

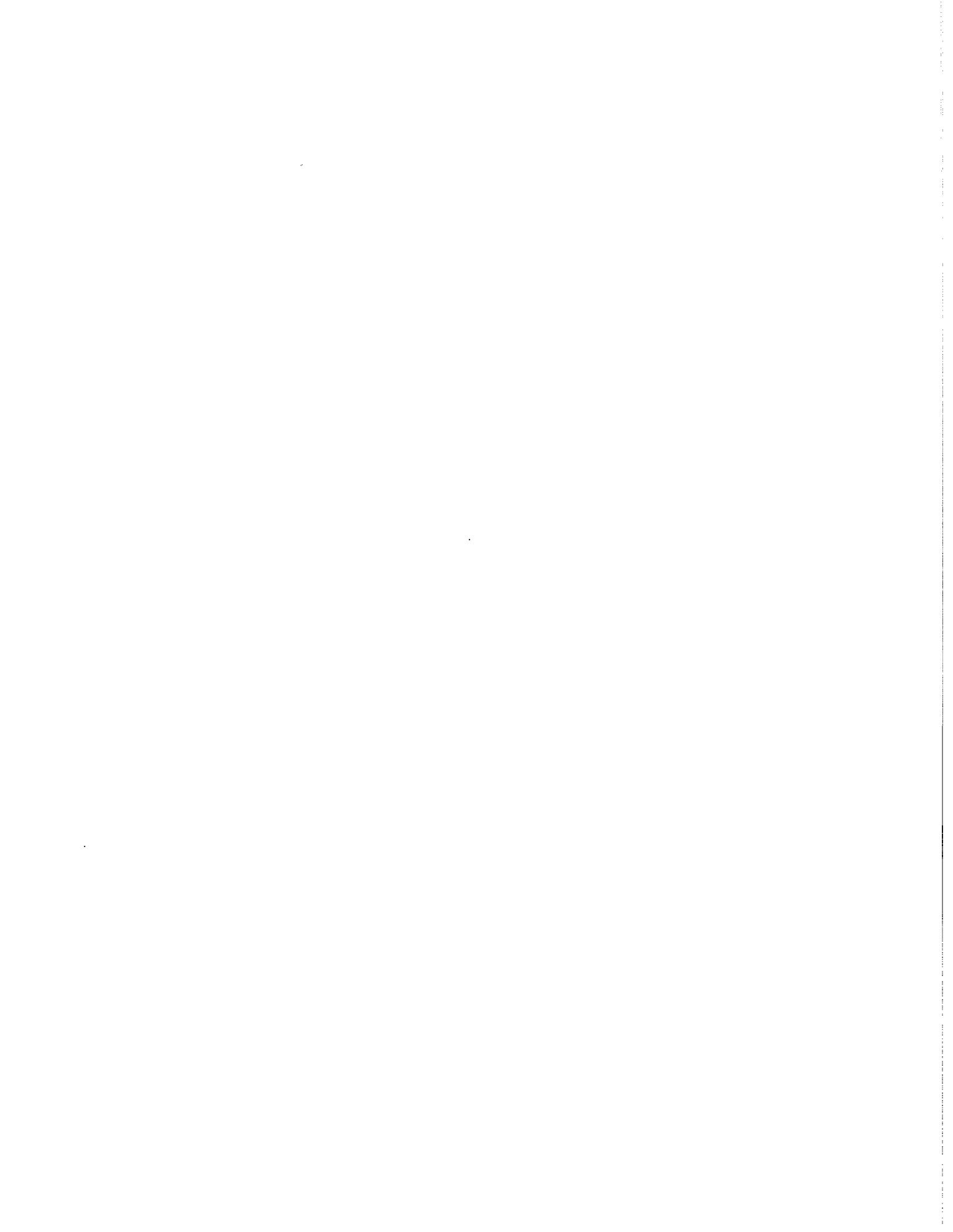
2017 ANNUAL REPORT



2017

MINNESOTA
STATE FAIR

TICKETS





★ ★ ★ ★ ★ **TABLE OF CONTENTS** ★ ★ ★ ★ ★

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Attendance:
1,997,320*

THURSDAY, AUG. 24
Thrifty Thursday: 117,877
High: 73 Low: 59
Precipitation: .01 in.

FRIDAY, AUG. 25
Governor's Fire Prevention Day: 125,324
High: 71 Low: 57
Precipitation: .55 in.

SATURDAY, AUG. 26
4-H Day: 158,525
High: 67 Low: 60
Precipitation: 1.22 in.

SUNDAY, AUG. 27
Minnesota Cooks™ Day: 197,891
High: 73 Low: 63
Precipitation: .24 in.

MONDAY, AUG. 28
Seniors, Kids & MN State Patrol Day: 144,504*
High: 74 Low: 61
Precipitation: none

TUESDAY, AUG. 29
Military Appreciation Day: 132,120
High: 80 Low: 28
Precipitation: none

WEDNESDAY, AUG. 30
Read & Ride Day: 119,975
High: 83 Low: 62
Precipitation: .01 in.

THURSDAY, AUG. 31
Seniors Day: 145,549
High: 71 Low: 56
Precipitation: none

FRIDAY, SEPT. 1
MPR Day: 187,066*
High: 72 Low: 53
Precipitation: trace

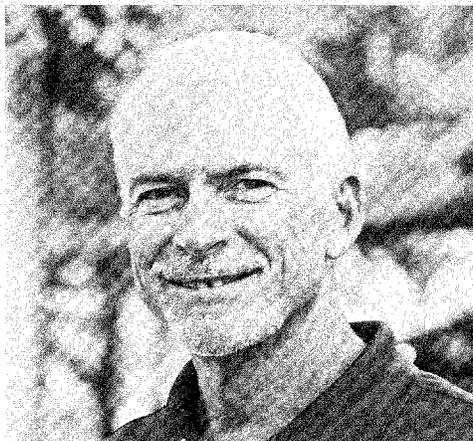
SATURDAY, SEPT. 2
FFA Day: 254,431
High: 82 Low: 64
Precipitation: trace

SUNDAY, SEPT. 3
Friends of the Fair Day: 242,759*
High: 85 Low: 60
Precipitation: none

MONDAY, SEPT. 4
Kids & Last Chance Day: 171,299
High: 76 Low: 55
Precipitation: .07 in.

*New attendance record

★ ★ ★ *Report of the* ★ ★ ★
EXECUTIVE VICE PRESIDENT



Our core mission is to bring people together in the context of an agricultural fair, where we learn about our most basic human need — food. Just as important, we also show the latest and greatest in industry, innovation, art, education and entertainment. Combined, however, the whole is much greater than the sum of the fair's very many parts. Ultimately, the State Fair becomes a safe haven where all people learn and celebrate together regardless of differences, where the human spirit is enriched and people are inspired in ways great and small to improve their lives.

A cast of many thousands play important roles in producing the Great Minnesota Get-Together every year. All of us today are privileged to be part of a long continuum of dedicated people, tracing our amazing State Fair ancestry back to 1854. On behalf of all of them, thank you for the privilege of serving this great institution. God bless, and I'll see you at the fair.

Jerry Hammer
Executive Vice President

It rained most of the day on the first Saturday of the fair. The bad weather was preceded by the usual scary forecast, giving people all kinds of incentive to stay home, yet that day nearly 160,000 people participated in their Great Minnesota Get-Together. That's a big day by any standards, and that's when we knew that the 2017 State Fair was going to be really special in terms of attendance.

Attendance, though, is just a byproduct of what the fair is really all about. When the nation is divided and the world is in turmoil, and they undeniably are, the State Fair shines. We're all hard-wired to seek out places of communal celebration. We don't want to be divided. We want to go where differences are set aside and cares are left at the door. We want to celebrate the very best of each other. That's what the State Fair is all about.

★ ★ ★ *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

★ 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.

(L-R): Paul Merkins, Stewart, 2nd District Manager; Gordy Toenges, Alden, 1st District Manager; Gail Johnson, Anoka, 3rd District Manager; Sharon Wessel, Hamel, President; Joe Scapanski, Sauk Rapids, 6th District Manager; Joseph Fox, Maplewood, 4th District Vice President; Wally Wichmann, Balaton, 7th District Manager; Dan Grunhvd, Gary, 9th District Manager; Ron Oleheiser, Grand Rapids, 8th District Manager. Not pictured: D.J. Leary, Minneapolis, 5th District Vice President.

★ ★ ★ 2017 ADMISSION ★ ★ ★

PRE-FAIR ADMISSION

- All ages \$11

REGULAR ADMISSION

- Adults (13-64) \$14
- Seniors (65+) \$12
- Kids (5-12) \$12
- Children (under 5) FREE

THRIFTY THURSDAY • AUG. 24

- Adults (13-64) \$12
- Seniors (65+) \$12
- Kids (5-12) \$9
- Children (under 5) FREE

SENIORS DAYS • AUG. 28 & 31

- Seniors (65+) \$9

KIDS DAYS • AUG. 28 & SEPT. 4

- Kids (5-12) \$9
- Children (under 5) FREE

MILITARY APPRECIATION DAY • AUG. 29

Active military spouses and kids; retired military

and spouses; veterans and spouses who purchased a ticket at the gate and presented valid documentation of military service: \$9

READ & RIDE DAY • AUG. 30

Public library cardholders who purchased a ticket at the gate:

- Adults (13-64) \$12
- Seniors (65+) \$9
- Kids (5-12) \$9
- 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

- \$14



MINNESOTA STATE FAIR Sponsors

- AmericInn Hotels & Suites
- August Schell Brewing Co.
- Beech-Nut
- Cal Spas
- Cargill
- CenturyLink
- Coca-Cola
- Cricket Wireless
- Cub
- DirectTV
- DISH
- DragNFly Wireless
- Giggles' Campfire Grill
- Go RVing
- Gold'n Plump
- Good Health Saunas
- Great River Energy
- Green Mill Restaurant
- JACK'S® Pizza
- Jacob Leinenkugel Brewing Co.
- John Deere Company
- Kemp's
- LeafFilter
- Lyft
- Mazda
- McDonald's
- Midwest Dairy Association
- Minnesota Corn Growers Association
- Minnesota Farm Bureau Foundation
- Minnesota Farmers Union
- Minnesota Livestock Breeders Association
- Minnesota Lottery
- Minnesota Rusco
- North Suburban Eye Specialists
- Regions Hospital
- Sam's Club
- Sleep Number
- SPAM®
- Summit Brewing Co.
- Treasure Island Resort & Casino
- Uber
- Xfinity



AGRICULTURE, ANIMALS *and* COMPETITION



NEW COMPETITIONS FOR 2017

- An Evening with Equine showcased the grace, gentleness, power and precision of horses with two local groups demonstrating: We Can Ride and Windy Ridge Riders Drill Team.
- The brand-new Dress a Sheep Contest brought together teams of up to four people (in complementary costumes) to outfit their willing sheep in clever costumes.

NEW AGRICULTURE HORTICULTURE ACTIVITIES

The iconic Agriculture Horticulture Building hosted eye-opening, knowledge-expanding activities and demonstrations:

- Ask the Cider Maker: Experts with the Minnesota Cider Guild answered questions about making cider.

- Hands-On Ag Literacy: Fast, fun make-and-take activities (livestock animal ear tags, living necklaces and pollinator feeders) debuted at the Minnesota Department of Agriculture exhibit presented by Minnesota Agriculture in the Classroom.
- The Beekeeper's Corner: 15-minute mini-classes shared beekeeping topics such as honeybee behavior, hive management, beekeeping equipment and more.

AGRICULTURAL AND CREATIVE COMPETITIONS

The Minnesota State Fair's agricultural and creative competitions (including open class, FFA and 4-H) drew more than 38,000 entries in 2017, with nearly 19,000 competitors vying for a share of ribbons, trophies and more than \$1.5 million in prize money.

By-the-numbers breakdown:

- More than 15,000 entries in livestock and horse competitions
- More than 7,000 entries in agriculture and horticulture competitions
- More than 16,000 entries in all other competitions (fine arts, creative activities, school projects, etc.)



CONTESTS *and* ACTIVITIES



Open Division winner Russ Parrish (left) is awarded the grand prize, presented by Anna Yelkina-Damman, representing JACK'S® Pizza.

MSF AMATEUR TALENT CONTEST

Nearly 8,000 fans cheered on the best amateur talent in the state at the 45th Annual MSF Amateur Talent Contest Finals, sponsored by JACK'S® Pizza held Sunday, Sept. 3, at the Grandstand. Contestants were competing for more than \$20,000 in cash awards and JACK'S® Pizza prize packs. Winners were:

Open Division:

- First place:** Russ Parrish of Burnsville, Minn., vocal/guitar performance, "Holding On"
- Second place:** Jeffrey Johnson of Minneapolis, Minn., vocal performance, "Dancin' On My Own"

Third place: Cameron Laitinen of Elk River, Minn., beatboxing, "Beatbox Mix"

Teen Division:

- First place:** 612LIVE of Minneapolis, Minn., band, "The Thrill Is Gone"
- Second place:** Lauren Senden of North Mankato, Minn., vocal performance, "Ah, Je Veux Vivre"
- Third place:** Clara Schubilske of Shoreview, Minn., violin performance, "Chinese Tambourine"

Preteen Division:

- First place:** Aurora Wang of Shoreview, Minn., piano performance, "Piano Sonata No. 2 - Prokofiev"
- Second place:** Carley Jensen of Prior Lake, Minn., dance performance, "Bloom"
- Third place:** Gigi Bragg of Coon Rapids, Minn., vocal performance, "Don't Rain On My Parade"

HIGH SCHOOL MARCHING BAND COMPETITION

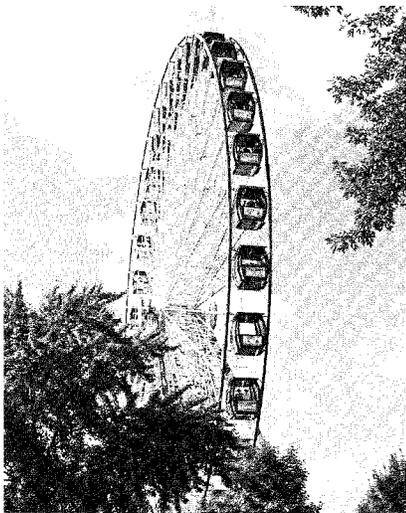
High school marching bands from Minnesota and Wisconsin competed in the State Fair's daily parade sponsored by DirecTV. Rosemount High School was awarded Grand Champion, as well as Class A honors, Waseca High School took first place in Class B, and Cotter High School of Winona, Minn., won in the Class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

MILK RUN

Joe Pond of St. Louis Park, Minn., and Carrie Tollefson of Bloomington, Minn., were the overall male and female 5K Milk Run winners with times of 17:50 and 18:35, respectively.



NEW ENTERTAINMENT, EXHIBITS *and* FEATURES



GREAT BIG WHEEL

The brand-new Great Big Wheel, the tallest traveling Ferris wheel in North America, carried a total of 124,958 riders 15 stories high into the sky for breathtaking views of the State Fairgrounds and beyond the Twin Cities. The 156-foot-tall Great Big Wheel boasted 36 enclosed gondolas each carrying six people. It also featured a spectacular lighting display of a half-million LED lights.

SWINE BARN AND COLISEUM HISTORY HIGHLIGHTED

The History Walking Tour, a two-mile self-guided exploration of some of the State Fair's most historically significant spots, introduced two new additions to the tour: The Swine Barn, completed in 1936, was converted, along with the rest of the livestock complex, into a



military aircraft propeller plant during World War II. The second new stop was the 5,200-seat Lee & Rose Warner Coliseum which opened in 1951 and features two beautifully carved reliefs on the north side that depict the state motto, L'Étoile du Nord (The Star of the North).

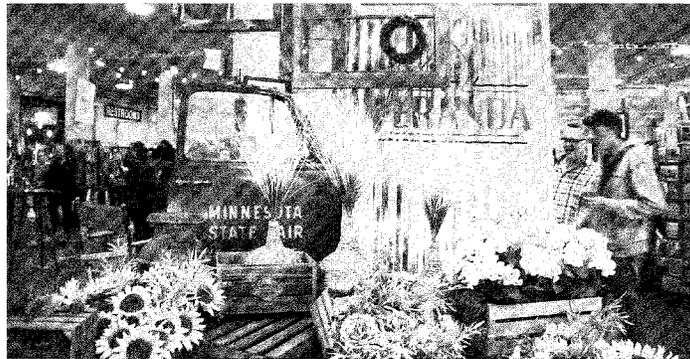
BEST AWARDS

The State Fair's 2017 Best Awards presented 13 awards to the very best of the 1,200 commercial exhibits, concessions, attractions and food vendors. Winners were:

- Air Maxx
- American Craftsmen
- Balloon Pop Water Race
- Chan's Chicken On-a-Stick
- Driven to Discover
- Great Big Wheel
- Katie's Sweet Tea
- LuLu's Public House
- MakeShift Accessories
- Quesadilla Junction
- Sota Clothing
- Twin City Jacuzzi
- Wacky Shack Kiddie Fun House



Best Awards were presented to top commercial exhibitors Aug. 31.



THE VERANDA

Honoring the architecture, heritage and character of the historic Grandstand, the Veranda was a new shop-eat-sip destination on the west side of the Grandstand's upper-level merchandise and shopping area for 2017. Boutique-style shopping at nearly 20 vendors showcased vintage, trendy, upcycled, handmade and made-in-Minnesota goods. The Veranda's balcony provided patio seating and iconic State Fair views overlooking Adventure Park and West End Market.



2017 MINNESOTA STATE FAIR COMMEMORATIVE ART BY TA-COUMBA AIKEN

The Minnesota State Fair's 2017 Commemorative Art was created by Ta-coumba Aiken, an artist, arts administrator and educator who focuses on public art and collaborative projects. He serves on the board of The Minneapolis College of Art & Design and has participated in the creation of more than 600 murals and public art sculptures with themes ranging from

local history to his own style of rhythmic pattern and spirit writing. "I create my art to heal the hearts of people and their communities by evoking positive spirit." His acrylic-on-canvas interpretation captured the spirit of the fair with vibrant colors and layers of imagery that display a tapestry of life. The piece was the 14th in a series of artwork created annually for the Great Minnesota Get-Together and is featured on the cover of this annual report.

NEW CONSTRUCTION ON THE FAIRGROUNDS

- New elevator on the west end of the Grandstand: Concertgoers and guests accessing the upstairs vendors now have a second elevator taking them to the upper reaches of the historic Grandstand.
- Swine Barn renovation: In the first phase of work, the Swine Barn Annex was removed, which allowed for wash racks to be moved outside and more pens to fit in the barn, and windows and doors on the west end of the barn were opened to improve ventilation and air quality.

RAMBERG CENTER RELAX & RECHARGE STATION

The brand-new Relax & Recharge Station became an oasis in the heart of the fairgrounds with rocking chairs, phone charging, free water and daily entertainment located in Ramberg Center.





AWARDS *and* ACCOLADES



2017 MSF ALL-STAR MVP WINNERS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and providing outstanding service. Winners for 2017 were (L-R): Vitali Haug (Sanitation), Jennifer Moran (Competition), Anthony Nelson (Sanitation), Matthew Dorn (Grandstand Building) and, not pictured, Kelly Morrison (Competition).

MINNESOTA STATE FAIR SCHOLARSHIPS

Minnesota State Fair Scholarships were established in 1994 to help further the educational endeavors of young adults from greater Minnesota. Up to 20 scholarships of \$1,000 each are made available to youth enrolled in agricultural programs and who are participating in the current year's Minnesota State Fair. The following individuals were 2017 recipients:

- Emily Annestad, St. Peter
- Ryleigh Beers, Luverne
- Mitch Bobendrier, Pipestone
- Laura Church, Hastings
- Mikayla Erf, Oakdale
- Kristin Farris, Goodridge
- Alyssa Groskopf, Hastings
- Kylee Kohls, Litchfield
- Morgan Krause, Buffalo
- Ella Lee, Cannon Falls
- Jackson Neil, Northfield
- Rebekka Paskewitz, Browerville
- Emily Pliscott, Kenyon
- Leah Ruen, Lanesboro
- Mikayla Spinler, Morristown
- Matthew Stellpflug, St. Paul
- Gracie Vathauer, Wheaton
- Gavin Viland, Pipestone
- Heather Weller, New York Mills
- Alexis Wetzels, Faribault

50 YEAR AWARDS

Twenty-five 50 Year Awards were presented to individuals who have actively participated in the Minnesota State Fair for a half-century. The recipients were:

- Dennis R. Abbott, Hamline Church Dining Hall

- Carl Ahlberg, exhibitor—creative activities and fine arts
- Merle Avenson, exhibitor—county booth
- Jan Bajuiemi, Hamline Church Dining Hall and exhibitor—creative activities
- Mary Ann Bannerman, 4-H and seasonal employee
- Thomas A. Beach, Hamline Church Dining Hall
- Jacquie Bergman, gate ticket sales
- Freddy Groth, exhibitor—livestock
- Judy Hartman, Hamline Church Dining Hall
- Harlin & Sue Hecht (Double-H Charolais), exhibitor—beef cattle
- Tom Hovde, 4-H
- Judy Balfanz Jensen, exhibitor—horse
- Gregg Karnis, concessionaire—Pronto Pups
- Conrad H. Kvamme, exhibitor—dairy cattle
- Jerry Larson (Larson Hereford Farms), exhibitor—beef cattle
- David Kenneth Lindo, exhibitor—creative activities
- Orlando Logelin, exhibitor—K-12 and creative activities
- Dale G. McMahon, concessionaire
- Marie Medin, concessionaire
- Loren Olson, exhibitor—dairy cattle
- Allen Paulson, exhibitor and past fair board member
- Louis N. (Lou) Quast, superintendent—fruit & wine
- Judy Romer, exhibitor—flowers
- David Sprengeler, exhibitor—dairy cattle
- Marcia J. Woeste, 4-H

HONORARY LIFE MEMBER



The Minnesota State Fair annually elects one individual for honorary life membership in the Minnesota State Agricultural Society. Retiring Board President Sharon Wessel, of

Hamel, Minn., is this year's honoree. She was elected to the Minnesota State Fair board of managers in 2006 and has been president since 2016. She works for Hennepin County Transportation and has served on the Hennepin County Fair Board for 33 years. She is a graduate of the University of Minnesota's College of Home Economics, participated in 4-H (10 years as a youth and 27 years as a leader), worked at the State Fair during college, grew up on a farm in Corcoran and showed Registered Holstein

dairy cattle. Wessel is also active with the Ceremonial Unit of the Zuhrah Shrine, Excelsior Order of the Eastern Star and Hennepin County Farm Bureau.

