State Law requiring Minnesota schools to open no earlier than Labor Day, the traditional end of summer, so that children, families and workers from throughout the state can fully participate in and benefit from the State Fair, Minnesota's flagship cultural, social and educational asset.

**8. Be it further resolved**, the Society extends its sincere appreciation to those who contributed time and effort to the success of its 157th annual meeting.

President Paulson conducted the election of Minnesota State Agricultural Society president for a term of one year. Sharon Wessel of Hamel was elected and assumed the chair.

Society Life Member Clarice Schmidt of Sabin nominated former President Paulson for Honorary Life Membership in the Society; Mr. Paulson was elected by acclamation.

President Wessel proceeded to conduct elections as follows: D. J. Leary of Minneapolis was re-elected to a two-year term as fifth district vice president; Paul Merkins of Stewart was re-elected to a three-year term as second district representative; Gail Johnson of Anoka was elected to fill the final year of President Wessel's unexpired three-year term as third district representative; and Ron Oleheiser of Grand Rapids was re-elected to a three-year term as eighth district representative.

With no further business to be brought before the Society, President Wessel declared the meeting adjourned at 10:26 a.m.

**MINNESOTA STATE FAIR** 

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