OUTSTANDING SENIOR CITIZENS

The 2017 Outstanding Senior Citizen Awards were presented to Gwen Smith of Itasca County and Terry Marsh of Wright County. A ceremony was held at the Leinie Lodge Bandshell on Thursday, Aug. 31 to honor 73 seniors representing 43 Minnesota counties.



Outstanding Senior: Terry Marsh of Wright County. Not pictured: Gwen Smith of Itasca County

DOUGLAS K. BALDWIN AWARD

The Douglas K. Baldwin Award for FFA livestock show participation and leadership went to co-winners Abby Donkers of Faribault, Minn., (Kenyon-Wanamingo FFA Chapter) and Malory Mattson of Albert Lea, Minn. (Alden-Conger FFA Chapter).

PRINCESS KAY

Emily Annestad of St. Peter, Minn., representing Nicollet County, was crowned the 64th Princess Kay of the Milky Way and will serve as the official goodwill ambassador representing nearly 3,000 Minnesota dairy farm families this year.

IAFE HERITAGE AWARD

The International Association of Fairs and Expositions (IAFE) honored State Fair board member Ron Oleheiser of Grand Rapids, Minn., with the 2017 Heritage Award, recognizing his volunteer service since 1978 to the Itasca County Fair. Oleheiser has served as a district director for the Minnesota Federation of County Fairs, as well as the director of IAFE Zone 4 and, since 2009, he has represented the Minnesota State Agricultural Society's eighth district on the State Fair's board of managers.

FAIR BUYER OF THE YEAR AWARD

IEBA (International Entertainment Buyers Association), the leading trade organization for live entertainment industry professionals, awarded Minnesota State Fair Deputy General Manager Renee Alexander the 2017 Fair Buyer of the Year Award in October at its 47th Annual Conference.

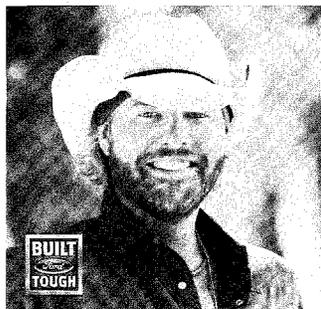
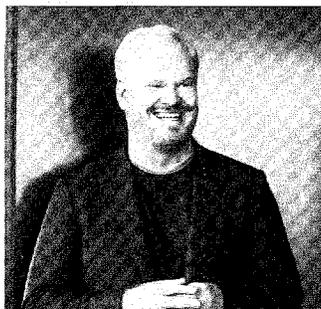


2017 GRANDSTAND

Thursday, Aug. 24

NICKELBACK with special guest DAUGHTRY

7:30 p.m. • \$80, \$65 • Attendance: 12,440



Friday, Aug. 25

STEVIE NICKS with special guest VANESSA CARLTON

7:30 p.m. • \$90, \$74, \$49 • Attendance: 12,724

Saturday, Aug. 26

JIM GAFFIGAN

8 p.m. • \$60, \$50 • Attendance: 11,745



Sunday, Aug. 27

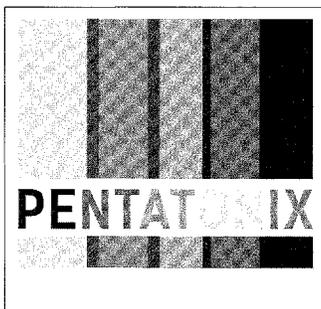
TOBY KEITH presented by Ford F-Series with special guest 3 DOORS DOWN

7:30 p.m. • \$101, \$77, \$68.50, \$53, \$23 • Attendance: 11,061

Monday, Aug. 28

FRANKIE VALLI & THE FOUR SEASONS

8 p.m. • \$29 • Attendance: 9,320



Tuesday, Aug. 29

JOHN MELLENCAMP: Sad Clowns & Hillbillies Tour with special guest CARLENE CARTER

7:30 p.m. • \$64, \$49 • Attendance: 12,637 (sold out)



Wednesday, Aug. 30

PENTATONIX with special guest US THE DUO

8 p.m. • \$50, \$40 • Attendance: 13,139 (sold out)

Thursday, Aug. 31

USHER with special guest WATCHTHEDUCK

7:30 p.m. • \$97, \$87, \$72 • Attendance: 12,779

Friday, Sept. 1

THE MINNESOTA SHOW with GARRISON KEILLOR

7:45 p.m. • \$36, \$28 • Attendance: 6,346



Saturday, Sept. 2

THE CURRENT'S MUSIC ON-A-STICK featuring PHANTOGRAM with special guests LUCIUS and NOW, NOW

7 p.m. • \$25 • Attendance: 5,052

Sunday, Sept. 3

45TH ANNUAL MINNESOTA STATE FAIR AMATEUR TALENT CONTEST FINALS

7:30 p.m. • Free • Attendance: approximately 8,000

Monday, Sept. 4

SAM HUNT with special guests LANCO and RYAN FOLLESE

7 p.m. • \$68, \$58 • Attendance: 13,140 (sold out)



★ ★ *Free* AT THE LEINIE LODGE BANDSHELL TONIGHT! ★ ★



AUG. 24 & 25 • THE POINTER SISTERS



AUG. 26 & 27 • GEORGE CLINTON & PARLIAMENT FUNKADELIC



AUG. 28 & 29 • CHRIS JANSON



AUG. 30 & 31 • TANYA TUCKER



SEPT. 1 & 2 • FOGHAT



SEPT. 3 & 4 • HIPPO CAMPUS

★ ★ ★ ★ ★ *MORE Free* STAGES ★ ★ ★ ★ ★

■ **LEINIE LODGE BANDSHELL**

- Aug. 24 – Sept. 2: MSF Amateur Talent Contest Semifinals
- Aug. 24 & 25: Joni Harms, Tonic Sol-fa, Dailey & Vincent
- Aug. 26 & 27: Sammy Arriaga, Roddie Romero & the Hub City All-Stars, The Loving Mary Band
- Aug. 28 & 29: The 34th Infantry Division "Red Bull" Band, Hot Club of Cowtown, The Malpass Brothers
- Aug. 30 & 31: Alpensterne, Redhead Express, The Nightowls
- Sept. 1 & 2: Kazual, Mary Sarah, JD McPherson
- Sept. 3 & 4: Monroe Crossing, Tank and The Bangas, James Andrews and The Crescent City All-Stars, C. Willi Myles

■ **FAMILY FAIR STAGE AT BALDWIN PARK**

- Aug. 24 – Sept. 1: MSF County Fair Talent Contest Semifinals
- Aug. 24 – Sept. 4: Sean Emery, Break-Shop Bump'n
- Aug. 24 & 25: The Dollipops
- Aug. 26 & 27: The Splatter Sisters
- Aug. 28 & 29: Tuey: Comic Stunt Juggler
- Aug. 30 & 31: Kidsdance
- Sept. 1 & 2: Fantastick Patrick, MSF County Fair Talent Contest Finals (Sept. 2 only)
- Sept. 3 & 4: Steve Trash

■ **RAMBERG CENTER STAGE**

- Aug. 24 & 25: Curtiss A and The Cold Cold Hearts, The Mellow Fellows
- Aug. 26 & 27: Scott Fraser – Guitar Virtuoso, The Brass Barn Polka Band
- Aug. 28 & 29: Pop Wagner & Bob Bovee, The Slew Foot Family Band
- Aug. 30 & 31: Jim Berner's Music Legends, The Jim Shannon Trio
- Sept. 1 & 2: The Joey Johnson Band, Saddle Sores
- Sept. 3 & 4: Jack Knife and the Sharps, The Fairlanes

■ **INTERNATIONAL BAZAAR STAGE**

- Aug. 24 & 25: CAAM Chinese Dance Theater, Axis Mundi World Jazz Quintet
- Aug. 26 & 27: Doctor Kielbasa, Socaholix
- Aug. 28 & 29: Adam Sandhurst & the Jolly Jammers, Frogleg

- Aug. 30 & 31: The Bavarian Musikmeisters, Native Pride Dancers
- Sept. 1 & 2: Brass Lassie, Wain McFarlane The Dreadlock Cowboy
- Sept. 3 & 4: Chinelos de Axochiapan, Tom Mason and the Blue Buccaneers

■ **BAZAAR AFTER DARK**

- Aug. 24 & 25: Chris Hawkey
- Aug. 26 & 27: Charanga Tropical
- Aug. 28 & 29: Takin' It To The Limit: An Eagles Tribute
- Aug. 30 & 31: The Good, the Bad and the Funky
- Sept. 1 & 2: Corey Stevens
- Sept. 3 & 4: Ambassadors of Culture

■ **SHELL'S STAGE AT SCHILLING AMPHITHEATER**

- Aug. 24 – Sept. 4: MNHS presents History On-A-Schtick
- Aug. 24 & 25: Katy Vernon, The Barley Jacks, Divas Through the Decades
- Aug. 26 & 27: Dan Israel, The Minnesota State Fiddle Contest, Kristoffer Olson
- Aug. 28 & 29: The Riddle Brothers, Pat Donohue, Kenny Ahern
- Aug. 30 & 31: 451st Army Band "Blue Devils," The Jerry O'Hagan Orchestra, Tommy Ryman
- Sept. 1 & 2: The Wild Goose Chase Cloggers, Minnesota Americana-Roots Music Contests, Duelyly Noted
- Sept. 3 & 4: The Sweet Colleens, Family Three, Roger Radley

■ **WEST END AT SUNSET**

- Aug. 24 & 25: The Big Wu
- Aug. 26 & 27: The Pines
- Aug. 28 & 29: Nooky Jones
- Aug. 30 & 31: Romantica
- Sept. 1 & 2: Bad Bad Hats
- Sept. 3 & 4: Heiruspecs

■ **THE X-ZONE**

- Aug. 24 – Sept. 4: 3rd Lair SkatePark

■ **THE NORTH WOODS**

- Aug. 24 – Sept. 4: All-Star Stunt Dogs Splash, Timberworks Lumberjack Show



PRINCIPALS

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

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, 2017, 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 \$2,659,561 and \$1,939,584, respectively, as of and for the year ended October 31, 2017. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion on the basic financial statements, insofar as it relates to the amounts included for this organization as a component unit of the Society, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

(continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINIONS

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the enterprise fund and the discretely presented component unit of the Society as of October 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report letter, and the required supplementary information (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 is the responsibility of management and was derived from and relates 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 2016 financial statements and we, with reliance on other auditors, expressed unmodified audit opinions on the respective financial statements of the enterprise fund and the discretely presented component unit in our report dated May 2, 2017. 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, 2016 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 March 29, 2018 on our consideration of the Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's 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
March 29, 2018

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, 2017 and 2016, 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 2017 and 2016 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 resources. Additionally, this statement includes detailed discussion of capital assets – namely, the State Fairgrounds and its facilities. Next, income and expenses for the year are presented in the Statement of Revenue, Expenses and Changes in Net Position; this statement serves to determine if the Society has earned an acceptable level of operating income. Finally, the Statement of Cash Flows provides information on cash receipts and payments generated from operations, as well as finance and investment activities that occurred during the year.

NET POSITION

The Condensed Statement of Net Position provides a quick look at the Society's overall financial position. Net position increased to \$53.8 million during fiscal 2017, an increase of \$3.2 million during fiscal 2017. The significant change in the net pension liability, deferred outflows of resources and deferred inflows of resources is related to the Society's participation in the Minnesota State Retirement System (MSRS) pension plan. The plan experienced an increase in plan assets to the fund due primarily to strong financial market performance.

Approximately \$55.0 million of the Society's net position represents the Society's continual investment in capital assets (building, equipment and infrastructure) that are absolutely essential to the Society's ability to present the annual exposition and conduct a busy schedule of non-fair events year-round.

INCOME AND EXPENSE

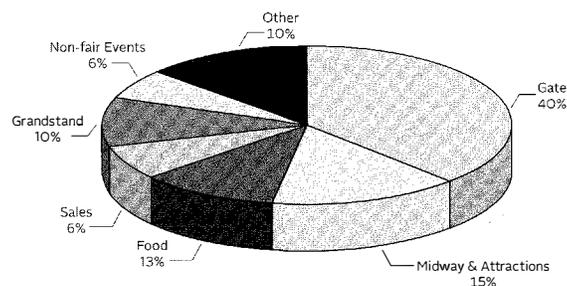
The State Fair realized an increase in net position of \$3.1 million in 2017, based upon gross revenues of \$56.3 million and gross expenses of \$53.2 million. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space and the rental of fair facilities for non-fair events. In a typical year, ticket sales represent two-thirds of the State Fair's gross annual income. In 2017, the ticket sales total of \$35.9 million was earned chiefly through sales of outside gate and parking tickets (\$22.4 million), Mighty Midway and Kidway tickets (\$7.7 million) and Grandstand tickets (\$5.8 million).

As with most business enterprises, expenses are very diverse. The State Fair provides extensive services to fair visitors that include police protection, sanitation, Park & Ride bus service, guest services and

REVENUE, EXPENSE AND CHANGES IN NET POSITION

	2017	2016
Revenue		
Ticket sales	\$35,914,000	\$32,173,000
Activities	13,945,000	13,125,000
Other	5,448,000	5,100,000
Non-operating revenue		
Investment income	13,000	13,000
Grant revenue	998,000	1,073,000
Total revenue	56,318,000	51,484,000
Expense		
Activities, support and administrative	36,653,000	34,406,000
General operations	16,511,000	15,495,000
Total expense	53,164,000	49,901,000
Changes in net position	3,154,000	1,583,000
Beginning net position	50,668,000	49,085,000
Ending net position	53,822,000	50,668,000

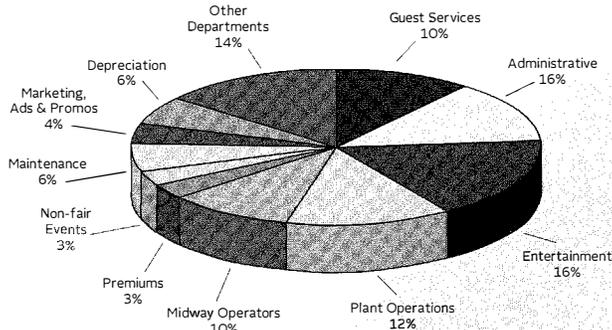
2017 INCOME (\$56.3 million)



2017 Income (in millions)

- Gate - \$22.5
- Midway & attractions - \$8.7
- Sales - \$3.1
- Food - \$7.6
- Grandstand - \$5.8
- Non-fair events - \$3.2
- Other - \$5.4

2017 EXPENSE (\$53.2 million)



2017 Expense (in millions)

- Midway operators - \$5.2
- Plant operations - \$6.4
- Entertainment - \$8.6
- Administrative - \$8.6
- Guest services - \$5.4
- Other departments - \$7.3
- Depreciation - \$3.3
- Marketing, ads & promos - \$1.9
- Maintenance - \$3.1
- Non-fair events - \$1.6
- Premiums - \$1.6

parking (5.4 million). Other expenses include Grandstand and free entertainment (\$8.6 million), fairgrounds plant operations (\$6.4 million) and maintenance and depreciation of State Fair facilities (\$6.4 million).

The change in pension accounting required by Governmental Accounting Standards Board Statement 68 continues to reduce the net position due to the required recognition of the Society's portion of the overall unfunded pension liability of the MSRS. In the previous year the Society had an increase in pension expense of \$3.4 million and in the current year the Society recognized an additional \$2.2 million in pension expense related to this required pension reporting.

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 2017, the State Fair invested \$4,572,000 in capital improvements. Projects included \$1,924,000 for the construction of the new elevator on the west end of the Grandstand; \$525,000 for improvements to the Swine Barn; and \$844,000 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 note payable balance by \$2,110,000 during the year ended October 31, 2017. During fiscal year 2017, the Society issued a \$173,000 capital lease for equipment. 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

	2017	2016
Current & other assets	\$16,784,000	\$14,739,000
Capital assets	<u>66,797,000</u>	<u>65,516,000</u>
Total assets	83,581,000	80,255,000
Deferred outflows of resources	13,460,000	18,211,000
Long-term notes	11,887,000	13,997,000
Other liabilities	<u>21,871,000</u>	<u>31,893,000</u>
Total liabilities	33,758,000	45,890,000
Deferred inflows of resources	9,461,000	1,908,000
Net investment in capital assets	55,009,000	51,821,000
Restricted	2,600,000	2,544,000
Unrestricted	<u>(3,787,000)</u>	<u>(3,697,000)</u>
Total net position	<u>\$53,822,000</u>	<u>\$50,668,000</u>

■ MINNESOTA STATE FAIR STATEMENT OF NET POSITION

As of October 31

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 12,895,886	\$ 11,021,429
Cash and cash equivalents - restricted	2,600,742	2,543,624
Accounts receivable	1,130,569	929,332
Prepaid expenses	<u>156,856</u>	<u>243,950</u>
Total current assets	\$ 16,784,053	\$ 14,738,335
Non-current assets:		
Capital assets, not being depreciated	\$ 2,533,957	\$ 2,503,439
Capital assets, net of related depreciation	<u>64,263,362</u>	<u>63,012,984</u>
Total non-current assets	\$ 66,797,319	\$ 65,516,423
Total assets	\$ 83,581,372	\$ 80,254,758
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding of debt	\$ 251,447	\$ 301,736
Pension plan deferments - MSRS	<u>13,209,061</u>	<u>17,909,022</u>
Total deferred outflows of resources	\$ 13,460,508	\$ 18,210,758
Total assets and deferred outflows of resources	\$ 97,041,880	\$ 98,465,516
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,970,836	\$ 2,751,077
Accrued salaries	368,970	326,263
Unearned revenue	719,285	250,327
Note interest payable	47,180	55,044
Capital lease - current	34,609	-
Note payable - current	2,229,000	2,110,000
Compensated absences - current	<u>407,588</u>	<u>425,264</u>
Total current liabilities	\$ 5,777,468	\$ 5,917,975
Noncurrent liabilities:		
Capital lease	\$ 118,249	-
Note payable	9,658,000	11,887,000
Compensated absences	464,399	417,324
Other post employment benefit obligations	2,014,269	1,877,816
Net pension liability - MSRS	<u>15,725,964</u>	<u>25,789,681</u>
Total non-current liabilities	\$ 27,980,881	\$ 39,971,821
Total liabilities	\$ 33,758,349	\$ 45,889,796
DEFERRED INFLOWS OF RESOURCES		
Pension plan deferments - MSRS	<u>\$ 9,461,128</u>	<u>\$ 1,908,129</u>
Total liabilities and deferred inflows of resources	\$ 43,219,477	\$ 47,797,925
NET POSITION		
Net investment in capital assets	\$ 55,008,908	\$ 51,821,159
Restricted for:		
Debt service	2,600,292	2,543,174
Capital improvements	450	450
Unrestricted	<u>(3,787,247)</u>	<u>(3,697,192)</u>
Total net position	\$ 53,822,403	\$ 50,667,591
Total liabilities, deferred inflows of resources, and net position	\$ 97,041,880	\$ 98,465,516

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

■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF FINANCIAL POSITION

As of October 31

2017

2016

ASSETS

Cash and cash equivalents	\$ 1,386,814	\$ 1,222,741
Investments	638,421	356,360
Accounts receivable	142,206	4,890
Contributions receivable, net	482,770	873,325
Prepaid expenses and other assets	4,698	5,257
Merchandise inventory	3,537	1,952
Property and equipment, net of accumulated depreciation of \$7,242 and \$7,076, respectively	<u>1,115</u>	<u>253</u>
Total assets	<u>\$ 2,659,561</u>	<u>\$ 2,464,778</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 9,022	\$ 10,162
Accrued expenses	<u>32,228</u>	<u>90,221</u>
Total Liabilities	41,250	100,383

Net Assets

Unrestricted:		
Undesignated	1,030,292	674,590
Board designated for fine arts	<u>47,039</u>	<u>72,473</u>
Total unrestricted net assets	1,077,331	747,063
Temporarily restricted	933,818	1,288,072
Permanently restricted	<u>607,162</u>	<u>329,260</u>
Total net assets	<u>2,618,311</u>	<u>2,364,395</u>
Total liabilities and net assets	<u>\$ 2,659,561</u>	<u>\$ 2,464,778</u>

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

	2017	2016
OPERATING REVENUES		
Ticket sales	\$ 35,914,308	\$ 32,173,392
Activities	13,945,051	13,124,928
Other	<u>5,447,783</u>	<u>5,100,002</u>
Total operating revenues	\$ 55,307,142	\$ 50,398,322
OPERATING EXPENSES		
Administrative	\$ 8,588,046	\$ 9,275,996
Activities and support	28,065,419	25,130,620
Premiums	1,580,824	1,500,517
Plant operations	6,400,681	6,488,468
Plant maintenance	3,085,514	2,126,931
Other	1,676,204	1,682,818
Depreciation	<u>3,291,446</u>	<u>3,171,509</u>
Total operating expenses	\$ 52,688,134	\$ 49,376,859
Operating income (loss)	\$ 2,619,008	\$ 1,021,463
NON-OPERATING REVENUES (EXPENSES)		
Investment income	\$ 12,917	\$ 13,223
Grant revenue	998,487	1,072,563
Interest expense	<u>(475,600)</u>	<u>(524,693)</u>
Total non-operating revenues (expenses)	\$ 535,804	\$ 561,093
Change in net position	\$ 3,154,812	\$ 1,582,556
Net position, beginning of the year	<u>50,667,591</u>	<u>49,085,035</u>
Net position, end of year	<u>\$ 53,822,403</u>	<u>\$ 50,667,591</u>

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

MINNESOTA STATE FAIR FOUNDATION STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended October 31

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
Contributions	\$ 394,610	\$ 704,581	\$ 277,902	\$ 1,377,093	\$ 414,435	\$ 1,016,043	\$ 35,025	\$ 1,465,503
Support from the Minnesota State Agricultural Society	324,869	-	-	324,869	221,950	-	-	221,950
In-Kind Contributions	62,003	-	-	62,003	72,829	-	-	72,829
Special Events, Net of Direct Benefits of \$44,369 and \$72,946, Respectively	77,855	-	-	77,855	85,793	-	-	85,793
Interest and Dividends	3,813	-	-	3,813	2,688	-	-	2,688
Realized and Unrealized Gains (Losses) on Investments	(384)	76,085	-	75,701	167	17,053	-	17,220
Net Assets Released from Restrictions	1,134,920	(1,134,920)	-	-	1,170,124	(1,170,124)	-	-
Total	1,997,686	(354,254)	277,902	1,921,334	1,967,986	(137,028)	35,025	1,865,983
Merchandise Sales and Commissions	362,925	-	-	362,925	321,063	-	-	321,063
Less: Cost of Goods Sold	(90,759)	-	-	(90,759)	(73,836)	-	-	(73,836)
Net Merchandise Sales and Commissions	272,166	-	-	272,166	247,227	-	-	247,227
Total Revenues	2,269,852	(354,254)	277,902	2,193,500	2,215,213	(137,028)	35,025	2,113,210
EXPENSES								
Grants to the Minnesota State Agricultural Society	998,487	-	-	998,487	1,072,563	-	-	1,072,563
Payroll	648,503	-	-	648,503	666,188	-	-	666,188
Production Expenses	117,157	-	-	117,157	100,917	-	-	100,917
Contract Services	41,815	-	-	41,815	43,251	-	-	43,251
Office Expenses	53,463	-	-	53,463	43,209	-	-	43,209
Occupancy	24,526	-	-	24,526	27,750	-	-	27,750
Business Expenses	40,470	-	-	40,470	45,520	-	-	45,520
Travel and Meetings	2,496	-	-	2,496	5,499	-	-	5,499
Other Expenses	12,667	-	-	12,667	9,010	-	-	9,010
Total Expenses	1,939,584	-	-	1,939,584	2,013,907	-	-	2,013,907
CHANGE IN NET ASSETS	330,268	(354,254)	277,902	253,916	201,306	(137,028)	35,025	99,303
Net assets - Beginning	747,063	1,288,072	329,260	2,364,395	545,757	1,425,100	294,235	2,265,092
NET ASSETS - ENDING	<u>\$ 1,077,331</u>	<u>\$ 933,818</u>	<u>\$ 607,162</u>	<u>\$ 2,618,311</u>	<u>\$ 747,063</u>	<u>\$ 1,288,072</u>	<u>\$ 329,260</u>	<u>\$ 2,364,395</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

2017

2016

Cash flow from operating activities

Cash received from operations		
Ticket sales	\$ 35,914,483	\$ 32,262,397
Activities	13,729,693	13,397,987
Other	5,930,687	4,835,369
Cash payment for operating expenses		
To suppliers for goods or services	(37,027,371)	(31,897,955)
To employees for services	(10,572,270)	(10,080,426)
Net cash provided by operating activities	<u>\$ 7,975,222</u>	<u>\$ 8,517,372</u>

Cash flow from capital and related financing activities

Payments for acquisition and construction of capital assets	\$ (4,602,730)	\$ (4,964,853)
Payments on note receivable	-	10,800
Principal payments on revenue note	(2,110,000)	(2,004,000)
Principal payments on capital lease	(20,189)	-
Interest payments on revenue note	(433,175)	(480,405)
Proceeds from issuance of capital lease	173,047	-
Net cash provided (used) by capital and related financing activities	<u>\$ (6,993,047)</u>	<u>\$ (7,438,458)</u>

Cash flow from non-capital financing activities

Grant revenue	<u>936,483</u>	<u>1,001,023</u>
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Cash flow from investing activities

Interest earnings	<u>12,917</u>	<u>13,223</u>
Net increase (decrease) in cash and cash equivalents	1,931,575	2,093,160
Cash and cash equivalents, beginning of year	<u>13,565,053</u>	<u>11,471,893</u>
Cash and cash equivalents, end of year	<u>\$ 15,496,628</u>	<u>\$ 13,565,053</u>

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

Operating income (loss)	\$ 2,619,008	\$ 1,021,463
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	3,291,446	3,171,509
Other non-operating revenues and cash expenses	62,004	71,540
Changes in assets, deferred outflows, liabilities and deferred inflows		
Assets: (increase) decrease		
Accounts receivable	(201,237)	96,229
Prepaid expenses	87,094	(190,932)
Deferred outflows of resources: (increase) decrease		
Pension plan deferments - MSRS	4,699,961	(17,694,879)
Liabilities: increase (decrease)		
Accounts payable	(749,853)	642,815
Accrued salaries	42,707	37,657
Compensated absences	29,399	46,634
Unearned revenue	468,958	1,202
Other post-employment benefit obligations	136,453	149,857
Net pension liability - MSRS	(10,063,717)	22,633,924
Deferred inflows of resources: increase (decrease)	<u>7,552,999</u>	<u>(1,469,647)</u>
Total adjustments	<u>\$ 5,356,214</u>	<u>\$ 7,495,909</u>
Net cash provided by operating activities	<u>\$ 7,975,222</u>	<u>\$ 8,517,372</u>

Supplemental disclosure of non-cash transactions

For fiscal year 2017 and 2016, accounts payable included capitalized expenses of \$265,973 and \$296,361 respectively. For fiscal year 2017 and 2016, the Society received in-kind contributions totaling \$62,004 and \$71,540, 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.

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.

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 acquisition 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 charge on refunding of debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 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, changes in proportion 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, the difference between projected and actual earnings on pension plan investments and changes in proportion. 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 amounts reported in the financial statements 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 2017.

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, Expenses 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, 2016 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 in accordance with Minnesota Statute 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, 2017, the Society had a bank balance of \$17,255,568. After adjusting the bank balance for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$15,496,628. At October 31, 2017, 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, 2017 were:

Cash equivalents - restricted	
Building account	\$ 450
Debt service account	<u>2,600,292</u>
Total restricted cash equivalents	2,600,742
Cash equivalents - unrestricted	<u>12,895,886</u>
Total cash equivalents	<u>\$15,496,628</u>

Restricted cash equivalents represent funds restricted in application by revenue note sale covenant requirements.

NOTE 3: PROPERTY, STRUCTURES, UTILITIES & EQUIPMENT

	Beginning Balance 11/01/16	Increases	Decreases	Ending Balance 10/31/17
Capital assets, not being depreciated:				
Land	\$ 2,503,439	\$ -	\$ -	\$ 2,503,439
Construction in progress	<u>-</u>	<u>30,518</u>	<u>-</u>	<u>30,518</u>
Total capital assets, not being depreciated	2,503,439	30,518	-	2,533,957

Capital assets, being depreciated:				
Land improvements	104,510,524	3,273,180	-	107,783,704
Utility systems	14,633,200	843,781	-	15,476,981
Personal property	<u>1,827,974</u>	<u>424,863</u>	<u>-</u>	<u>2,252,837</u>
Total capital assets, being depreciated	120,971,698	4,541,824	-	125,513,522
Less accumulated depreciation for:				
Land improvements	(48,465,213)	(2,674,352)	-	(51,139,565)
Utility systems	(7,903,010)	(444,376)	-	(8,347,386)
Personal property	<u>(1,590,491)</u>	<u>(172,718)</u>	<u>-</u>	<u>(1,763,209)</u>
Total accumulated depreciation	<u>(57,958,714)</u>	<u>(3,291,446)</u>	<u>-</u>	<u>(61,250,160)</u>
Total capital assets, being depreciated, net	<u>63,012,984</u>	<u>1,250,378</u>	<u>-</u>	<u>64,263,362</u>
Total capital assets, net	<u>\$ 65,516,423</u>	<u>\$ 1,280,896</u>	<u>\$ -</u>	<u>\$ 66,797,319</u>

NOTE 4: LONG-TERM LIABILITIES

	Balance 11/01/16	Additions	Deletions	Balance 10/31/17	Due Within One Year
Refunding revenue note	\$ 4,697,000	\$ -	\$ (1,110,000)	\$ 3,587,000	\$ 680,000
Revenue note series 2013	9,300,000	-	(1,000,000)	8,300,000	1,549,000
Capital Lease	-	<u>173,047</u>	<u>(20,189)</u>	<u>152,858</u>	<u>34,609</u>
Total long-term liabilities	<u>\$13,997,000</u>	<u>\$ 173,047</u>	<u>\$ (2,130,189)</u>	<u>\$12,039,858</u>	<u>\$ 2,263,609</u>

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, 2017 were \$55,307,142 which exceeds the amount required for payment of principal and interest in 2018. The interest rate is 2.53% and matures September 15, 2022. As of October 31, 2017, \$4,440,000 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
2018	\$ 680,000	\$ 90,751
2019	699,000	73,547
2020	718,000	55,862
2021	735,000	37,697
2022	<u>755,000</u>	<u>19,102</u>
	<u>\$ 3,587,000</u>	<u>\$ 276,959</u>

The Revenue Note, Series 2013 was issued to assist in financing the construction of the new West End Market. This 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, 2017 were \$55,307,142 which exceeds the amount required for payment of principal and interest in 2018. The Series 2013 revenue note principal amount was \$9,600,000 with an interest rate of 3.38% and matures September 15, 2022.

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

	Principal	Interest
2018	\$ 1,549,000	\$ 280,540
2019	1,603,000	228,184
2020	1,658,000	174,002
2021	<u>1,715,000</u>	<u>117,962</u>

2022	<u>1,775,000</u>	<u>59,995</u>
	<u>\$ 8,300,000</u>	<u>\$ 860,683</u>

Capital lease:

The Society entered into an interest free capital lease agreement to finance the acquisition of a multi-media printer for the sign shop. The total financed through this capital lease was \$173,047, with a maturity in April 2022. As of October 31, 2017, this asset had a capitalized value of \$173,047 with accumulated depreciation of \$34,609.

Annual capital lease principal payments to maturity is as follows:

	Principal
2018	\$ 34,609
2019	34,609
2020	34,609
2021	34,609
2022	<u>14,422</u>
	<u>\$ 152,858</u>

Compensated Absences:

	Balance 11/01/16	Additions	Retirements	Balance 10/31/17	Due within one year
Severance benefits payable	\$ 453,404	\$ 52,828	\$ (19,784)	\$ 486,448	\$ 22,049
Vacation benefits payable	<u>389,184</u>	<u>463,339</u>	<u>(466,984)</u>	<u>385,539</u>	<u>385,539</u>
	<u>\$ 842,588</u>	<u>\$ 516,167</u>	<u>\$ (486,768)</u>	<u>\$ 871,987</u>	<u>\$ 407,588</u>

NOTE 5: SHORT TERM OBLIGATIONS

During fiscal year 2017, the Society renewed a working capital line of credit in the amount of \$1.5 million, with a maturity date of June 30, 2018, for possible short-term financing of fair operations. The interest rate is the prime interest rate plus .25%, with a minimum interest rate of 4.75%. No short-term financing was necessary in fiscal 2017.

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; 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. If, after reverting to a 2.5 percent increase, the funded ratio declines to less than 80 percent for the most recent year, or 85 percent for two consecutive years, the benefit increase will return to 2.0 percent.

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 on or 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 5.5 percent of the annual covered salary in fiscal 2017. The Society's contribution to the General Plan for the fiscal year ending October 31, 2107 was \$330,738. These contributions were equal to the contractually required contributions for each year as set by state statute. Due to a change in the eligibility of one class of employees, the Society paid both the employee and employer contributions retroactively to the date of eligibility for this class of employees, in the amount of \$149,941. Additionally, the Society paid \$54,012 in interest related to these contributions.

Actuarial Assumptions

The Society's net pension liability was measured as of June 30, 2017, 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	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disability recipients were based on RP-2014 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 per year for all future years.

Actuarial assumptions used in the June 30, 2017 valuation were based on the last experience study, dated June 30, 2015, a review of inflation and investment return assumptions dated September 11, 2014, and a recent asset liability study obtained by the SBI.

The long-term expected rate of return on pension plan investments is 7.50 percent. During fiscal year 2016, the SBI hired an outside consultant to perform a thorough asset and liability study. Based on the study, the SBI staff proposed an update to the asset allocation, which yields a lower nominal expected return. As a result of this study, and keeping in mind the national trend towards lower investment rate assumptions, the MSRS Board of Directors approved the use of a 7.50 percent long-term expected rate of return assumption for the fiscal year 2017 actuarial valuations.

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	39%	5.10%
International stocks	19%	5.30%
Bonds	20%	0.75%
Alternative assets	20%	5.90%
Cash	2%	0.00%

All MSRS defined benefit funds use a long-term expected rate of return assumption of 7.50 percent, and a municipal bond rate of 3.56 percent, as published by the Fidelity Index in June 2017. The projection of cash flows used to determine the single discount rates assumes that plan member and employer contributions will be made at the current statutory contribution rates. For the State Employees Fund, the fiduciary net position was projected to be insufficient to finance the projected future benefit payments of current plan members. Therefore, a single discount rate was applied, which blends the long-term expected rate of return on pension plan investments (7.50 percent) with the tax-exempt municipal bond rate, based on an index of 20 year general obligation bonds with an average AA credit rating (3.56 percent). This single discount rate was applied to all periods of projected benefit payments to determine the total pension liability. For the State Employees Retirement Fund, the long-term expected rate of return was used to project benefit payments through fiscal year 2049 and the municipal bond rate was used in all of the following years, resulting in the single blended rate of 5.42 percent. This is a change from the previous fiscal year, when the single blended rate was 4.17 percent.

Net Pension Liability

At October 31, 2017, the Society reported a liability of \$15,725,964 for its proportionate share of MSRS' net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2017, the Society's proportion was 0.212 percent.

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 (4.42%)	Discount rate (5.42%)	1% increase in discount rate (6.42%)
Society's proportionate share of the net pension liability	\$22,033,968	\$15,725,964	\$10,571,437

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).

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

For the year ended October 31, 2017, the Society recognized pension expense of \$2,708,203. At October 31, 2017, 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	\$ 110,688	\$ 422,646
Changes in assumptions	\$ 12,369,325	\$ 8,567,892
Net difference between projected and actual earnings on investments	-	\$ 399,971
Changes in proportion and differences between actual contributions and proportionate share of contributions	\$ 607,368	\$ 70,619
Contributions paid to MSRS subsequent to the measurement date	\$ 121,680	-
Total	\$ 13,209,061	\$ 9,461,128

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, 2018. 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
2018	\$ 1,239,124
2019	\$ 2,271,805
2020	\$2,317,342
2021	(\$2,202,018)

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)	\$ 276,697
Interest on net OPEB obligation	70,418
Adjustment to annual required contribution	<u>(104,474)</u>
Annual OPEB cost	242,641
Contributions during the year	<u>(106,188)</u>
Increase (decrease) in net OPEB obligation	136,453
Net OPEB obligation beginning of year	<u>1,877,816</u>
Net OPEB obligation end of year	<u>\$2,014,269</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 contributed	Net OPEB obligation
October 31, 2015	\$240,636	\$55,982	23.3%	\$1,727,959
October 31, 2016	\$240,964	\$91,107	37.8%	\$1,877,816
October 31, 2017	\$242,641	\$106,188	43.8%	\$2,014,269

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 into 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, 2017 were:

Tickets	\$ 4,320
Activities	517,714
Other	<u>608,535</u>
Total receivables	<u>\$ 1,130,569</u>

Payables: Accounts payable balances for the year ended October 31, 2017 were:

Administration	\$ 105,884
Activities	371,380
Plant operations	841,667
Capitalized	265,973
Other	<u>385,932</u>
Total payables	<u>\$ 1,970,836</u>

NOTE 9: FOUNDATION

The Minnesota State Fair Foundation is a supporting organization of the Minnesota State Agricultural Society and is a not-for-profit corporation exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and applicable Minnesota regulations. The Foundation was established in June 2002 following passage of enabling legislation signed into law by the governor, and governed by a board of directors. The Foundation's mission is to secure and provide funding and gifts-in-kind all of a nature acceptable to the State Fair to be used for the preservation, restoration and improvement of the Minnesota State Fairgrounds, and to support State Fair educational, agricultural and scientific programs. The Foundation is supported primarily from public and private contributions, merchandise sales, in-kind contributions and volunteer time. Foundation financial statements can be obtained by writing to: Minnesota State Fair Foundation, 1265 Snelling Avenue North, St. Paul, Minnesota 55108.

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

Financial Statement Presentation

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

Unrestricted Net Assets

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 Net Assets

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

Permanently Restricted Net Assets

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 \$16,000 was recorded as of October 31, 2017.

Contributions receivable at October 31, 2017 represent the present value of receivable due. Present value is determined using discount rates ranging from 0.89% to 4.50%. The expected collection periods of the contributions receivable at October 31, 2017 are as follows:

<u>Year ending October 31</u>	<u>Amount</u>
2018	\$ 367,750
2019	97,250
2020	<u>42,000</u>
Total	\$507,000
Less: unamortized discount	8,230
Less: allowance for doubtful pledges	<u>16,000</u>
Total	<u>\$482,770</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 (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, 2017, volunteer hours were 2,034. No amounts have been reflected in the statement for donated services, since the services do not meet established criteria for recognition. These criteria require that the donated services create or enhance the nonfinancial assets, require specialized skills which would be purchased if not donated, and have an objective basis for measurement.

Fair Value Measurements

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

Level 1 - Financial assets and liabilities whose values are based on

unadjusted quoted prices for identical assets or liabilities in an active market that the Foundation has the ability to access (examples 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 and changes in net assets. 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 and changes in net assets.

Merchandise Inventory

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

Property and Equipment

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

NOTE 10: RELATED PARTY TRANSACTIONS

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

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

At October 31, 2017, the Foundation had no outstanding payables due to the Society for payroll and other compensation-related expenses. The Society contributed payroll expenses of \$241,691 during fiscal 2017. The variance in the Society's reported contribution and that of the Foundation is due to the recognition of severance payable.

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, 2017, the Foundation granted \$309,245 towards the construction costs of the West End Market; 4-H Building improvements valued at \$10,960; Fine Arts Building improvements valued at \$40,000; Swine Barn improvements valued at \$20,000; fair-time educational enrichment and artistic experiences valued at \$300,538; environmental applications valued at \$118,085; recognition pavers and benches valued at \$117,696, and various other miscellaneous gifts valued at \$81,963, for a grant total of \$998,487 during fiscal 2017.

NOTE 11: CONSTRUCTION COMMITMENTS

At October 31, 2017, the Society had a contract commitment totaling \$1,670,000 for the construction of a new restroom.

NOTE 12: SUBSEQUENT EVENTS

During January of 2018 the Minnesota State Agricultural Society purchased the property located at 1640 Como valued at \$2.2 million. The property will be used for additional office space and parking. During February of 2018, the Minnesota State Agricultural Society purchased Ye Old Mill for \$80,000. The Society will operate the attraction, carrying on the century-long tradition of making memories for millions of Minnesotans.

REQUIRED SUPPLEMENTARY INFORMATION

Actuarial Measures of Other Post Employment Benefits Funding Progress

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

Required Supplementary Information Schedule of Funding Progress:

Actuarial valuation date	2009	10/31/09
	2012	10/31/12
	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

Minnesota State Retirement System:

	2017	2016	2015
Society's proportion of the net pension liability	0.2120%	0.2080%	0.2050%
Society's proportionate share of the net pension liability	\$ 15,725,964	\$ 25,789,681	\$ 3,155,757
Society's covered-employee payroll	\$ 6,081,370	\$ 5,636,409	\$ 5,455,335
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	258.59%	457.56%	57.85%
Plan fiduciary net position as a percentage of the total pension liability	62.73%	47.51%	88.32%

Defined Benefit Pension Plans

Schedule of Society Contributions
State Employees Retirement Fund

Minnesota State Retirement System:

	2017	2016	2015
Statutorily required contribution	\$ 330,738	\$ 318,863	\$ 301,287
Contributions in relation to the statutorily required contributions	330,738	318,863	301,287
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Society's covered-employee payroll	\$ 6,013,418	\$ 5,797,508	\$ 5,477,929
Contributions as a percentage of covered-employee payroll	5.50%	5.50%	5.50%

Note 1: The Society implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years.

Note 2: For both of these tables, the Society fiscal year-end date is October 31, and the MSRS fiscal year-end date (measurement date) is June 30. Note 3: 2016 changes in actuarial assumptions. Benefit increases for retirees was changed from 2.0 percent every January 1st through 2015 and 2.50 percent thereafter to 2.0 percent per year for all future years. The long-term expected rate of return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 4.17 percent. Note 4: 2017 changes in actuarial assumptions. The single discount rate was changed from 4.17 percent to 5.42 percent.

MINNESOTA STATE FAIR SUPPORTING SCHEDULE - REVENUES AND EXPENSES

For the years ended October 31

2017

2016

OPERATING REVENUE

Ticket sales:

Carnival	\$ 7,710,191	\$ 7,408,973
Grandstand	5,754,160	4,595,307
Outside gate	21,022,481	18,827,850
Parking	1,427,476	1,341,262
Total ticket sales	\$ 35,914,308	\$32,173,392

Activities:

Campground	\$ 146,357	\$ 143,126
Carnival	135,024	140,633
Competition	339,449	319,568
Entertainment	66,420	60,506
Fine arts	68,501	52,648
Forage	168,623	150,330
4-H auction	744,489	728,352
Public safety	7,094	8,907
Sales	11,597,145	10,903,087
Ticket office	671,949	617,771
Total activities	\$ 13,945,051	\$13,124,928

Other:

Beef Expo	\$ 158,016	\$ 141,930
Licensee utilities	306,408	292,114
Miscellaneous	106,695	78,997
Non-fair events	3,033,478	3,036,886
Sale of bulk milk	10,438	8,670
Sale of market animals	71,817	57,389
Sponsorships	1,085,190	1,032,410
Telephone	72,477	87,978
Utility assessments	603,264	363,628
Total other	\$ 5,447,783	\$ 5,100,002

Total operating revenue

\$ 55,307,142

\$ 50,398,322

OPERATING EXPENSES

Administrative:

Administrative services	\$ 555,849	\$ 512,089
Annual meeting	57,751	46,737
Auditing services	51,575	54,463
Computer	478,985	427,517
Dues and subscriptions	22,060	19,912
Insurance	300,857	181,514
Legal services	96,642	97,427
Managerial services	630,542	505,681
Medical insurance	1,231,460	1,130,376
Paid leave	941,256	837,836
Postage and mailing service	95,045	100,965
Printing and supplies	71,553	75,323
Retirement fund	2,708,203	3,776,438
Social security	791,745	766,351
Support services	-	155,685
Telephone	212,591	248,132
Travel expense	139,366	129,884
Unemployment compensation	69,748	88,803
Workers compensation	132,818	120,863
Total administrative	\$ 8,588,046	\$ 9,275,996

	2017	2016
Activities and Support:		
Admissions	\$ 227,232	\$ 227,898
Advertising	955,229	990,242
Bee culture	18,899	16,446
Beef Expo	115,418	107,931
Campground	64,970	60,907
Carnival	5,748,880	5,462,358
Cattle	116,651	114,159
Christmas trees	7,574	6,796
Competition	786,615	607,762
Creative activities	104,793	94,185
Dairy products	2,478	1,417
Dog trials	3,657	3,146
Education programming	399,414	510,215
Farm crops	32,773	31,883
FFA	41,802	37,940
Finance	306,959	237,912
Fine arts	38,142	38,715
Flower and agriculture shows	64,204	47,130
Flowers	10,242	11,581
Forage	214,415	236,233
4-H club	227,194	245,067
Free entertainment	1,783,356	1,686,805
Fruit	13,456	14,343
Gate tickets	239,693	253,904
Goats - Boer	2,158	2,154
Goats - Dairy	6,091	6,181
Grandstand - concerts	6,862,344	4,901,752
Guest services	48,876	-
Heritage exhibits	131,088	71,549
Horse and rodeo	227,476	228,532
K-12 competition	41,752	38,741
Llamas	3,454	3,095
Marketing	486,780	499,392
Park & Ride	2,321,103	2,187,782
Parking	204,669	194,699
Poultry	18,154	20,938
Publications	432,088	488,146
Public safety	1,725,116	1,606,616
Sales	1,551,444	1,395,204
Sanitation	1,180,851	1,190,604
Senior citizens	14,520	8,825
Sheep	7,735	7,921
Swine	18,835	18,225
Ticket audit	3,180	2,596
Ticket office	679,802	625,082
Ticket promotion	478,198	502,269
Trams	42,000	42,000
Transportation	44,758	34,012
Vegetables	8,901	9,330
Total activities and support	\$ 28,065,419	\$ 25,130,620
Premiums:		
Bee culture	\$ 3,457	\$ 3,662
Beef Expo	27,842	23,939
Cattle	117,968	114,643
Christmas trees	2,875	2,795

	2017	2016
Creative activities	16,857	18,213
Dairy products	1,545	1,385
Dog trials	1,110	900
K-12 competition	8,537	8,172
Farm crops	17,548	17,758
FFA	80,809	79,749
Fine arts	15,050	13,950
Fine arts sales	67,865	52,543
Flowers	3,291	3,206
4-H auction	747,179	723,000
4-H club	71,500	71,500
Fruit	2,061	2,270
Goats - Boer	1,532	1,149
Goats - Dairy	13,540	14,492
Horse	156,925	140,665
Llama	3,555	2,930
Poultry	8,140	7,270
Rural youth scholarships	20,000	20,000
Sale of bulk milk	10,344	8,669
Sale of market animals	71,818	56,990
Sheep	33,230	32,387
Swine	40,642	43,418
Talent contest	31,175	30,675
Vegetables	4,429	4,187
Total premiums	\$ 1,580,824	\$ 1,500,517
Plant operations:		
Architectural and engineering	\$ 222,971	\$ 230,584
Fire and police service	346,308	345,739
Fuel, oil and gasoline	75,994	83,500
Greenhouse	211,602	250,331
Operations	1,366,539	1,360,254
Salaries and contract services	733,579	745,193
Set-up and take-down	1,731,881	1,872,958
Signs	159,284	157,902
Supplies	197,877	172,665
Utilities	1,109,223	1,053,722
Water and sewer	245,423	215,620
Total plant operations	\$ 6,400,681	\$ 6,488,468
Plant maintenance:		
Electric system	\$ 510,212	\$ 500,553
Fence and fixtures	32,867	16,447
Gas system	337	-
Land	207,678	131,704
Personal property	397,972	325,240
Sewer system	36,784	47,919
Streets and sidewalks	164,341	139,477
Structures	1,532,070	752,545
Vehicles	141,467	163,212
Water system	61,786	49,834
Total plant maintenance	\$ 3,085,514	\$ 2,126,931
Other expenditures:		
Miscellaneous	\$ (95)	\$ 38,204
Non-fair events	1,644,732	1,614,275
Veterinarian service	31,567	30,339
Total other	\$ 1,676,204	\$ 1,682,818

	2017	2016
Depreciation:		
Electric system	\$ 319,338	\$ 292,725
Fence and fixtures	83,060	84,822
Gas system	78	138
Land improvement	293,154	293,499
Personal property	172,718	120,004
Sewer system	101,107	112,853
Streets & sidewalks	116,187	87,486
Structures	2,181,951	2,155,467
Water system	23,853	24,515
Total depreciation	\$ 3,291,446	\$ 3,171,509
TOTAL OPERATING EXPENSES	\$ 52,688,134	\$ 49,376,859
Operating income (loss)	\$ 2,619,008	\$ 1,021,463
NON-OPERATING REVENUE (EXPENSES)		
Investment income	\$ 12,917	\$ 13,223
Grant revenue	998,487	1,072,563
Interest expense	<u>(475,600)</u>	<u>(524,693)</u>
Net non-operating revenue (expenses)	\$ 535,804	\$ 561,093
CHANGE IN NET POSITION	\$ 3,154,812	\$ 1,582,556



PRINCIPALS

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

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, 2017, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated March 29, 2018. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation) as of and for the year ended October 31, 2017. Our report includes a reference to other auditors who audited the financial statements of this entity, as described in our report on the Society's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(continued)

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
March 29, 2018

**MINNESOTA STATE AGRICULTURAL SOCIETY
ANNUAL MEETING**

January 12-13-14-15, 2017

DoubleTree by Hilton Hotel, Bloomington

The 158th annual meeting of the Society, held in conjunction with the annual conventions of the Minnesota Federation of County Fairs and the Midwest Showmen's Association, opened Thursday, Jan. 12 at the DoubleTree Hotel in Bloomington, Minn.

MEETING OF THE SALES COMMITTEE

5 p.m. Thursday, Jan. 12, 2017

Members present: Paul Merkins, chairman; Joe Fox; D.J. Leary; Dan Grunhvd; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Sharon Wessel, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Dennis Larson, ex officio; Pam Simon, ex officio.

Also present: Renee Alexander; Brian Hudalla; Cheryl Huber; Carol Doyle; Dani Vavreck; Debbie Edman; Brett Ward; Emily Diedrick.

Chairman Merkins called the meeting to order at 5:02 p.m.

Mr. Sinclair reviewed the report of '16 State Fair sales revenue, originally distributed at the Nov. 10, 2016, meeting of the board. The report was approved as submitted on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

Mr. Larson and Ms. Simon offered a presentation on the State Fair's commercial exhibit licensing process. Information only; no action taken.

Mr. Ward presented the following fees for percentage attractions at the 2017 State Fair as follows:

CONCESSIONAIRE	ATTRACTION	2016	2017
Big Adventures, Inc.	<u>Turbo Bungy</u>	25%	25%
Biggest Wheel LLC	Ferris Wheel		5%
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	10%	10%
	Other Merchandise	20%	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	43%	43%
	Midway Rides and Shows	41%	41%
	Games of Skill	23%	23%
River Raft Ride, Inc.	Raft Ride	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.

After discussion, the attraction percentages were approved on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-7; Nay-0). The approved percentage fees represent the fees payable to the 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. Ward presented the following ticket prices for the attractions:

CONCESSIONAIRE	ATTRACTION	2017 TICKET PRICE(S)
Big Adventures, Inc.	<u>Turbo Bungy</u>	\$5.00
Biggest Wheel LLC	Ferris Wheel	\$5.00
D.M.C., Inc.	Skyride	\$4.50 one way \$6.00 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	\$7.00 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	\$1.00 single \$25.00 for 30 tickets (\$.833 per ticket) \$40.00 for 54 tickets (\$.741 per ticket) (Advance Purchase) \$15.00 for 25 tickets (\$.600 per ticket)
River Raft Ride, Inc.	Raft Ride	\$5.00
Skyfair, Inc.	SkyGlider	\$4.50 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. 24 (Thrifty Thursday), Monday, Aug. 28 (Seniors & Kids Day), Thursday, Aug. 31 (Seniors Day) and Monday, Labor Day, Sept. 4 (Kids and Last Chance Day).

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

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

Mr. Larson presented the following concessionaires recommended for beer and wine licenses at the '17 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 & Cider

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. (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 and 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
RC's Barbecue – American Restaurant Inc. (Randy Jernberg & Charlie Torgerson)	Block 28	1801 Dan Patch Ave., Bldg. 289A Malt Beverages
French Crêperie (Marc and 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 Shanghai'd Henri's (Henry and Ellen Hanten)	Block 47	1658 Judson Ave., International Bazaar Malt Beverages & Minn. Wine
Hildebrand Concessions, Inc. (Jan Hildebrand)	Block 28	1755 Dan Patch, Bldg. 2865 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 and 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 & Minn. Wine
Mintahoe, Inc. dba MN 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 and Kris O'Gara)	Block 34	1626 Dan Patch Ave. Malt Beverages & Minn. Wine
Cuisine Concepts dba Tejas (Wayne Kostroski and Mark Haugen)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Lancer Mgmt. – MN Craft Brewers Guild (Mark Cramer)	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. Grunhoy, seconded by Mr. Scapani and carried (Aye-7; Nay-0).

Ms. Simon offered the following commercial vendors recommended for multiple-site licenses at the '17 State Fair:

CONCESSION-EXHIBIT	DESCRIPTION	SITES
Batten Industries	Nellie's Laundry Products, Green Heat Packs & Cooley Towels	2
Big Dog Corndogs	Corndogs, Foot Long Hot Dogs & 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 & 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	Corndogs & Beverages	2
Gregory J. Tetrault	Ice Cream, Sno Cones, Caramel Apples & Beverages	2
Gripstic	Gripstick, Air purifier	2
Holly's Hobby	Seasonal Handcrafts	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 & 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, Corndogs, 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	Knife Sharpener/Wine Opener Mini Speakers	2
Tina Isaac	Sandwiches & Spiral Chips/ Designer Coffees & Desserts	2
Wozniak Concessions, Inc.	Fresh Cut French Fries	2
Midwest Coca Cola	Coca Cola Soft Drinks	3
Icee USA Corp.	Icee Frozen Beverages	3
Kathy Yahr	Cotton Candy	3
Larry Immerman	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
Crocker Enterprises	Root Beer Barrels	4
Lancer Management Services, Inc.	Food, Beverages & Beer (Coliseum)	4

Schroder Concessions, Inc.	Popcorn, Caramel Corn, Caramel Apples/Cheese Curds	4
Syndicate Sales Corp.	Vegetable Cutters/Knives/ Salsa Makers/Whisks	4
Wee Dazzle	Novelties, Souvenirs & Toys	4
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

Following discussion, the multiple-site vendors were approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-8; Nay-0).

Ms. Simon and Mr. Larson reviewed plans for the new Veranda shopping and dining attraction on the west side of the Grandstand's second floor. Information only; no action taken.

Non-fair event licenses for alcohol sales were approved for Encore Concessions (Soundset Music Festival May 29) and Chop Liver Craft Beer Fest (St. Paul Beer Fest June 10) on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

Ms. Diedrick presented a recommendation to adjust non-fair event hourly labor rates for parking lot attendants from \$13 to \$14, and electricians from \$85 to \$90. After discussion, the adjustment was approved on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-7; Nay-0).

Ms. Alexander presented the following schedule of fees to performers for the sale of merchandise at the fair's free stages:

Stage	Appearance length	Rate
Baldwin Park	Two days	\$40
Bandshell Day	Two days	\$150
Bandshell Tonight!	Two days	\$200
Bazaar Day	Two days	\$70
Bazaar After Dark	Two days	\$100
Carousel Park	One day	\$20
Christensen Farms Stage	12 days	\$30
Ramberg Senior Center	Two days	\$20
West End Market Day	Two days	\$50
West End at Sundown	Two days	\$70

After discussion, the rates were accepted as proposed on a motion by Joe Scapanski, seconded by Mr. Grunhovd and carried (Aye-7; Nay-0).

The sales committee meeting adjourned at 6 p.m. on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-7; Nay-0).

MEETING OF THE BOARD OF MANAGERS

10:15 a.m. Friday, Jan. 13, 2017

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

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Debbie Edman; Wally LeVesseur; Chris Leach; Sean Casey; Pam Simon; Dennis Larson; Gail Anderson; Carol Doyle; Brienna Schuette; Michelle Butler; Theresa Weinfurtnier; Brett Ward; Pam Mix; Grace Woodis; Kay Cady; Jennine Duda; Lynn Varco; Doug Carnival.

President Wessel called the meeting to order at 10:22 a.m.

Mr. Carnival of the McGrann Shea Carnival Straughn & Lamb law firm reported on the upcoming session of the Minnesota Legislature and issues that may have an impact on the State Fair. Information only; no action taken.

Mr. Hammer and Mr. Jacobson offered historical background on

attendance, sources of revenue and expense, trends in departmental expenses, annual cash flow and long-term debt followed by detailed review of the Society's financial activities during fiscal '16. Information only; no action taken.

Mr. Hammer reviewed proposed operating budget and year-end cash position for '17, followed by discussion on the budget's relationship to capital and maintenance projects. Information only; no action taken.

The meeting adjourned at 11:38 a.m. on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

MEETING OF THE BOARD OF MANAGERS

2:30 p.m. Friday, Jan. 13, 2017

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

The meeting was called to order at 3:14 p.m. by President Wessel and declared in executive session.

The meeting was adjourned by President Wessel at 3:35 p.m.

DISTRICT CAUCUSES OF THE SOCIETY

11:15 a.m. Saturday, Jan. 14, 2017

Delegates from the first, third and sixth district met in caucus to certify nominees for election to the Society's board of managers during the Society's general business session Sunday Jan. 15. Selected were Gordy Toenges of Alden (first district), Gail Johnson of Anoka (third district) and Joe Scapanski of Sauk Rapids (sixth district).

MEETING OF THE PLANNING COMMITTEE

1 p.m. Saturday, Jan. 14, 2017

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

Also present: Jim Sinclair; Renee Alexander; Chris Leach; Debbie Edman; Cheryl Huber; Steve Grans; Michelle Butler; Theresa Weinfurtnier; Brett Ward; Pam Mix; Grace Woodis.

Chairman Oleheiser called the meeting to order at 1:02 p.m.

Mr. Hammer reviewed 20 years of capital and maintenance projects, totaling \$131.6 million. Information only; no action taken.

Mr. Hudalla provided a detailed review of capital and maintenance expenditures from 2016. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented capital and maintenance project recommendations for 2017 totaling \$8 million. A summary of the project list follows, and includes projects previously approved at the Nov. 10, 2016, meeting of the board:

2017 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

A. Structure improvements:	<u>\$3,005,000</u>
B. Land improvements:	
BI. Fencing & fixtures	_____ -
BII. Land	_____ -
BIII. Sewer system	_____ -
BIV. Streets & sidewalks	<u>570,000</u>
BVI. Water distribution system	_____ -
BVI. Gas distribution system	_____ -
BVII. Land purchases	_____ -
TOTAL land improvements	<u>\$ 570,000</u>

C. Personal property	<u>\$ 246,000</u>
D. Electric plant:	<u>\$ 775,000</u>
TOTAL improvements	<u>\$ 4,596,000</u>
E. Structure maintenance:	<u>\$ 1,771,000</u>
F. Land maintenance:	
FI. Fencing & fixtures	<u>45,000</u>
FII. Land	<u>253,000</u>
FIII. Sewer system	<u>48,000</u>
FIV. Streets & sidewalks	<u>249,500</u>
FV. Water distribution system	<u>85,000</u>
FVI. Gas distribution system	<u>2,500</u>
TOTAL Land maintenance	<u>\$ 683,000</u>
G. Personal property maintenance:	<u>\$ 340,800</u>
H. Vehicle maintenance:	<u>\$ 153,000</u>
I. Electric plant maintenance:	<u>\$ 483,500</u>
TOTAL maintenance	<u>\$ 3,431,300</u>
TOTAL maintenance & improvements	<u>\$ 8,027,300</u>

After review and discussion, Mr. Leary moved, Mr. Wichmann seconded and motion carried that the '17 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 adjourned at 2:15 p.m. on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-8; Nay-0).

GENERAL BUSINESS SESSION OF THE SOCIETY

8:30 a.m. Sunday, Jan. 15, 2017

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

Fred Pittroff, the creator, owner and operator of the Giant Slide, was inducted into the State Fair Hall of Fame.

President Wessel called for a report of the credentials committee by Chuck Schwartau of Goodhue. The committee report was presented as follows and adopted as read:

MN Milking Shorthorn & MN Horse Breeders – Did not file with the secretary of state by Dec. 20, 2016 deadline.

Chippewa, Renville, Rice and Wabasha counties did not fill out the credential form as stated on the form and therefore they are not entitled to vote.

Members of the Credential Committee passed a resolution that all credential forms must be completed as stated on the form to be entitled to vote.

President Wessel called for a report of the resolutions committee. Committee member Debra Durheim of Todd presented the following resolutions for consideration by the Society:

Resolved, that the Minnesota State Agricultural Society extends its sincere thanks to the 1,943,719 people who made the 2016 State Fair a record-breaking success through their attendance and participation, and to the additional 1 million people who attended events at the State Fairgrounds throughout the year.

Resolved, that the Society pledges its best efforts to advance the State Fair's mission of educating and engaging people by presenting a world-class showcase of agriculture, entertainment and the innovative exchange of knowledge and ideas; providing outstanding customer service in a safe, clean, carefully maintained environment that is accessible to all; and providing exceptional value while remaining financially independent through fiscally sound management.

Resolved, that the Society expresses its gratitude to all those whose dedicated work was key to the success of the fair, including State Fair staff, board of managers, volunteers, exhibitors, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth, school groups, and members of 4-H and FFA. We also gratefully acknowledge the support of our neighbors in the communities surrounding the fairgrounds.

Resolved, that the Society thanks the board, staff, donors and volunteers of the Minnesota State Fair Foundation, who generously support, through their giving of time and financial contributions, essential efforts to preserve and improve State Fair buildings, grounds and educational programs.

Resolved, that the Society acknowledges that the ongoing success of the State Fair is achieved through affiliations 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 and events industries.

Resolved, that the Society recognizes with great regret the loss of Society members and State Fair friends who passed away this past year: Odell Barduson, FFA superintendent from 1969 to 1985; Jerry Benson, former head electrician for many years with Kehne Electric at the Minnesota State Fair; Bruce Chesin, owner of the Chicago Dogs concession since 1999; Calvin Coleman Sr., longtime operations employee; Bob Faust, State Fair admissions employee and Gate 7 captain for 14 years; Evelyn Hagen, former Creative Activities superintendent and an honorary life member in the Minnesota State Agricultural Society; Phil Hurst, former manager of the Clay County Fair in Iowa and friend of the Minnesota State Fair; Bill Jents, longtime construction and maintenance superintendent who retired in 1981; Glenn Johnson, former head electrician with Kehne Electric at the Minnesota State Fair; Dayle Maloney, longtime concessionaire with Morinda-Dayle K. Maloney & Associates; Dorothy Morris, wife of the late Howard Morris, representative of the sixth district on the State Fair board of managers from 1981 to 1994, board president from 1995 to 1996, and honorary life member in the Minnesota State Agricultural Society; Arlen Restad, fair-time employee in Creative Activities for many years; Harvey Rosen, a longtime concessionaire with International Culinary Consultants; Jag Sodhi, longtime concessionaire with India Imports; William H. "Doc" Sweeney, DVM, who became the official State Fair veterinarian in 1968 and continued until his retirement in 2005; Steve Tuman, longtime dairy cattle exhibitor from Watkins, Minnesota; and Bob Williams, 35-year employee of the Wisconsin Department of Agriculture, Trade and Consumer Protection and friend of the Minnesota State Fair.

Whereas, the Great Minnesota Get-Together is a world-renowned event of massive social and economic impact, providing millions of Minnesotans with a unique forum for education, recreation and employment, and

Whereas, Minnesota's economic health relies significantly on the ongoing success of the State Fair and all facets of Minnesota's tourism industry,

Now, therefore be it resolved, that the thousands of members of the Minnesota State Agricultural Society strongly urge continued support for current state law requiring Minnesota's schools to open no earlier than Labor Day, allowing children, families and workers from throughout Minnesota to fully participate in and benefit from the Minnesota State Fair.

Be it further resolved, the Society extends its gratitude to those who contributed to the success of its 158th annual meeting.

Society Life Member Al Paulson of Shevlin presented the Life Member Committee's nomination of long-time FFA Children's Barnyard and

Miracle of Birth Superintendent Jim Ertl for Honorary Life Membership in the Society; Mr. Ertl was elected by acclamation.

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

President Wessel then proceeded to conduct elections as follows: Joe Fox of Maplewood was reelected to a two-year term as fourth district vice president; Gordy Toenges of Alden was reelected to a three-year term as first district representative; Gail Johnson of Anoka was reelected to a three-year term as third district representative; and Joe Scapanski of Sauk Rapids was re-elected to a three-year term as sixth district representative.

With no further business to be brought before the Society, President Wessel declared the meeting adjourned at 10:05 a.m.

MEETING OF THE BOARD OF MANAGERS

10:30 a.m. Sunday, Jan. 15, 2017

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

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Debbie Edman; Chris Leach; Wally LeVesseur; Brienna Schuette; Pam Simon; Dennis Larson; Gail Anderson; Theresa Weinfurter; Steve Grans; Sarah Peterka; Marie LeFebvre; Chris Noonan; Brett Ward; Heather Brady; Shannon Buchda; Pam Mix; Grace Woodis; Virginia Mold; Beth Schuldt; Josie Belde; Kay Cady; Jennine Duda; Kent Harbison; Leah Janus.

President Wessel called the meeting to order at 10:29 a.m.

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

Sharon Wessel of Hamel, president (one-year term); Joe Fox of Maplewood, fourth district vice president (two-year term); Gordy Toenges of Alden, first district representative (three-year term); Gail Johnson of Anoka, third district representative (three-year term); and Joe Scapanski of Sauk Rapids, sixth district representative (three-year term).

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

Minutes of the board meeting conducted Nov. 10, 2016, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Mr. Scapanski and carried (Aye-8; Nay-0).

Minutes of interim activities covering the period Nov. 10, 2016, through Jan. 12, 2017, were approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-8; Nay-0).

Mr. Jacobson presented the financial statement for Dec. 31, 2016, as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending December 31, 2016**

OPERATING ACCOUNT ACTIVITY:

Cash balance-Nov. 30, 2016		\$8,291,539
Add: cash deposits	\$653,922	
Less: payroll ending Dec. 2	(221,497)	
payroll ending Dec. 16	(229,684)	
payroll ending Dec. 30	(229,956)	
cash disbursements	(561,002)	
		(588,217)

Balance-Dec. 31, 2016 \$7,703,322

BUILDING FUND ACTIVITY:

Balance-Nov. 30, 2016	\$450
Add: interest earned	
securities purchased	
Less: securities redeemed	
Balance-Dec. 31, 2016	\$450

CONSTRUCTION ACCOUNT:

Balance-Nov. 30, 2016	\$-
Add: note proceeds	
interest	
Less: disbursements	
Balance-Dec. 31, 2016	\$-

CASH BALANCES FOR MONTH ENDING DECEMBER 31:

	2015	2016
Operating account	\$7,632,022	\$7,703,322
Petty cash	6,100	6,100
Building fund	450	450
Total cash balances	\$7,638,572	\$7,709,872

After review, the statement was approved as submitted on a motion by Mr. Scapanski, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

The following recommendations for the Society's designated depository, signature authorization and security funds transfer were presented by Mr. Jacobson:

Bremer Bank as the depository for the Society's operating account, payroll account and premium fund account with the following signatory authority: Operating account – Jerry Hammer and Marshall Jacobson with "Hammer/Jacobson" signature imprint authorized for operating account; Regular and fair-period payroll account - Jerry Hammer with "Hammer" signature imprint authorized for payroll funds; Premium account - Jerry Hammer with "Hammer" signature imprint authorized for premium account; Security fund transfer resolution - Jerry Hammer or Marshall Jacobson. After discussion, the preceding was approved on a motion by Mr. Merkins, seconded by Mr. Oleheiser and carried (Aye-8; Nay-0).

The following standing committee appointments for 2017 were presented by President Wessel:

Finance Committee - Leary, chairman; Grunhovd; Johnson; Merkins; Toenges; Wichmann; Wessel, ex officio; Hammer, ex officio; Jacobson, ex officio.

Foundation Nominating Committee - Wessel, chairman (and Society board representative on State Fair Foundation board); Merkins; Oleheiser; Hammer.

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

Honors Committee - Oleheiser, chairman; Alexander; Goodrich; Sinclair; Wessel, ex officio; Hammer, ex officio.

Operations Committee - Scapanski, chairman; Fox; Leary; Johnson; Grunhovd; Oleheiser; Wessel, ex officio; Hudalla, ex officio; Leach, ex officio.

Planning Committee - Grunhovd, chairman; Fox; Leary; Johnson; Merkins; Oleheiser; Scapanski; Toenges; Wichmann; Wessel, ex officio; Hammer, ex officio; Goodrich, ex officio; Hudalla, ex officio; Leach, ex officio.

Public Affairs Committee - Wichmann, chairman; Fox; Leary; Merkins; Scapanski; Toenges; Wessel, ex officio; Alexander, ex officio; Schuette, ex officio.

Rules & Premium Lists Committee - Toenges, chairman; Fox; Merkins; Oleheiser; Scapanski; Wichmann; Wessel, ex officio; Hammer, ex officio;

Goodrich, ex officio; LeFebvre, ex officio.

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

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

President Wessel presented the following board liaison and department superintendent appointments for 2017:

Administration - Grunhovd

Employment Office - Scapanski

Competition - Grunhovd

Bee Culture - Wichmann (David Schaaf, superintendent)

Beef Cattle - Scapanski (Chuck Schwartz, superintendent)

Christmas Trees - Wichmann (Kim Ustruck, superintendent)

Creative Activities - Toenges (Curt Pederson, superintendent)

Dairy Cattle - Merkins (Deb Kraus, superintendent)

Dairy & Boer Goats - Grunhovd (Mark Boorsma & Gretchen Sankovitz, superintendents)

Dairy Products - Merkins (Lisa Radamacher, superintendent)

Dog Trials - Wichmann (JoAnna Yund, superintendent)

K-12 Competition - Fox (Florence Newton, superintendent)

Farm Crops - Wichmann (Ron Kelsey, superintendent)

Fine Arts - Scapanski (Jim Clark, superintendent)

Flowers - Wichmann (Phyllis Andrews, superintendent)

4-H - Merkins (Brad Rugg, superintendent)

Fruits - Wichmann (Louis Quast, superintendent)

FFA - Oleheiser (Duane Hutton, superintendent)

Horses - Fox

Llamas - Johnson (Jen Rouillard, superintendent)

Milking Parlor - Oleheiser (Doris Mold, superintendent)

Miracle of Birth - Leary (Jim Ertl, superintendent)

Poultry - Toenges (Paul Bengtson, superintendent)

Seniors - Toenges (Marge Krueger, superintendent)

Sheep - Oleheiser (Jo Bernard, superintendent)

Swine - Leary (Jerry Hawton, superintendent)

Vegetables - Wichmann (Phil Klint, superintendent)

Entertainment - Leary

Grandstand Production - Merkins (Gary Perkins, superintendent)

Heritage Exhibits - Johnson (Jan Bankey, superintendent)

Finance - Toenges

Fair-time Payroll - Oleheiser

Ticket Sales - Fox (JoAnne Ferry, superintendent)

Marketing - Wichmann

Operations - Scapanski

Admissions - Wichmann (Dave Woodis, superintendent)

Park & Ride - Fox (Sarah Peterka, superintendent)

Parking - Johnson (Jim Benz, superintendent)

Public Safety - Grunhovd (Art Blakey, superintendent)

Sanitation - Leary

Sales - Merkins

Attraction Ticket Takers - Johnson (Chris Sycks, superintendent)

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

President Wessel declared the meeting in recess for committee meetings.

OPERATIONS COMMITTEE MEETING

Chairman Scapanski called the meeting to order at 10:36 a.m.

Mr. Hammer presented the following gate admission policy for the '17 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. Leary, seconded by Ms. Johnson and carried (Aye-5; Nay-0).

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

PUBLIC AFFAIRS COMMITTEE MEETING

Chairman Wichmann called the meeting to order at 10:37 a.m.

Ms. Alexander presented advertising, marketing and publications budgets for 2017. After discussion, the budgets were approved on a motion by Mr. Leary, seconded by Mr. Scapanski and carried (Aye-5; Nay-0).

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

RULES & PREMIUM LIST COMMITTEE MEETING

Chairman Toenges called the meeting to order at 10:38 a.m.

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 2017 operating budget on a motion by Mr. Merkins, seconded by Mr. Wichmann and carried (Aye-5; Nay-0).

Chairman Toenges declared the meeting adjourned.

FINANCE COMMITTEE MEETING

Chairman Leary called the meeting to order at 10:39 a.m.

The 2017 operating budget, which was reviewed in detail by the board Jan. 13, and the 2017 improvements and maintenance budgets, which were approved Jan. 14 by the board's planning committee, were approved on a motion by Mr. Merkins, seconded by Mr. Grunhovd 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. Merkins, seconded by Mr. Toenges and carried (Aye-5; Nay-0).

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

President Wessel reconvened the meeting of the board at 10:43 a.m.

Action taken earlier by the sales, planning, operations, public affairs, rules & premium list and finance committees was approved on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-9; Nay-0).

After discussion, the following admission fee schedule was approved for the 2017 State Fair on a motion by Ms. Johnson, seconded by Mr. Leary and carried (Aye-9; Nay-0):

Adults (13-64)	\$14
Seniors (65 +)	\$12
Children (5-12)	\$12
Kids (under 5)	Free
Seniors & Kids Days promotions	\$9
Thrifty Thursday Adults & Seniors	\$12
Thrifty Thursday Children	\$9
Military Appreciation Day*	\$9
Read & Ride Day adults**	\$12
Read & Ride Day kids**	\$9
Motorcycle parking	\$8
All-ages pre-fair discount	\$11

* 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 current agreements with building trades contractors providing architectural and engineering, carpentry, electric and plumbing and heating services, and sought renewal of a three-year agreement with J.B. Nelson & Son, Inc. for painting services; the new J.B. Nelson agreement was approved on a motion by Mr. Wichmann, seconded by Mr. Fox and carried (Aye-8; Nay-0) (Leary abstained).

Mr. Hammer was authorized to set staff salaries according to job classifications and pay ranges established by the board of managers Nov. 5, 2015, on a motion by Mr. Leary, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

The Society's legal representation by Fredrikson & Byron P.A., and McGrann Shea Carnival Straughn & Lamb Chartered was approved on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

Malloy, Montague, Karnowski, Radosevich & Co., P.A., was approved to provide audit services for the Society on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Ms. Alexander provided an outlook on entertainment bookings for the '17 State Fair. Information only; no action required.

On a motion by Mr. Fox, seconded by Mr. Merkins and carried, retiring attorney Kent Harbison of the Fredrikson & Byron law firm was commended for more than four decades of outstanding legal service to the Great Minnesota Get-Together (Aye-9; Nay-0).

The next meeting of the board of managers was set for Wednesday, March 29 at the State Fairgrounds.

The meeting was adjourned at 11:19 a.m. on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Jan. 15 through March 28, 2017

January

27-29 - The Legacy Luau Gymnastics Meet was conducted in the Warner Coliseum.

27-Feb. 4 - The St. Paul Winter Carnival's Minnesota State Snow Sculpting Contest was presented at the Kidway lot.

February

4 - The St. Paul Winter Carnival Beer Dabblers event was held at the Midway lot and Warner Coliseum.

11 - The North Star Roller Girls held a bout in the Warner Coliseum.

12 - Hammer gave a presentation on the State Fair's early history at the Como Park lakeside pavilion; the event was produced by Como Park's District 10 community council.

18-19 - The Gina Morri Memorial Invitational Gymnastics Meet was presented in the Warner Coliseum.

March

10-12 - The Outdoor News Deer & Turkey Classic was held in the Warner Coliseum.

17 - Hammer and Hudalla met with staff of the International Institute to discuss their plans for building expansion.

18-19 - The Minnesota Weapons Collectors Show & Sale was held in the Warner Coliseum.

20-22 - Staff and board attended and assisted with presentation of the IAFE Zone 4 Spring Meeting at the Hyatt Regency Hotel in Bloomington.

25 - The North Star Roller Girls held a bout in the Warner Coliseum.

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

10 a.m. Wednesday, March 29, 2017

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

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

Also present: Brian Hudalla; Renee Alexander; Marshall Jacobson; Cheryl Huber; Debbie Edman; Chris Leach; Wally LeVesseur; Jim Rougier; Sean Casey; Gail Anderson; Pam Simon; Dennis Larson; Dani Vavreck; Carol Doyle; Jill Nathe; Samantha Gilbertson; Heather Brady; Matt Steffenhagen; Steve Grans; Theresa Weinfurter; Greg Harder; Lara Hughes; Danielle Dullinger; Jodi Jetson; Emily Diedrick; Brett Ward; Shannon Buchda; Grace Woodis; Keri Huber; Kay Cady; Lynn Varco; Lisa Ford; Leah Janus.

Chairman Merkins called the meeting to order at 10:04 a.m.

Mr. Larson offered a recommendation to grant a license for the sale of beer and wine during the 2017 State Fair to the Perfect Pie LLC, operator of the new Hideaway concession on the second floor of the Grandstand. On a motion by Mr. Oleheiser, seconded by Mr. Fox and carried, the license was granted (Aye-8; Nay-0).

The Society's purchase of the concession structure at 1674 Dan Patch from Richard Mueller for the appraised amount of \$67,000 was approved on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

The Society's sale of the concession structure at 1674 Dan Patch to Larry Abdo for \$67,000 was approved on a motion by Mr. Scapanski, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Mr. Ward presented a recommendation to grant a license to Golden Badger LLC for the sale of beer and wine at Twin Cities Oktoberfest Oct. 6-7, 2017; the license was granted on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

The sales committee meeting was adjourned at 10:14 a.m. on a motion by Mr. Leary, seconded by Mr. Grunhovd and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Brian Hudalla; Renee Alexander; Marshall Jacobson; Cheryl Huber; Debbie Edman; Chris Leach; Wally LeVesseur; Jim Rougier; Sean Casey; Gail Anderson; Pam Simon; Dennis Larson; Dani Vavreck; Carol Doyle; Jill Nathe; Samantha Gilbertson; Heather Brady; Matt Steffenhagen; Steve Grans; Theresa Weinfurter; Greg Harder; Lara Hughes; Danielle Dullinger; Jodi Jetson; Emily Diedrick; Brett Ward; Shannon Buchda; Grace Woodis; Keri Huber; Kay Cady; Lynn Varco; Lisa Ford; Joe Bagnoli; Leah Janus.

President Wessel called the meeting to order at 10:14 a.m.

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

Minutes of interim activities covering the period Jan. 15 through March 28, 2017, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for Feb. 28, 2017, as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending February 28, 2017**

OPERATING ACCOUNT ACTIVITY:

Balance-Jan. 31, 2017		\$6,773,518
Add: cash deposits	\$911,771	
Less: payroll ending Feb. 13	(218,705)	
payroll ending Feb. 27	(219,927)	
cash disbursements	(698,133)	
	(224,994)	
Balance-Feb. 28, 2017		\$6,548,524

BUILDING FUND ACTIVITY:

Balance-Jan. 31, 2017		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-Feb. 28, 2017		\$450

CONSTRUCTION ACCOUNT:

Balance-Jan. 31, 2017		\$-
Add: note proceeds		
interest		
Less: disbursements		
Balance-Feb. 28, 2017		\$-

CASH BALANCES FOR MONTH ENDING:

	2016	2017
Operating account	\$6,204,588	\$6,548,524
Petty cash	6,100	6,100
Building fund	450	450
Total cash balances	\$6,211,138	\$6,555,074

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

The Society approved a resolution thanking Controller Marshall Jacobson for 30 years of outstanding service, and congratulating him on his upcoming retirement.

The following signatory authority, to become effective in early May after Mr. Jacobson's retirement, was approved on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-9; Nay-0):

Operating account – Jerry Hammer and Wally LeVesseur with "Hammer/LeVesseur" signature imprint authorized for operating account; Regular and fair-period payroll account - Jerry Hammer with "Hammer" signature imprint authorized for payroll funds; Premium account - Jerry Hammer with "Hammer" signature imprint authorized for premium account; Security fund transfer resolution - Hammer or LeVesseur. The preceding was approved on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Hammer reviewed highlights of Minnesota Statutes Chapter 37, defining the Society and its operation of the State Fairgrounds, followed by discussion. Information only; no action taken.

Mr. Bagnoli reviewed the current session of the Minnesota Legislature and issues that could affect the State Fair. Information only; no action taken.

Mr. Hudalla and Mr. Casey reviewed capital and maintenance projects currently underway. Information only; no action taken.

Ms. Alexander reviewed the status of entertainment, marketing and educational outreach programs for the upcoming fair. Information only; no action taken.

Ms. Nathe reported on the fair's numerous agricultural, creative arts

and educational contests. Information only; no action taken.

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

The following rates for the 2017-18 vehicle storage season were recommended by Mr. Hammer: Units up to 20 feet - \$200; more than 20 feet to 25 feet - \$240; more than 25 feet to 30 feet - \$290; more than 30 feet to 35 feet - \$340; more than 35 feet - \$390. After discussion, the rates were adopted on a motion by Mr. Merkins, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

The meeting was moved to executive session at 11:44 a.m. on a motion by Mr. Merkins, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

The meeting was reopened at 12:32 p.m. on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

The next meeting of the board was set for Friday, June 9.

The meeting was adjourned at 12:36 p.m. on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

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

March 29 through June 8, 2017

March

30 - The staff Lunch & Learn program featured a presentation by Rhymesayers Entertainment - producers of the Soundset music festival.

30-April 2 - St. Paul Osman Temple Shrine Circus was presented in the Warner Coliseum.

April

1 - The Graham/Stanton wedding was held in the History & Heritage Center.

5 - Alexander, Noonan, Dullinger, Hughes and Jetson met with the State Fair's advertising coalition to review the 2017 ad campaign.

6 - Noonan gave a presentation to marketing students at Mounds View High School. Sinclair and Simon met with Mike Cardinal of the Star Tribune to discuss the Strib's exhibit facility.

6-8 - Hammer attended the annual meeting of the Mid-West Fairs Association and visited the Dade County Youth Fair & Exposition in Miami, Fla.

8 - The University of Minnesota's College of Veterinary Medicine's Dog Olympics were held in AgStar Arena.

8-9 - Gopher State Timing Association's Rod & Custom Spectacular was presented in the Warner Coliseum.

11 - Alexander and Jetson met with the State Fair ad coalition to review digital marketing spots. Tuesday Night Worlds bicycle races were held on Machinery Hill.

12 - Alexander, Grans, Noonan and Jetson met with representatives of Metro Transit to review plans for the '17 fair. Alexander, Dullinger, Hughes and Jetson met with Star Tribune sales staff to discuss '17 State Fair partnerships. St. Paul Area Chamber of Commerce met in the History & Heritage Center.

13 - Hammer gave a presentation for neighborhood residents on State Fairgrounds history at Como Park Lutheran Church.

15 - North Star Roller Girls held a bout in the Warner Coliseum.

16 - The University of Minnesota Gopher Criterium bicycle race was held on various fairgrounds streets.

17 - Sinclair and Hines met with Don McClure of D.M.C., Inc. to discuss Skyride operation at the fair.

19 - Senior staff met with representatives of Cuningham Group to discuss the North End project. The State Fair staff Lunch & Learn series continued with a presentation by 2017 State Fair commemorative artist Ta-coumba Aiken.

20 - The State Fair Foundation hosted a donor event in the History & Heritage Center during which Sinclair gave a presentation on midway operations. Noonan attended a board meeting of the Roseville Visitors Association.

22 - The Minnesota Half Arabian Horse Association spring show was presented in the AgStar Arena. Comcast Cares Day was held in the Dairy Building.

22-23 - The Minnesota Weapons Collectors Association spring show and sale was held in the Education Building. Prime Promotions presented their Antique Spectacular Show & Flea Market at the Grandstand and infield. The Minneapolis-St. Paul Military Relic & Collector Spring Show was held in the Progress Center.

22-Aug. 6 - Weekend shuttle parking service to Como Park was provided from the south Como parking lot.

24 - The Minnesota FFA Livestock, Horse & Dairy Judging Contest was conducted in the Warner Coliseum as part of the annual Minnesota State FFA Convention, which also utilized the CHS Miracle of Birth Center.

24-28 - Hammer, Sinclair, Alexander, Huber, Hudalla, Simon, Larson and Leach attended the IAFE Spring Management Conference in Spokane, Wash., and toured the Spokane County Interstate Fairgrounds; Leach received his Certified Fair Executive award during the conference. Also, Huber, Simon and Hudalla visited the Washington State Spring Fair in Puyallup.

25 - Tuesday Night Worlds bicycle races were held on Machinery Hill.

26 - Noonan attended a meeting of the Roseville Visitors Association.

28-30 - The Minnesota Horse Expo was presented at the Warner Coliseum and livestock complex. Munchkin Markets Children's Consignment Spring Sale was held in the Education Building.

29 - St. Paul Craftstravaganza was held at the Progress Center.

May

1 - Alexander and Jetson met with representatives of AllOver Media to discuss indoor advertising for the upcoming fair.

2 - Hammer, Jacobson and LeVesseur 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 2016. Senior staff met with representatives of Cuningham Group for continued discussions on the North End project. Alexander, Sinclair, Franzmeier, Leach, Ward, Hines and Bower participated in a pre-event meeting for the Soundset festival. Metro Transit Bus Rodeo practice was conducted at the south Como parking lot. Tuesday Night Worlds bicycle races were held on various Machinery Hill streets.

3 - Alexander, Hughes and Jetson met with a prospective artist to create the 2018 State Fair commemorative art.

4 - Staff gathered in the Libby Conference Center to thank State Fair Controller Marshall Jacobson for exactly 30 years of service to the State Fair, to celebrate his career and to congratulate him on his retirement. LeVesseur, Rougier and Coleman met with Aercor Wireless to discuss upgrades to the fairgrounds' wireless network.

5 - The McArde/Goehr wedding was held in the DNR Building and park. LeVesseur, Casey and Rougier met with University of Minnesota representatives to discuss WiFi upgrades.

5-7 - The Sahara Sands Spring Classic Horse Show was held in the Warner Coliseum and livestock complex.

6 - The Frye/Nadeau wedding was held in the History & Heritage Center. A private function was held at Giggles' Campfire Grill.

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

8 - Alexander attended a meeting of International Entertainment Buyers Association in Los Angeles, Calif.

9 - Tuesday Night Worlds bicycle races were held on various Machinery Hill streets.

9-10 - The State Fair and Minnesota FFA regional agriculture commodity groups partnered to present Urban Ag In The Classroom Days for St. Paul and Minneapolis public school third graders at the CHS Miracle of Birth Center.

10 - Rougier and Coleman met with Soundset festival production staff to discuss IT needs.

10-11 - Sinclair attended and presented courses on carnival midway operations and commercial exhibits at the IAFE Institute of Fair Management Summit in Sacramento, Calif.

11 - Huber, Edman and Belde attended the Minnesota Employees Recreation & Services Council vendor show at Canterbury Downs in Shakopee.

11-14 - The Friends of the American Saddlebred Horse Show was held in the Warner Coliseum and livestock complex.

12-13 - The Minnesota Barbecue Society presented the Minnesota in May Barbecue Contest at the campground.

12-14 - The Friends School of Minnesota Plant Sale was held at the Grandstand.

13 - The Spring Model Railroad & Hobby Sale was conducted in the Education Building.

15 - LeVesseur, Brady and Carlson participated in a discussion of changes to State Department of Revenue requirements. Carlson attended a presentation on accounts payable. Noonan met with representatives of the University of Minnesota to discuss promotion of activities in the U's State Fair exhibit. Sinclair, Alexander and Simon met with Joe Johnston of KSTP-TV to discuss plans for their exhibit structure.

16 - Tuesday Night Worlds bicycle races were held on various Machinery Hill streets.

17 - LeFebvre met with representatives of the Minnesota Farm Bureau to discuss the Century Farm program. State Fair staff Lunch & Learn series continued with a presentation by Deputy G.M. Jim Sinclair.

18 - Wessel, Fox and Hammer, and Society life member Schmidt participated in a meeting of the State Fair Foundation board. Dullinger represented the State Fair at a MSP Hello event at the Minneapolis Institute of Art. Larson, Hughes and Jetson met with representatives of Hamline Church Dining Hall to discuss marketing ideas for Hamline's 120th anniversary at the State Fair. Huber and Edman attended an employee benefits training conference.

18-20 - The St. Paul YMCA Garage Sale was conducted in the Merchandise Mart.

19-20 - The Artists Market was presented by the Northstar Water Media Society in the Fine Arts Center.

19-June 4 - ApplianceSmart's Major Appliance Liquidation Sale was held in the Education Building.

20 - The Rowe/Neinaber wedding was held in the Progress Center.

20-21 - Minnesota Comic Book Association presented MSP Comicon in the Grandstand.

21 - The Riders & Ribbons Horse Show was held in AgStar Arena. The First Fifty Auto Parts Sale & Swap Meet was held at the north parking lots.

21-25 - Butler and Simon attended the Alltech agriculture conference in Lexington, Ky.

22-25 - Goodrich, LeFebvre, Harder, Nathe and Koenen attended the North American Livestock Show & Rodeo Managers annual meeting in Grand Island, Neb., and toured the Nebraska State Fairgrounds.

24 - Noonan attended a meeting of the Roseville Visitors Association board.

28 - The Soundset music festival was held at the Midway lot.

31 - Alexander, Bower, Simon and Jetson met with representatives of Evine home shopping network to discuss a live broadcast from the '17 State Fair.

June

1 - The North Central Reining Extravaganza Horse Show was held at the Warner Coliseum and livestock complex.

2 - A retirement party for employment manager Pam Mix was held in the Libby Conference Center, celebrating her 23-year career with the State Fair.

2-4 - The International Gem & Jewelry Show was held in the Progress Center. The North Central Reining Extravaganza horseshow was held in the Warner Coliseum and livestock complex.

3 - The Minneapolis/St. Paul Mini Maker Faire was held at the Grandstand. The Olson/Reinhardt wedding was held in the DNR Building and Park.

4 - The General Motors Car Clubs Association Car Show & Swap Meet was held on Machinery Hill.

5 - Butler, Jetson and Schuldts hosted a meeting of the Ag Communicators group. The State Fair ticket office opened for the summer.

5-11 - The Airstream Club Camping event was held at the campground.

6 - The PFM Public Investment & Debt Management Forum was held at the History & Heritage Center and was attended by Hudalla, Leach and LeVesseur. The Tuesday Night Worlds bicycle races were held on Machinery Hill streets. A private function was held at Giggles' Campfire Grill.

7 - Senior staff met with members of the Cuningham Group design firm to continue discussions on the North End project. Noonan gave a presentation to marketing students at Como Park High School.

8 - The official 2017 State Fair commemorative art, created by world-renowned St. Paul artist Ta-coumba Aiken, was unveiled during a celebration attended by hundreds at Giggles' Campfire Grill.

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

9 a.m. Friday, June 9, 2017

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Alexander; Mark Goodrich; Cheryl Huber; Debbie Edman; Chris Leach; Wally LeVesseur; Sean Casey; Gail Anderson; Heather Brady; Michelle Butler; Jodi Jetson; Theresa Weinfurtner; Carol Doyle; Jill Nathe; Danielle Dullinger; Shannon Buchda; Virginia Mold; Josie Belde; Hannah Miller; Kay Cady; Leah Janus.

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

Ms. Simon reported on many of the new commercial exhibits, institutional and educational displays, touring exhibits and sponsors scheduled to participate at the upcoming State Fair. Information only; no action taken.

Mr. Sinclair presented a request from Skyfair, Inc. to adjust their 2017 SkyGlider round-trip ticket prices from \$6 to \$7. After discussion, the request for the increase was denied on a motion by Mr. Wichmann, seconded by Mr. Toenges and carried (Aye-7; Nay-0).

Mr. Sinclair presented a request from Skyride operator D.M.C., Inc. to adjust their 2017 Skyride round-trip ticket price from \$6 to \$7. After discussion, the request was denied on a motion by Mr. Scapanski, seconded by Mr. Grunhovd and carried (Aye-7; Nay-0).

The sales committee meeting was adjourned at 9:41 a.m. on a motion by Mr. Leary, seconded by Mr. Fox and carried (Aye-7; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Jim Sinclair; Renee Alexander; Mark Goodrich; Cheryl Huber; Debbie Edman; Chris Leach; Wally LeVesseur; Sean Casey; Dennis Larson; Pam Simon; Gail Anderson; Heather Brady; Michelle Butler; Jodi Jetson; Theresa Weinfurtner; Carol Doyle; Jill Nathe; Danielle Dullinger; Shannon Buchda; Virginia Mold; Josie Belde; Hannah Miller; Kay Cady; Leah Janus; Jackie Heugel.

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

Minutes of the Society board's general business meeting conducted March 29, 2017, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-9; Nay-0).

Minutes covering interim activities March 29 through June 8, 2017, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Action taken earlier in the morning by the sales committee was reviewed by committee chairman Mr. Merkins and approved on a motion by Mr. Oleheiser, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Jackie Huegel of Malloy, Montague, Karnowski, Rodosevich & Co., P.A., and Mr. LeVesseur reviewed the audit of the Society's books and accounts for fiscal 2016. After discussion, the audit report was accepted on a motion by Mr. Leary, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Financial statement for May 2017 was presented by Mr. LeVesseur as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending May 31, 2017

OPERATING ACCOUNT ACTIVITY:

Balance-April 30, 2017		\$6,055,718
Add: cash deposits	\$3,089,464	
Less: payroll ending May 6	(306,793)	
payroll ending May 20	(284,607)	
cash disbursements	(1,160,754)	
		1,337,310
Balance-May 31, 2017		\$7,393,028

BUILDING FUND ACTIVITY:

Balance-April 30, 2017		\$450
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-May 31, 2017		\$450

CONSTRUCTION ACCOUNT:

Balance-April 30, 2017		
Add: note proceeds		\$-
interest		
Less: disbursements		
Balance-May 31, 2017		\$-

CASH BALANCES FOR MONTH ENDING MAY 31:

	2016	2017
Operating account	\$5,028,447	\$7,393,028
Petty cash	6,100	6,100
Building fund	450	450
Total cash balances	\$5,034,997	\$7,399,578

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

Mr. Hammer and Mr. LeVesseur 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. Leary, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Hammer reported on the recently concluded regular session of the Minnesota Legislature, and its potential impacts on the Society. Information only; no action taken.

Ms. Alexander presented the following entertainment contracts for consideration:

CONTRACTOR	DATES	TERMS	VENUE
Freestyle Productions, Inc.	8/24-9/4	\$88,507 flat	Grandstand Production
P.E.S.O., Inc. (Concert Ushers)	8/24-9/4	Payable upon receipt of invoice \$19.25/hour per person	Grandstand Production
A.S.I.A., Inc. (Concert Security)	8/24-9/4	Payable upon receipt of invoice \$21.00/hour per person	Grandstand Production
Eat Your Heart Catering (Grandstand Catering)	8/24-9/4	\$20,000 flat plus final payment due upon receipt of invoice	Grandstand Production
Perk Global Productions, Inc. (Grandstand Stage Manager)	8/24-9/4	\$21,000 flat	Grandstand Production
Brian Bourn (Grandstand Follow Spots)	8/24-9/4	\$3,500 flat	Grandstand Production
Nickelback Touring 2, Inc. f/s/o Nickelback	8/24	\$550,000 plus 90% over \$675,000	Grandstand Artist
CDD Touring LLC f/s/o Daughtry	8/24	\$50,000 flat	Grandstand Artist
Chimichanga Productions, f/s/o Jim Gaffigan	8/26	\$500,000 plus 80% over \$600,000	Grandstand Artist
Tokeco, Inc. f/s/o Toby Keith	8/27	\$380,000 plus 90% over \$575,000	Grandstand Artist
Long Road Touring Company f/s/o 3 Doors Down	8/27	\$95,000 flat	Grandstand Artist
N.J., Inc. f/s/o Frankie Valli & The Four Seasons	8/28	\$150,000 plus 80% over \$250,000	Grandstand Artist
Tour Management Associates LLC f/s/o John Mellencamp	8/29	\$350,000 plus 90% over \$460,000	Grandstand Artist

Carlene Carter	8/29	\$10,000 flat	Grandstand Artist
Navfive Live, Inc. f/s/o Usher	8/31	\$1,000,000 flat	Grandstand Artist
Minnesota Public Radio f/s/o A Prairie Home Companion	9/1	60% of box office receipts	Grandstand Artist
Lanco Music LLC f/s/o LANCO	9/4	\$5,000 flat	Grandstand Artist
Out In It LLC f/s/o Sam Hunt	9/4	\$500,000 plus 80% over \$606,500	Grandstand Artist
The Pointer Sisters	8/24-25	\$60,000 flat	Bandshell Tonight!
Moon Dog, Inc. f/s/o George Clinton & Parliament Funkadelic	8/26-27	\$65,000 flat	Bandshell Tonight!
My Kids Money LLC f/s/o Chris Janson	8/28-29	\$65,000 flat	Bandshell Tonight!
TTuckaho, Inc. f/s/o Tanya Tucker	8/30-31	\$54,000 flat	Bandshell Tonight!
Noisy S.O.D. Inc. f/s/o Foghat	9/1-2	\$45,000 flat	Bandshell Tonight!
Hippo Campus, Inc. f/s/o Hippo Campus	9/3-4	\$60,000 flat	Bandshell Tonight!
Tonic Sol-fa LLC f/s/o Tonic Sol-fa	8/24-25	\$8,500 flat	Bandshell Day
Dailey & Vincent, Inc.	8/24-25	\$16,000 flat	Bandshell Day
Loving Mary LLC f/s/o The Loving Mary Band	8/26-27	\$10,000 flat	Bandshell Day
Domino Effect Music LLC f/s/o Sammy Arriaga	8/26-27	\$6,000 flat	Bandshell Day
The Hub City All-Stars LLC f/s/o Roddie Romero & the Hub City All-Stars	8/26-27	\$12,500 flat	Bandshell Day
34th Infantry Division "Red Bull Band"	8/28-29	No payment required	Bandshell Day
Hot Club Productions LLC f/s/o Hot Club of Cowtown	8/28-29	\$8,000 flat	Bandshell Day
RHEI LLC f/s/o Redhead Express	8/30-31	\$10,000 flat	Bandshell Day
Nightowls Music LLC f/s/o The Nightowls	8/30-31	\$10,000 flat	Bandshell Day
J.D. McPherson Touring LLC f/s/o JD McPherson	9/1-2	\$15,000 flat	Bandshell Day
Parlay Music Group f/s/o Kazual	9/1-2	\$6,000 flat	Bandshell Day
144 Entertainment LLC f/s/o Mary Sarah	9/1-2	\$8,000 flat	Bandshell Day
Monroe Crossing Inc. dba Monroe Crossing	9/3-4	\$7,000 flat	Bandshell Day
Tank & The Bangas LLC f/s/o Tank & The Bangas	9/3-4	\$10,000 flat	Bandshell Day
CAAMCDT f/s/o CAAM Chinese Dance Theater	8/24-25	\$3,000 flat	Bazaar Day
Glen Helgeson dba Worldview Productions LLC f/s/o Axis Mundi World Jazz Quintet	8/24-25	\$1,800 flat	Bazaar Day

Guava Entertainment f/s/o Socaholix	8/26-27	\$3,000 flat	Bazaar Day
James P Dobosenski f/s/o Doctor Kielbasa	8/26-27	\$3,000 flat	Bazaar Day
Adam Sandhurst f/s/o Adam Sandhurst & The Jolly Jammers	8/28-29	\$1,800 flat	Bazaar Day
Native Pride Productions Inc. f/s/o Native Pride Dancers	8/30-31	\$4,000 flat	Bazaar Day
The Bavarian Musikmeisters	8/30-31	\$1,600 flat	Bazaar Day
Laura Mackenzie f/s/o Brass Lassie	9/1-2	\$3,000 flat	Bazaar Day
Rogelio Onofre f/s/o Chinelos de Axochiapan	9/3-4	\$1,500 flat	Bazaar Day
Tom Mason f/s/o Tom Mason & The Blue Buccaneers	9/3-4	\$3,500 flat	Bazaar Day
Chris Hawkey Entertainment f/s/o Chris Hawkey	8/24-25	\$7,000 flat	Bazaar After Dark
Douglas Vickers Little dba Tesca Music LLC f/s/o Charanga Tropical	8/26-27	\$3,000 flat	Bazaar After Dark
Fabulous Armadillos Inc. f/s/o Takin' It To The Limit: An Eagles Tribute	8/28-29	\$4,000 flat	Bazaar After Dark
Mark Stevens f/s/o Corey Stevens	9/1-2	\$7,000 flat	Bazaar After Dark
BC Characters, Inc. f/s/o BreakShop Bump'n	8/24-9/4	\$33,360 flat	Family Fair at Baldwin Park
Sean Emery	8/24-9/4	\$15,600 flat	Family Fair at Baldwin Park
Divas Entertainment LLC f/s/o The Dollipops	8/24-25	\$1,800 flat	Family Fair at Baldwin Park
Merry Bobb Music, Inc. d/b/a The Splatter Sisters	8/26-27	\$2,700 flat	Family Fair at Baldwin Park
Steve Wilson d/b/a Tuey Wilson	8/28-29	\$1,800 flat	Family Fair at Baldwin Park
Total Entertainment f/s/o Kidsdance	8/30-31	\$2,300 flat	Family Fair at Baldwin Park
Fantastick Patrick Productions	9/1-2	\$2,500 flat	Family Fair at Baldwin Park
Concrete Dream, Inc. f/s/o Steve Trash	9/3-4	\$3,500 flat	Family Fair at Baldwin Park
Dan Sparkman	8/27	\$70 flat	Milk Run
Rick Recker	8/27	\$350 flat	Milk Run
Allied Audio (Free Stage Sound & Lights)	8/24-9/4	\$231,224 flat plus final payment due upon receipt of invoices	Misc. Ent.
DL Weatherhead Timberworks Lumberjack Show LLC f/s/o Timberworks Lumberjack Show	8/24-9/4	\$35,500 flat	North Woods
Chris Perondi dba Extreme Canines Stunt Dog Show	8/24-9/4	\$15,000 flat	North Woods
Steven G. Bauer	8/24-9/4	\$2,700 flat	Old Iron Show
Robert D. Wilson	8/24-9/4	\$1,440 flat	Old Iron Show

Christopher J. Chadwick	8/24-9/4	\$1,440 flat	Old Iron Show
James Birk	8/24-9/4	\$1,260 flat	Old Iron Show
Jack's PC Consulting LLC f/s/o C. John Deschene	8/24-9/4	\$1,440 flat	Old Iron Show
Lee Jason Sackett	8/24-9/4	\$1,680 flat	Old Iron Show
David M. Lewerer	8/24-9/4	\$1,320 flat	Old Iron Show
Shannon M. Sackett	8/24-9/4	\$1,680 flat	Old Iron Show
Joseph Stevermer	8/24-9/4	\$1,680 flat	Old Iron Show
Ken Anderson	8/24-9/4	\$1,680 flat	Old Iron Show
Duane H. Rolstad	8/24-27	\$480 flat	Old Iron Show
Jon A. Getting	8/24-27	\$120 flat	Old Iron Show
James M. Quirk	8/24-31	\$480 flat	Old Iron Show
Lorraine Quirk	8/24-31	\$480 flat	Old Iron Show
Joseph Schimml	8/24-9/1	\$1,350 flat	Old Iron Show
Cecil L. Bechel f/s/o Cecil Bechel	8/31-9/4	\$2,460 flat	Old Iron Show
Rickie D. Grufman	8/31-9/4	\$840 flat	Old Iron Show
Devon Lark	8/24-27	\$140 flat	Old Iron Show
William A. Griesbach	8/24-31	\$720 flat	Old Iron Show
Sam Waldoch	8/28-31	\$120 flat	Old Iron Show
Paul Thomas Bainbridge	9/1-4	\$280 flat	Old Iron Show
Henry A. Reiner	9/1-4	\$280 flat	Old Iron Show
Jason Stock f/s/o Jason Stock Trolley Service	8/24-9/4	\$1,800 flat	Parade
Joseph Stevermer	8/24-9/4	\$420 flat	Parade
Lee Jason Sackett	8/24-9/4	\$420 flat	Parade
Jeff Goldsmith	8/24-9/3	\$2,310 flat	Parade
Lane Powell	8/24-9/3	\$2,640 flat	Parade
Lane Powell f/s/o Tri-State Judging Association	8/24-9/3	\$2,400 flat	Parade
Jack Brass Band	8/31, 9/2-4	\$6,000 flat	Parade
Twin Cities Unicycle Club	8/24	\$450 flat	Parade
Paul Husby f/s/o St. Anthony Park Community Band	8/25	\$100 flat	Parade
St. Paul Police Band	8/26	\$250 flat	Parade

Crow River Drumline Association f/s/o Phoenix Drumline	8/27	\$750 flat	Parade
Regents of the University of Minnesota	9/4	\$2,750 flat	Parade
Sprague Hollaner f/s/o Curtiss A. & The Cold Cold Hearts	8/24-25	\$2,100 flat	Ramberg Center
Mellow Fellows	8/24-25	\$1,000 flat	Ramberg Center
Pop Wagner Inc. f/s/o Pop Wagner & Bob Bovee	8/28-29	\$1,200 flat	Ramberg Center
Slew Foot Family Band	8/28-29	\$1,250 flat	Ramberg Center
James D. Shannon f/s/o Jim Shannon Trio	8/30-31	\$1,200 flat	Ramberg Center
James P. Berner f/s/o Jim Berner's Music Legends	8/30-31	\$1,000 flat	Ramberg Center
Joel P. Johnson f/s/o Joey Johnson Band	9/1-2	\$1,300 flat	Ramberg Center
It's A Secret LLC	9/1-2	\$1,500 flat	Ramberg Center
Gabby Bruestle	9/3	\$50 flat	Talent Contest
Amanda Chan	9/3	\$50 flat	Talent Contest
MNHS presents History-On-A-Schtick	8/24-9/4	No payment required	West End Market
Minnesota State Fiddlers Assoc. f/s/o Minnesota State Fiddle Contest	8/26-27	\$5,000 flat	West End Market
Minnesota Bluegrass & Old-Time Music Association f/s/o MN American-Roots Music Contests	9/1-2	\$5,000 flat	West End Market
Divas Entertainment LLC f/s/o Divas Through the Decades	8/24-25	\$2,500 flat	West End Market
Katherine L. Vanderwood d/b/a Katy Vernon	8/24-25	\$2,000 flat	West End Market
Dan C Israel	8/26-27	\$2,500 flat	West End Market
Musicalou Productions f/s/o Pat Donohue, formerly of A Prairie Home Companion	8/28-29	\$5,000 flat	West End Market
Kenny Ahern	8/28-29	\$2,000 flat	West End Market
Michael E Riddle d/b/a Riddlemusic LLC f/s/o The Riddle Brothers	8/28-29	\$950 flat	West End Market
Tommy Ryman	8/30-31	\$2,000 flat	West End Market
451st Army Band "Blue Devils"	8/30-31	No payment required	West End Market
Duelly Noted LLC f/s/o Duelly Noted	9/1-2	\$2,000 flat	West End Market
Roger Radley	9/3-4	\$2,500 flat	West End Market

The Pines Music LLC f/s/o The Pines	8/26-27	\$6,000 flat	West End at Sunset
Heiruspecs f/s/o Heiruspecs	8/28-29	\$8,000	West End at Sunset
Romantica Music f/s/o Romantica	8/30-31	\$8,000 flat	West End at Sunset
Bad Bad Hats LLC f/s/o Bad Bad Hats	9/1-2	\$10,000 flat	West End at Sunset
Nooky Jones LLC f/s/o Nooky Jones	9/3-4	\$2,400 flat	West End at Sunset
Action Sports of Minnesota dba 3rd Lair Skatepark	8/24-9/4	\$45,475 flat	X-Zone

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

Ms. Nathe reviewed the State Fair's competitions in agriculture, education and the arts, and reported on early entries and increased levels of participation for the '17 State Fair. Information only; no action taken.

Mr. Hammer presented the following list of board-hosted functions for the '17 State Fair: Minnesota Federation of County Fairs lunch Friday, Aug. 25; State Fair Hall of Fame and Life Member lunch Sunday, Aug. 27; and Minnesota Livestock Breeders Association breakfast Thursday, Aug. 31. The functions were approved on a motion by Mr. Merkins, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

Ms. Cady and Mr. Hammer reviewed contributions, ongoing fundraising activities, development of the Foundation endowment and other projects of the State Fair Foundation. Information only; no action taken.

President Wessel extended the board's thanks to State Fair staff for their continuing effort on behalf of the Great Minnesota Get-Together.

Mr. Fox moved, Mr. Leary seconded and motion carried to move the meeting into executive session at 10:39 a.m. (Aye-9; Nay-0).

The meeting was reopened at 11:59 a.m. on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Mr. Hammer provided an update on planning and design for the North End agriculture, arts and education development. Information only; no action taken.

The meeting was adjourned at 12:23 p.m. on a motion by Mr. Merkins, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

June 9 through August 24, 2017

June

9-10 - The Stamp & Scrapbook Expo was held in the Education Building. South Como parking lots were used as shuttle parking for Minnesota State High School League track and field championships at Hamline University.

9-11 - Giggles' Campfire Grill hosted a series of graduation parties and corporate events.

10 - The St. Paul Summer Festival was held at the International Bazaar. The Story-Gustafsson wedding was held in the DNR Building.

10-11 - The Minnesota Antique Dealers Association presented the Antique and Decorative Arts Show.

12 - Funeral services for Bill Hermes, State Fair greenhouse superintendent from 1972 to 1994, were attended by State Fair staff and friends of the fair. Hammer attended the annual meeting of the Metropolitan Economic Development Association at U.S. Bank Stadium.

13 - State Fair Affair bicycle races were held on Machinery Hill.

14-17 - The Minnesota 4-H Youth Exploring Leadership and Learning Outload (YELLO) was held at the 4-H Building.

14-18 - The Region 10 Arabian & Half-Arabian Championships Horse Show was held in the Warner Coliseum and livestock complex.

15 - HealthEast Get-Together was held at West End Market.

16 - Hudalla, Casey and Leach met with staff of Cuningham Group to discuss continued planning for the North End project.

16-17 - The Viking Chapter of the Antique Motorcycle Club of America held their National Meet at the campground and Progress Center.

17 - CBS Radio's Pet-A-Palooza was held on Machinery Hill.

18-21 - Huber and Edman attended the Society for Human Resource Management annual conference in New Orleans.

19 - G.L. Berg Workshop was conducted in the Libby Conference Center.

20 - Hudalla and Casey met with representatives of Peterson Brothers Roofing to discuss future roof replacement projects.

23-24 - The 31st Annual Twin Cities Classic Car Auction was held in the Cattle Barn.

23-25 - The Minnesota Street Rod Association's Back To The '50s Weekend was held across the fairgrounds.

27 - State Fair Affair bicycle races were held on Machinery Hill.

28 - The State Fair conducted its second annual job fair for seasonal and fair-time employees in the Progress Center. The Midsummer Mile footrace was held on various fairgrounds streets.

28- July 1 - The Tanbark Cavalcade of Roses Horse Show was held in the Warner Coliseum and livestock complex.

29 - Hudalla, Alexander and Cady met with Cuningham Group staff and former Minnesota State Historical Society exhibits director Dan Spock to discuss the North End project exhibit building.

30 - July 1 - The Twin Cities Antiquarian & Rare Book Fair was presented in the Progress Center.

July

1-2 - Shuttle parking for the Hmong Freedom Celebration at Como Park was provided at the south Como parking lots.

8 - Giggles' Campfire Grill hosted a graduation party. The Konopacky wedding reception was held in the History & Heritage Center.

9 - The Color Run was held at the Grandstand and various streets around the fairgrounds.

10-13 - Hughes, Noonan, Dullinger and Simon met with KARE-TV, KMSF-TV, KSTP-TV and WCCO-TV to discuss fair-time exhibits and coverage of the upcoming fair.

11 - Hudalla toured the fairgrounds with Minnesota State Risk Management staff to evaluate the grounds. State Fair Affair bicycle races were held on Machinery Hill. Huber, Edman and Schoen met with the McDowell Agency to discuss background check services.

12 - Senior staff met with representatives of Cuningham Group to discuss phasing of the North End project.

13 - A meeting of all full-time staff was held in the Libby Conference Center. Huber, Edman and Schoen discussed staff training with two consulting groups.

13-16 - The Minnesota Amateur Quarter Horse Association Corporate Challenge horse show was held in the Warner Coliseum and livestock complex.

14-16 - The StreetMachine Nationals car show was held throughout the fairgrounds.

17 - Sinclair, Alexander, Simon and Hughes met with representatives of Evine home shopping network to discuss their Aug. 24 broadcast from the State Fair.

19 - The St. Paul Fire Department conducted rappel training on the Space Tower. Huber and Edman met with staff of the Bloomington DoubleTree Hotel to review a proposal for the joint annual meetings of the Society, Federation of County Fairs and Midwest Showmen's Association in 2019, 2020 and 2021.

19-21 - Harper, Schadeck and Ward attended Universal Studios Hollywood in Universal City, Orange County Fair in Costa Mesa, and Santa Monica Pier in Santa Monica, California.

20 - Hammer met with Bill McGrann, Joe Bagnoli and Doug Carnival of the McGrann Shea Carnival Straughn & Lamb law firm to discuss legislative matters. Sinclair and Hines met with David Garrett and Brad Doolittle of Haas Wilkerson Insurance.

21 - A retirement party was held at Giggles' Campfire Grill.

22 - Giggles' Campfire Grill hosted a class reunion.

22-23 - The Capitol Classic Horse Show was held in AgStar Arena.

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

25 - Hudalla, Leach, State Fair Police Chief Blakey and Assistant Chief Paulos met with the State Fair legal team to discuss a variety of matters. State Fair Affair bicycle races were held on Machinery Hill.

27 - Giggles' Campfire Grill hosted a corporate party.

28 - A wedding reception was held at Giggles' Campfire Grill.

29 - A class reunion was held at Giggles' Campfire Grill.

August

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

2 - A meeting of all full-time staff was held in the Libby Conference Center, during which 19 staff members were recognized with length-of-service awards.

3 - The State Fair Foundation hosted more than 100 major donors and special guests to the world premiere of Twin Cities Public Television's new documentary "State Fair Traditions" in the DNR Building theater. Hammer gave a presentation on State Fair history and fairgrounds architecture to residents of Lyngblomsten Heritage Center.

3-6 - The North Central Reining Futurity & Derby horse show was held in the Warner Coliseum and livestock complex.

3-4 - Sinclair, Simon, Hines, Ward and LeVesseur visited the Wisconsin State Fair in West Allis.

4-5 - Hudalla visited the Indiana State Fair in Indianapolis.

9 - Operations, facilities, marketing and sales staff met with Minnesota State Risk Management, St. Paul Fire Department and Regions Hospital to coordinate fair-time operations.

11 - Sinclair, Simon, Larson, Bower, Hines and Juettner visited the Iowa State Fair in Des Moines.

13 - Midway staff arrived and began set-up of Mighty Midway and Kidway.

17 - The State Fair Foundation's Taste of the Fair hosted more than 1,300 donors and friends at the International Bazaar. The University of Minnesota hosted an open house at the new Driven to Discover building.

19 - The State Fair Around the Fair Committee hosted a staff pancake breakfast in the 4-H Building.

22 - The State Fair Foundation's First Glance event and the State Fair's Fine Arts Preview were held in the Fine Arts Center.

23 - Princess Kay of the Milky Way 2017 was crowned by the Midwest Dairy Association during ceremonies at the Bandshell.

24 - The 2017 Great Minnesota Get-Together opened at 6 a.m.

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

10 a.m. Friday, Aug. 25, 2017

Officers Quarters, State Fairgrounds

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

Also present: Leah Janus; Joe Bagnoli; Doug Carnival.

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

Minutes from the board meeting of June 9, 2017, were reviewed and approved on a motion by Mr. Scapanski, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period from June 9 through Aug. 23 were reviewed and accepted on a motion by Mr. Oleheiser, seconded by Mr. Toenges 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, 2017

OPERATING ACCOUNT ACTIVITY:

Cash Balance-June 30, 2017		\$7,271,670
Add: cash deposits	\$3,164,688	
Less: payroll ending July 14	(362,377)	
payroll ending July 28	(368,017)	
Cash disbursements	(2,407,405)	
		26,889

Balance-July 31, 2017 \$7,298,559

BUILDING FUND ACTIVITY:

Balance-June 30, 2017	\$450
Add: interest earned	
securities purchased	
Less: securities redeemed	
Balance-July 31, 2017	\$450

CONSTRUCTION ACCOUNT:

Balance-June 30, 2017	\$-
Add: note proceeds	
interest	
Less: disbursements	
Balance-July 31, 2017	\$-

CASH BALANCES FOR MONTH ENDING JULY 31:

	2016	2017
Operating account	\$5,682,929	\$7,298,559
Petty cash	24,298	24,748
Building fund	450	450
Total cash balances	\$5,707,677	\$7,323,757

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

A summary of the 2017 legislative session was provided by Joe Bagnoli and Doug Carnival of the McGrann Shea Carnival Straughn & Lamb law firm. No action taken.

The following list of entertainment contracts were presented for review:

CONTRACTOR	DATES	TERMS	VENUE
RES Specialty Fireworks	8/24-9/4	\$32,500 flat	Grandstand Production
Premier Global Production Company, Inc.	8/24-9/4	\$110,583 flat	Grandstand Production

Premier Global Production Company, Inc. (Lighting)	8/24-9/4	\$65,895 flat	Grandstand Production
Clair Brothers Audio, Inc. (GS Sound)	8/24-9/4	\$73,950 flat	Grandstand Production
Rock-A-Little, Inc. f/s/o Stevie Nicks	8/25	\$800,000 plus 85% over \$910,000	Grandstand Artist
VC Tours, Inc. f/s/o Vanessa Carlton	8/25	\$10,000 flat	Grandstand Artist
Tokeco, Inc. f/s/o Toby Keith	8/27	\$425,000 plus 90% over \$625,000	Grandstand Artist
Carter Girl Music LLC f/s/o Carlene Carter	8/29	\$10,000 flat	Grandstand Artist
Pentatonix Touring, Inc. f/s/o Pentatonix	8/30	\$250,000 plus 85% over \$355,000	Grandstand Artist
Alvardo Entertainment LLC f/s/o Us The Duo	8/30	\$5,000	Grandstand Artist
WatchTheDuck	8/31	\$10,000 flat	Grandstand Artist
Wildewoman Music LLC f/s/o Lusius	9/2	\$45,000 flat	Grandstand Artist
Nightlife Touring, Inc. f/s/o Phantogram	9/2	\$100,000 plus 80% over \$250,000	Grandstand Artist
Now Now LLC f/s/o Now, Now	9/2	\$5,000 flat	Grandstand Artist
Nightlife Touring, Inc. f/s/o Phantogram	9/2	\$200 flat	Grandstand Artist
Wildewoman Music LLC f/s/o Luscius	9/2	\$1,500 flat	Grandstand Artist
Ryan Follese	9/4	\$1,500 flat	Grandstand Artist
Joni Harms	8/24-25	\$8,000 flat	Bandshell Day
The Malpass Brothers	8/28-29	\$10,000 flat	Bandshell Day
James Strehlke f/s/o Alpensterne	8/30-31	\$2,000 flat	Bandshell Day
James Andres f/s/o James Andrews and The Crescent City Allstars	9/3-4	\$12,250 flat	Bandshell Day
C. Willi Myles Ent. Inc. f/s/o C. Willi Myles	9/3-4	\$3,000 flat	Bandshell Day
Frogleg LLC dba Wain McFarlane	8/28-29	\$3,000 flat	Bazaar Day
Wayne Anthony McFarlane dba Wain McFarlane	9/1-2	\$3,500 flat	Bazaar Day
Mark J Moran dba CW's HMX f/s/o The Good, the Bad and the Funky	8/30-31	\$3,500 flat	Bazaar After Dark
Elizabeth Holly Munoz f/s/o Ambassadors of Culture	9/3-4	\$5,000 flat	Bazaar After Dark
Premier Global Production Company, Inc.	8/24-9/4	\$12,000 flat	Misc. Attractions

Laser Encore, Inc. f/s/o Laser Encore's Laser Hitz Show	8/24-9/4	\$19,000 flat	Misc. Attractions
Allied Audio (Free Stage Sound and Lights)	8/24-9/4	\$213,821.96 flat plus final payment due upon receipt of invoices (revised)	Misc. Ent.
Sylvain Pienault	8/29	\$100 flat	Misc. Ent.
Steve L. McDonough	8/24-9/4	\$2,100 flat	Old Iron Show
Robert A. McDonough	8/24-9/4	\$2,100 flat	Old Iron Show
Glen William Westphal	8/24-9/4	\$720 flat	Old Iron Show
Patrick McDonough	8/24-9/4	\$2,100 flat	Old Iron Show
Jake Suchy	8/24-9/4	\$480 flat	Old Iron Show
Devon Lark	9/1-4	\$140 flat	Old Iron Show
Kenneth Scott	9/1-4	\$360 flat	Old Iron Show
Rodney Mondor	9/1-4	\$480 flat	Old Iron Show
Delores Nelson	9/1-4	\$360 flat	Old Iron Show
Susan M. Hirschmug f/s/o Upstanding Stilts	8/24-9/4	\$3,900 flat	Parade
River City Rhythm, Inc.	9/3-4	\$600 flat	Parade
Minneapolis First SDA Church	8/27, 8/30 & 9/3	\$800 flat	Parade
Barebones Productions	8/31-9/1	\$500 flat	Parade
Minnesota Pipes and Drums f/s/o Minnesota Police Pipe Band	8/26	\$1,250 flat	Parade
Minnesota "Over-60" Band	8/31	\$400 flat	Parade
Women's Drum Center f/s/o Drumheart	9/2	\$1,200 flat	Parade
Gordon Lewis f/s/o Pig's Eye Jass Band	9/4	\$560 flat	Parade
Scott R. Fraser f/s/o Scott Fraser Guitar Virtuoso	8/26-27	\$600 flat	Ramberg Center
The Brass Barn Polka Band	8/26-27	\$2,000 flat	Ramberg Center
Richard Hollister f/s/o Jack Knife & The Sharps	9/3-4	\$1,200 flat	Ramberg Center
John D. Barrett f/s/o The Fairlanes	9/3-4	\$1,600 flat	Ramberg Center
Kersten Rodau	9-3	\$500 flat	Talent Contest
Fiddle Pal Music f/s/o The Barley Jacks	8/24-25	\$4,000 flat	West End Market
Kristoffer Olson f/s/o Kristoffer Olson, Funny Magician	8/26-27	\$1,700 flat	West End Market
CharMike Music f/s/o Jerry O'Hagan Orchestra	8/30-31	\$3,500 flat	West End Market

The Wild Goose Chase Cloggers	9/1-2	\$2,000 flat	West End Market
Anthony Lewis Lehr f/s/o Family Three	9/3-4	\$1,000 flat	West End Market
The Sweet Colleens LLP f/s/o The Sweet Colleens	9/3-4	\$3,000 flat	West End Market
MJG Production f/s/o The Big Wu	8/24-25	\$4,000 flat	West End at Sunset

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

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

Emily Annestad, St. Peter; Ryleigh Beers, Luverne; Mitch Bobendrier, Pipestone; Laura Church, Hastings; Mikayla Erf, Oakdale; Kristin Farris, Goodridge; Alyssa Groskopf, Hastings; Kylee Kohls, Litchfield; Morgan Krause, Buffalo; Ella Lee, Cannon Falls; Jackson Neil, Northfield; Rebekka Paskewitz, Browerville; Emily Pliscott, Kenyon; Leah Ruen, Lanesboro; Mikayla Spinler, Morristown; Gracie Vathauer, Wheaton; Gavin Viland, Pipestone; Heather Weller, New York Mills; and Alexis Wetzel, Faribault.

The scholarship winners were approved on a motion by Mr. Oleheiser, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

A proclamation honoring the Ribar-Libby Family with the State Fair Family Legacy Award was approved on a motion by Mr. Merkins, seconded by Ms. Johnson and carried (Aye-9; Nay-0). The proclamation celebrates 80 years of participation as commercial exhibitor at the State Fair and is issued jointly by the State Agricultural Society and the State Fair Foundation.

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

The meeting adjourned at 11:34 a.m. on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Sunday, Sept. 3, 2017

Officers Quarters, State Fairgrounds

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

Also present: Leah Janus

President Wessel called the meeting to order at 9:57 a.m.

Minutes of the board meeting conducted Aug. 25, 2017, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Mr. Hammer provided an update on activities of the 2017 State Fair. Information only; no action taken.

The board authorized an annual contribution of \$5,000 to the State Fair employees club to provide partial funding for employee club functions and beverages used by employees and visitors on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

It was moved by Mr. Fox, seconded by Mr. Wichmann 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 2017 international convention in Las Vegas, Nev. (Aye-9; Nay-0).

The dates of the 2018 Minnesota State Fair were set for Thursday, Aug. 23 through Labor Day, Sept. 3, on a motion by Mr. Toenges, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

\$3 million for infrastructure improvements to the north end of the fairgrounds was approved on a motion by Ms. Johnson, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

The next meeting of the Society's board of managers was set for Tuesday, Nov. 14.

Tuesday, Dec. 26, 2017, was approved as a paid holiday for State Fair full-time staff on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

The board extended their gratitude to staff and congratulated them for superior effort in producing the 2017 Great Minnesota Get-Together.

The meeting adjourned at 11:04 a.m. on a motion by Ms. Johnson, seconded by Mr. Fox and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Aug. 24 through Nov. 13, 2017

August

24 - The 2017 Great Minnesota Get-Together opened at 6 a.m. Later that morning, Society President Sharon Wessel presided over opening ceremonies at the Bandshell.

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

29 - Military Appreciation Day featured discounted admission for active, retired and veteran military members along with a variety of special activities. Included was a special ceremony at the State Fair Veterans Garden commemorating the centennial of the United States' entry into World War I; participants included Rosetown American Legion Post 542 and the Como Park Military Veterans Association. The ceremony was followed by programs at the Bandshell and Dan Patch Park, and additional activities throughout the fairgrounds.

31 - Gwenn Smith of Deer River (Itasca County) and Terry Marsh of Buffalo (Wright County) were named Minnesota's Outstanding Senior Citizens during Senior Day ceremonies at the Bandshell.

September

3 - At a special Grandstand ceremony, 15 State Fair staff members were recognized for outstanding performance, and five from that group received State Fair All Star MVP Awards - Matthew Dorn, Grandstand Building; Vitali Haug, Sanitation; Jennifer Moran, Competition; Kelly Morrison, Competition; and Anthony Nelson, Sanitation.

4 - The 2017 Minnesota State Fair closed with record attendance of 1,997,320. Three daily records were set (Monday, Aug. 28 - 144,504; Friday, Sept. 1 - 187,066; Sunday, Sept. 3 - 242,759). VIP visitors included board members of the Dade County Fair in Miami, Fla.; John Juliano and staff from the Eastern States Exposition in Springfield, Mass.; Paul Davis of the Florida Strawberry Festival in Plant City; a delegation from the Georgia National Fair in Perry, Ga.; Jeremy Parsons and board members from the Clay County Fair in Spencer, Iowa; Dan Mourning and staff from the New Mexico State Fair in Albuquerque; Roger White of the Royal Easter Show in Sydney, Australia; 20 presidents of regional dairy associations throughout the nation; a 15-member delegation from the World Press Institute representing nations from around the world; National Independent Concessionaires Association's Rey O'Day from Pomona, Calif.; and CEO Gary Slater and staff from the Iowa State Fair in Des Moines.

8 - Edman and Schoen attended a Business Leaders workshop.

8-9 - The first of several fall household hazardous waste drop-offs for Ramsey County residents was conducted at the south Como parking lot.

13 - Alexander, Dullinger, Hughes and Noonan attended the Minnesota Marketing Summit in Minneapolis, where Alexander also served as a panelist.

14 - Alexander served as a panelist for the Leadership St. Paul conference at CHS Field. A Celebration of Sorts, presented by the Arc Greater Twin Cities, was held in the Dairy Building.

14-16 - Several private functions were held at Giggles' Campfire Grill.

14-21 - Metro Transit drivers participated in the annual Bus Roadeo at the south Como parking lots.

15-18 - The Minnesota State 4-H Horse Show was held in the Warner Coliseum and livestock complex.

15 - A wedding reception was held at Giggles' Campfire Grill.

16 - The TC Model Railroad Club held their annual model railroad and hobby sale in the Education Building. A class reunion was held at Giggles' Campfire Grill. The Grandstand lot was used as a shuttle parking lot for a University of Minnesota Gophers home football game.

17 - The Antique Motorcycle Club swap meet was held at the north parking lot. The Como lot was used for shuttle parking for the Twin Cities Community Walk.

19 - Huber, Edman and Schoen attended an employee benefits training session presented by the State Employees Group Insurance program.

19-22 - Buchda and Schuldt attended the Eastern States Exposition in Springfield, Mass., the Billings Farm & Museum in Woodstock, VT., and the Queens County Farm Museum in Floral Park, NY.

19-24 - Diedrick and Dullinger attended the Epcot Food & Wine Festival and the Orange County Convention Center in Orlando, Fla.

20 - A post-fair meeting of the fair's risk management and emergency medical services team was attended by State Fair staff representing several departments. An appreciation dinner for State Fair Foundation volunteers was held in the Progress Center.

21 - A celebration honoring State Fair Hall of Famer Art Blakey, retiring after serving 37 years as State Fair Chief of Police, was held at O'Gara's At The Fair and was attended by hundreds of friends and fair associates; it was announced at the celebration that the fair's police headquarters will be named the Arthur R. Blakey Jr. Police Station.

21-25 - The Western Saddle Club Horse Show was held in the Warner Coliseum and livestock complex.

22-26 - Franzmeier and Hines attended Central Washington State Fair in Yakima, the Washington State Fair in Puyallup, and Pike Place Market in Seattle, Washington.

23 - The 32nd Roy Griak Invitational cross country meet in the University of Minnesota golf course used the south Como lot for bus parking. Weddings were held in the History & Heritage Center, Giggles' Campfire Grill and O'Gara's At the Fair.

23-24 - The Twin Cities 20th Century Design Show was held in the Progress Center. Munchkin Markets Fall Children's Consignment Sale was held in the Education Building. The State 4-H Dog Show was held in the 4-H Building. The LuLaRoe Clothing Sale was held in the Merchandise Mart.

26 - Sinclair, Simon, Alexander and Noonan met with representatives of iHeart Radio to discuss broadcast activities of their stations at the fair and discuss future plans. Schoen and Woodis attended a meeting with a Convenience Online learning representative. A Lunch & Learn session for full-time staff featured a presentation by Susan Brown and Eve Stubens of the State Fair Marketing Coalition. Buchda, Dungan and Weinfurter met with representatives of Allied Audio to recap the '17 fair.

27 - Noonan attended a strategic planning board retreat of the Roseville Visitors Association. The Metro Area Children's Water Festival was held at the 4-H Building and Baldwin Park.

28 - A reception honoring Kay Cady, retiring executive director of the State Fair Foundation, was held in the History & Heritage Center.

28-Oct. 1 - The Title Nine Blowout Sale was held in the Dairy Building.

29 - Noonan spoke to two business career classes at Farnsworth Aerospace School. Sinclair met with Dave Rustad of Midwest ATM to review cash machine operations at the '17 fair. Alexander, Goldstein, Hughes and Duda met with the fair's 2018 commemorative artist to discuss concepts for '18 artwork.

29-30 - The Beer Dabbler's Rummage event was held at West End Market.

29-Oct. 1 - The Fall Festival Arabian Horse Show was held in the Warner Coliseum and livestock area.

30 - The Grandstand lot was used as shuttle parking for a University of Minnesota Gophers home football game. A wedding was held at Giggles' Campfire Grill.

30-Oct. 1 - The Minneapolis-St. Paul Military Relic & Collectors Fall Show was held in the Progress Center. The Antique Spectacular Show & Flea Market fall show was presented at the Grandstand. The Minnesota Weapons Collectors Association Weapons Show & Sale was held in the Education Building.

October

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

1-4 - K. Huber and Tapia attended Disneyland and Disney California Adventure in Anaheim, and Bowers Kidseum in Santa Ana, California.

2-7 - The City of St. Paul Public Works Department conducted snow plow training at the south Como lots.

3 - The University of Minnesota's FFA Invitational Career Development Events were held in the CHS Miracle of Birth Center.

3-8 - The Minnesota Harvest Horse Show was held in the Warner Coliseum and livestock complex.

5 - Woodis met with Washington County school district advisors regarding employment opportunities for students. Alexander, Dullinger, Hughes, Larson and Noonan attended the Minnesota Hospitality Conference & Expo at Saint Paul Rivercentre.

6 - Noonan spoke to two marketing classes at Mounds View High School.

6-7 - Twin Cities Oktoberfest was presented by Golden Badger Events LLC in the Progress Center. The Gold Country FairWear Sale was held at Visitors Plaza.

6-8 - The Half Price Books Clearance Event was held at the Grandstand.

7 - Minnesota Comic Book Association's Fallcon was presented in the Education Building. The City of St. Paul's District 10 conducted a community cleanup event at the north parking lots. The Losure-Krejci wedding was held in the History & Heritage Center.

8-11 - Huber, Edman and Schoen attended Minnesota's Society of Human Resource Management annual conference in Duluth.

9 - Butler and Schuldt hosted Ag In Action field trips for St. Anthony Park fifth graders at Little Farm Hands in partnership with the University of Minnesota ag education department.

10 - Sinclair, Simon, Diedrick, Casey and Steffenhagen met with representatives of Minnesota DNR to review activities at the '17 fair and discuss plans for '18.

12 - Edman and Schoen met with Mary Weber and Janice Downing from CommonSense Consulting regarding leadership training.

12-16 - Anderson and Vavreck attended the Albuquerque Balloon Fiesta and New Mexico State Fair in Albuquerque, New Mexico.

13-29 - Pumpkin Nights was held at DNR Park and neighboring roadways.

13 - The Bachhuber-Dunker wedding was held in the History & Heritage Center.

14 - The Twin Cities Book Festival, presented by Rain Taxi, was held in the Progress Center and Fine Arts Center. The south Como lot was used as shuttle parking for the American Brain Tumor Association's BT5K Run & Walk at Como Lake. The Grandstand lot was used as shuttle parking for a University of Minnesota Gophers home football game.

15 - The Twin Cities Roadster Swap Meet was held at the north parking lots.

15-17 - Alexander and Dungan attended the International Entertainment Buyers Association annual conference in Nashville, Tenn.; Alexander was presented with IEBA's Fair Buyer of the Year award during the conference.

17 - The Mortenson Event presented by Giggles was held in the Progress Center.

18 - Noonan spoke to a gathering of the North Hennepin Business Women in Robbinsdale.

19 - Wessel and Hammer participated in meetings of the State Fair Foundation's finance and investment committees in the J.V. Bailey House.

19-22 - The State Fair presented the Minnesota Beef Expo in the Warner Coliseum and livestock complex.

21 - The Grandstand lot was used as shuttle parking for a University of Minnesota Gophers home football game.

21-29 - The south Como lots were used as shuttle parking for Como Park's Zoo Boo.

23 - Noonan spoke to a marketing class at North St. Paul High School.

24 - Sinclair, Alexander, Hudalla, Leach, Larson, Simon, Hines, Vavreck, Doyle, LeFebvre, Bower and Hughes met with representatives of the Minnesota Departments of Health and Agriculture to review '17 fair inspections and operations. Alexander, Hughes and Duda met with the 2018 commemorative artist to confirm the timeline for art production.

25 - Full-time staff attended a Lunch & Learn program featuring State Fair fireworks providers Erv Haman and Tracy Vanasek of RES Pyro. Noonan and Simon met with representatives of CBS Radio to recap the '17 fair and discuss future plans.

28-29 - The Minnesota Weapons Collectors Association Show & Sale was held in the Warner Coliseum.

29 - The Riders & Ribbons Horse Show and Minnesota Academy Equestrian Finals were held in AgStar Arena.

November

2 - McGough Construction held their Women's Initiative Meeting in the History & Heritage Center.

2-4 - Hammer gave the keynote address along with a presentation on agriculture education at the fall conference of the Association of Shows & Agricultural Organisations in York, England, and toured the Great Yorkshire Show grounds in Harrogate.

3 - Huber, Edman, Schoen and Woodis attended a Fredrikson & Byron seminar on employment law.

4-5 - The 2017 Championship Competition presented by GameDay Crossfit Competition was held in the Warner Coliseum.

6-9 - Belde, Gilbertson, Mold and Nathe attended The Royal Agricultural Winter Fair in Toronto, Canada

8 - Butler and Schuldt hosted the inaugural Ag Literacy Network meeting in the Libby Conference Center. Alexander, Dullinger, Hughes and Noonan met with representatives of iHeart Radio to discuss future projects.

11 - Huber and Edman met with staff of the Sheraton and DoubleTree

Hotels in Bloomington to plan for the Society's upcoming annual meeting. The Grandstand lot was used as shuttle parking for a University of Minnesota Gophers home football game.

11-12 - Hmong American New Year celebration was held in the Warner Coliseum and the History & Heritage Center.

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

9 a.m. Tuesday, Nov. 14, 2017

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Alexander; Mark Goodrich; Brian Hudalla; Chris Leach; Wally LeVesseur; Gail Anderson; Sean Casey; Heather Brady; Hannah Miller; Jill Nathe; Chris Noonan; Danielle Dullinger; Lara Hughes; Michelle Butler; Marie LeFebvre; Virginia Mold; Samantha Gilbertson; Theresa Weinfurtner; Shannon Buchda; Dani Vavreck; Brett Ward; Emily Diedrick; Nikki Hines; Carol Doyle; Jennifer Bower; Debbie Edman; Patrick Schoen; Grace Woodis; Kim Scibak; Josie Belde; Cynthia Cashman; Shana Zaiser; Leah Janus.

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

Mr. Larson, Ms. Simon, Mr. Sinclair and Ms. Vavreck provided detailed review of the 2017 State Fair's sales division income of \$15.1 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 2018.

The sales committee adjourned at 9:25 a.m. on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

MEETING OF THE PLANNING COMMITTEE

Members present: Ron Oleheiser, chairman; Joe Fox; D.J. Leary; Danny Grunhovi; Gail Johnson; Paul Merkins; Joe Scapanski; Gordy Toenges; Wally Wichmann; Sharon Wessel, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Mark Goodrich, ex officio; Sean Casey, ex officio.

Also present: Jim Sinclair; Renee Alexander; Chris Leach; Wally LeVesseur; Dennis Larson; Pam Simon; Gail Anderson; Heather Brady; Hannah Miller; Jill Nathe; Chris Noonan; Danielle Dullinger; Lara Hughes; Michelle Butler; Marie LeFebvre; Virginia Mold; Samantha Gilbertson; Theresa Weinfurtner; Shannon Buchda; Dani Vavreck; Brett Ward; Emily Diedrick; Nikki Hines; Carol Doyle; Jennifer Bower; Debbie Edman; Patrick Schoen; Grace Woodis; Kim Scibak; Josie Belde; Cynthia Cashman; Shana Zaiser; Leah Janus.

Chairman Oleheiser called the meeting to order at 9:25 a.m.

Mr. Hammer reviewed plans for a reconfiguration of attractions, exhibits and infrastructure on the north end of Machinery Hill.

Mr. Hudalla presented a proposed standard maintenance projects budget totaling \$1.5 million, along with capital items totaling \$3.2 million for fiscal 2018. After review and discussion, the projects were approved on a motion by Mr. Merkins, seconded by Mr. Fox and carried (Aye-8; Nay-0); the projects will be included in the comprehensive 2018 capital and maintenance budgets to be considered at the Society's January meetings.

The meeting adjourned at 10:01 a.m. on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Jim Sinclair; Renee Alexander; Mark Goodrich; Brian Hudalla; Chris Leach; Wally LeVesseur; Dennis Larson; Pam Simon; Gail Anderson; Sean Casey; Heather Brady; Hannah Miller; Jill Nathe; Chris Noonan; Danielle Dullinger; Lara Hughes; Michelle Butler; Marie LeFebvre; Virginia Mold; Samantha Gilbertson; Theresa Weinfurtner; Shannon Buchda; Dani Vavreck; Brett Ward; Emily Diedrick; Nikki Hines; Carol Doyle; Jennifer Bower; Debbie Edman; Patrick Schoen; Grace Woodis; Kim Scibak; Josie Belde; Cynthia Cashman; Shana Zaiser; Leah Janus.

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

Minutes of the board meeting conducted Sept. 3, 2017, were approved on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Aug. 24 through Nov. 13, 2017, were approved on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

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

Mr. LeVesseur presented the October financial statement as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY**

Month Ending October 31, 2017

OPERATING ACCOUNT ACTIVITY:

Cash Balance-September 30, 2017		\$13,297,402
Add: cash deposits	\$3,285,940	
Less: payroll ending October 6	(297,138)	
payroll ending October 20	(280,223)	
Cash disbursements	(3,116,195)	
		(407,616)
Balance-October 31, 2017		\$12,889,786

BUILDING FUND ACTIVITY:

Balance-September 30, 2017		\$451
Add: interest earned		
securities purchased		
Less: securities redeemed		
Balance-October 31, 2017		\$451

CONSTRUCTION ACCOUNT:

Balance-September 30, 2017		\$-
Add: note proceeds		
interest		
Less: disbursements		
Balance-October 31, 2017		\$-

CASH BALANCES FOR MONTH ENDING OCTOBER 31:

	2016	2017
Operating account	\$ 11,015,239	\$12,889,786
Petty cash	6,100	6,100
Building fund	450	451
Total cash balances	\$ 11,021,789	\$12,896,337

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

Mr. LeVesseur presented for review a report of fair-period payroll for 80 departments totaling \$2.7 million. After discussion, the report was approved on a motion by Mr. Leary, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

Mr. Goodrich reported on the 2017 State Fair's competitive events for agriculture, horticulture, education and creative arts, and public participation of more than 16,000 exhibitors who displayed nearly 36,000 animals, creative and fine artworks and education projects. Information only; no action taken.

Ms. Alexander reported on the 2017 State Fair's programs for Grandstand and free entertainment, marketing, promotions and guest services. Information only; no action taken.

A review of the 2017 fair's educational programs in agriculture, arts, sciences and early learning was presented by Ms. Butler. Information only; no action taken.

Ms. Diedrick and Mr. Ward reported on the fairgrounds' busy schedule of 150 non-fair events during 2017. Information only; no action taken.

A license for the sale of beer during the Beer Dabbler event Feb. 24, 2018, was approved on a motion by Mr. Scapanski, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. Hammer reported on a recommendation of the Honors Committee to name the State Fair public safety headquarters the Arthur R. Blakey Jr. Police Station. The recommendation was approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Ms. Cashman reviewed State Fair Foundation activities, including upcoming major fundraising projects. Information only; no action taken.

Ms. Edman provided an update on the 2018 joint conventions of the Society, the Minnesota Federation of County Fairs and the Midwest Showmen's Association.

On behalf of the board of managers, Mr. Oleheiser extended the sincere thanks of the members to the State Fair staff for their outstanding efforts in presenting the record-setting 2017 Great Minnesota Get-Together.

The meeting moved into executive session at 11:04 a.m. on a motion by Mr. Oleheiser, seconded by Mr. Merkins and carried (Aye-9; Nay-0). The meeting was reopened at 12:32 p.m.

Mr. Fox moved, Mr. Merkins seconded and motion carried to adopt electronic voting procedures in certain instances, consistent with applicable law (Aye-9; Nay-0).

The meeting adjourned at 12:33 p.m. on a motion by Mr. Merkins, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Nov. 14, 2017 through Jan. 12, 2018

November

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

15 - A staff Lunch & Learn was held with presentations by staff members Harper, Schadeck, Ward, Diedrick, Dullinger, Schuldt and Buchda on their travels to various fairs, events and venues.

16 - Hammer, Edman and Schoen met with representatives of CommonSense Consulting to discuss a supervisor training program for staff. State Fair staff toured the new Bell Museum at the University of Minnesota St. Paul campus. Noonan gave presentations on State Fair marketing to two classes at Irondale High School.

18 - North Star Roller Derby held their first bout of the 2017-18 season in the Warner Coliseum. The Arthritis Foundation conducted the Jingle Bell 5K Race.

21 - Sinclair and Simon met with Minnesota Purebred Dog Breeders Association representatives to review their activities and operations at the Pet Center.

25 - Grandstand lots were used as shuttle parking for a University of Minnesota Gophers home football game.

27-30 - A delegation of staff and board members attended the International Association of Fairs & Expositions annual convention in Las Vegas, Nev.; at the convention, eighth district board representative Oleheiser received the IAFE's Heritage Award for his service to the Itasca County Fair, and Sinclair was inducted into the Showmen's League of America Hall of Honor.

28 - Schoen and Woodis met with representatives of the University of Minnesota and Hamline University to discuss employee recruiting strategies.

29 - Noonan attended a board meeting of the Roseville Visitors Association.

30 - Brady, Hedin and Duda participated in a tax form preparation webinar.

December

1 - LeVesseur and Brady met with representatives of Bremer Bank.

2 - LeVesseur met with members of area Lions clubs to recap Midway and Kidway ticket sales operations for the '17 State Fair, and to begin planning for '18.

2-3 - The Horse Crazy Holiday Market was held in the Warner Coliseum.

4-6 - Full-time supervisory staff participated in the first of a series of supervisor and leadership training sessions.

5 - Hammer, along with Vice President Leary and attorneys Janus and Bagnoli, appeared before the State Executive Council, where the council granted approval for the Society to purchase 1.87 acres of property and structures at 1640 Como Ave. Sinclair, Larson, Simon and Hines met with Minnesota Craft Brewers Guild representatives to discuss their operation at the '18 State Fair.

8 - Sinclair, Larson and Hines met with Bayou Bob's concessionaires to discuss their operation. Sinclair and Hines met with members of the Keenan family to discuss Ye Old Mill. Sinclair, Simon and Larson met with representatives of the Minnesota Cider Guild to discuss possible participation at the State Fair.

8-10 - Flips Gymnastics hosted the State Gymnastics Meet in the Warner Coliseum.

11 - LeVesseur and Brady met with Bremer Bank staff to discuss banking matters. Noonan gave presentations on State Fair marketing to five classes at Stillwater High School.

12 - The MSF Gives Back employee group volunteered at the Little Sisters of the Poor. Casey, LeVesseur, Rougier and Coleman met with MP Solutions staff to discuss upgrades to the fair's fiber optic network. Hudalla, Leach and Casey met with representatives of the University of Minnesota, Roseville and Falcon Heights to discuss storm water management issues.

13 - Noonan attended a meeting of the Roseville Visitors Association board.

14 - Alexander, Dullinger, Hughes and Noonan met with the MSF Marketing Coalition to recap 2017 and continue planning for '18.

15 - Hammer and Alexander along with media consultant Monique Linder met with Otis Zanders and John Harrington of Ujamaa Place to discuss participation in the State Fair.

16 - North Star Roller Derby Bout 2 was held in the Warner Coliseum.

18 - Leach and Franzmeier attended a recycling summit hosted at U.S. Bank Stadium.

19 - Leach and State Fair Police Chief Paul Paulos attended a Super Bowl public safety exercise conducted by the U.S. Department of Homeland Security.

January

3-5 - Alexander attended and offered a presentation at the Western Fairs Association convention in Anaheim, Calif.

4 - Hammer and LeVesueur met with bond counsel Peter Cooper of McGrann Shea Carnival, Straughn & Lamb, and Heather Casperson and Chuck Upcraft of PFM Financial Advisors to discuss State Fair bonding authority and other financial matters. Schoen and Woodis met with employee recruiting representatives at the University of Minnesota.

5 - Sinclair and Simon met with Tom Wennblom of Schmitt Music regarding their exhibit space at the fair.

6 - North Star Roller Derby Bout 3 was held in the Warner Coliseum.

8 - Sinclair and Simon met with representatives of the Minnesota Purebred Dog Breeders Association and the Minnesota Veterinary Medical Association regarding Pet Center operations at the '18 State Fair.

8 - Feb. 9 - Super Bowl vehicle and cargo inspection was conducted at the Midway lot.

8-10 - The second in a series of leadership training sessions was conducted for supervisory staff.

9-12 - Goodrich, Hofteig and Koenen attended the National Western Stock Show in Denver, Colorado.

11 - Sinclair, Larson, Simon and Hines met with representatives of the Minnesota Craft Brewers Guild to discuss their operations at the '18 State Fair.

GENERAL BUSINESS SESSION OF THE SOCIETY

8:30 a.m. Sunday, Jan. 14, 2018

Delegates, staff and friends of the Minnesota State Fair met for breakfast and convened in general session at 8:30 a.m. President Wessel opened the meeting and asked State Fair General Manager Jerry Hammer for his report. Mr. Hammer's report was accepted by the membership.

President Wessel 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:

Credential forms submitted to the State Agricultural Society have been inspected by the full committee. All credentials have been found to be in order with the following exceptions: Three statewide associations did not file with the secretary of state as required by Dec. 20, 2017. One statewide association and two county fairs did not provide correct information on their credentials applications. Members of the credentials committee do attest to the actions noted above on the 13th day of January, 2018.

President Wessel called for a report of the resolutions committee. Committee member Don Nolander of Freeborn County presented the following resolutions for consideration by the Society:

Resolved, that the Minnesota State Agricultural Society expresses its sincere gratitude to the 1,997,320 guests who were part of the 2017 State Fair, the highest-attended in our history, and to the additional 1 million people who came to events at the State Fairgrounds throughout the year.

Resolved, that the Society acknowledges the State Fair is dependent on retaining these visitors. Therefore, we are committed to advancing the fair's mission of educating and engaging people by presenting a world-class showcase of agriculture, entertainment and the innovative exchange of knowledge and ideas; providing outstanding customer service in a safe, clean, carefully maintained environment that is accessible to all; and providing exceptional value while remaining financially independent through fiscally sound management.

Resolved, that we recognize with great appreciation all those who contributed to the success of the State Fair, including staff, the board

of managers, volunteers, exhibitors, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth, school groups, and members of 4-H and FFA. We also extend our gratitude to our neighbors in the communities surrounding the fairgrounds.

Resolved, that we also recognize with great appreciation the generosity of the Minnesota State Fair Foundation's board, staff, donors and volunteers, whose gifts of time, talent and money play an important role in preserving and improving State Fair buildings, fairgrounds and educational programs.

Resolved, that the Society's affiliations and strong relationships with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association, Midwest Showmen's Association and other organizations devoted to professional improvement are valuable in furthering the fair industry statewide and nationally.

Resolved, it is with regret and a deep sense of loss that we acknowledge the passing this past year of these Society members and State Fair friends: Charles Bankey, longtime State Fair employee in the heritage exhibits department; Steve Dahl, entertainment agent with the Paradigm Agency in Nashville and a friend of the fair; Ned Hanna, mayor of Como Park; Bill Hermes, Minnesota State Fair greenhouse superintendent for 22 years; Edwin Krueger, longtime State Fair employee in the public safety and senior citizens departments and husband of Marge Krueger, senior citizens department superintendent and honorary life member of the Society; Roger J. Larson, longtime State Fair employee who worked as DNR and Bazaar building superintendent, as well as in the public safety department, and was a 50 Year Award recipient in 2009; Walter Melynychuk, longtime owner of the Delicious Potato Skins food concession; Bob Morrison, longtime veterinary volunteer in the CHS Miracle of Birth Center; Edwin Murphy of Martin County, awarded this year's Minnesota Federation of County Fair's District 2 Fair Person of the Year; Jerry Pendleton, president of SkyFair Inc./SkyGlider; Larry Shear, former representative with Bolin Advertising, which coordinated State Fair advertising for many years; Manny Simons, son of Don Simons, Society board of managers member from 1987 to 2002 and an honorary life member of the Society; Emily L. Taylor, 2014 Commemorative Artist; and Roy Thompson, longtime State Fair farm crops judge.

Whereas, the Great Minnesota Get-Together is one of the most highly regarded expositions in North America, providing an unparalleled and world-class forum for education, recreation and employment, and

Whereas, the immense cultural and economic impact of a successful State Fair and a robust Minnesota tourism industry play a key role in the economic vitality of our state,

Now therefore be it resolved, that the membership of the Minnesota State Agricultural Society – representing both rural and urban stakeholders – strongly urges continued support for current state law requiring Minnesota's schools to open after Labor Day, ensuring that children, families and workers from throughout the state can fully participate in the historic, educational and culturally rich Minnesota State Fair.

Be it further resolved, the Society extends its thanks and appreciation to all who helped make its 159th annual meeting a success.

The resolutions were adopted as read.

President Wessel called for a report of the membership committee by Clair Anderson of Lac Qui Parle County. The committee report was presented as follows and adopted as read:

The membership committee met on Jan. 13, 2018, to review the request from the Minnesota Boer Goat Association to become a member of the State Agricultural Society. Committee members approved the Boer Goat Association to become a member, and will be able to participate in the Society's 2019 annual meeting. Members of the membership committee do attest to the above action on the 13th day of January, 2018.

President Wessel turned the chair over to Vice President Fox to conduct the election of Society president for a term of one year. Paul Merkins of Stewart was elected and assumed the chair.

President Merkins turned the chair over to State Fair board past president and Society honorary life member Al Paulson of Shevlin who nominated Sharon Wessel for life membership; Ms. Wessel was elected by acclamation and was presented with awards recognizing her Honorary life membership and honoring her 12 years of service to the Society's board of managers.

President Merkins then proceeded to conduct elections as follows: D.J. Leary of Minneapolis was reelected to a two-year term as fifth district vice president; Jeff Hawkins of Inver Grove Heights was elected to fill the final year of Paul Merkins' unexpired three-year term as second district representative; Wally Wichmann of Balaton was reelected to a three-year term as seventh district representative; and Danny Grunhovd of Gary was re-elected to a three-year term as ninth district representative.

With no further business to be brought before the Society, President Merkins declared the meeting adjourned at 10:50 a.m.

