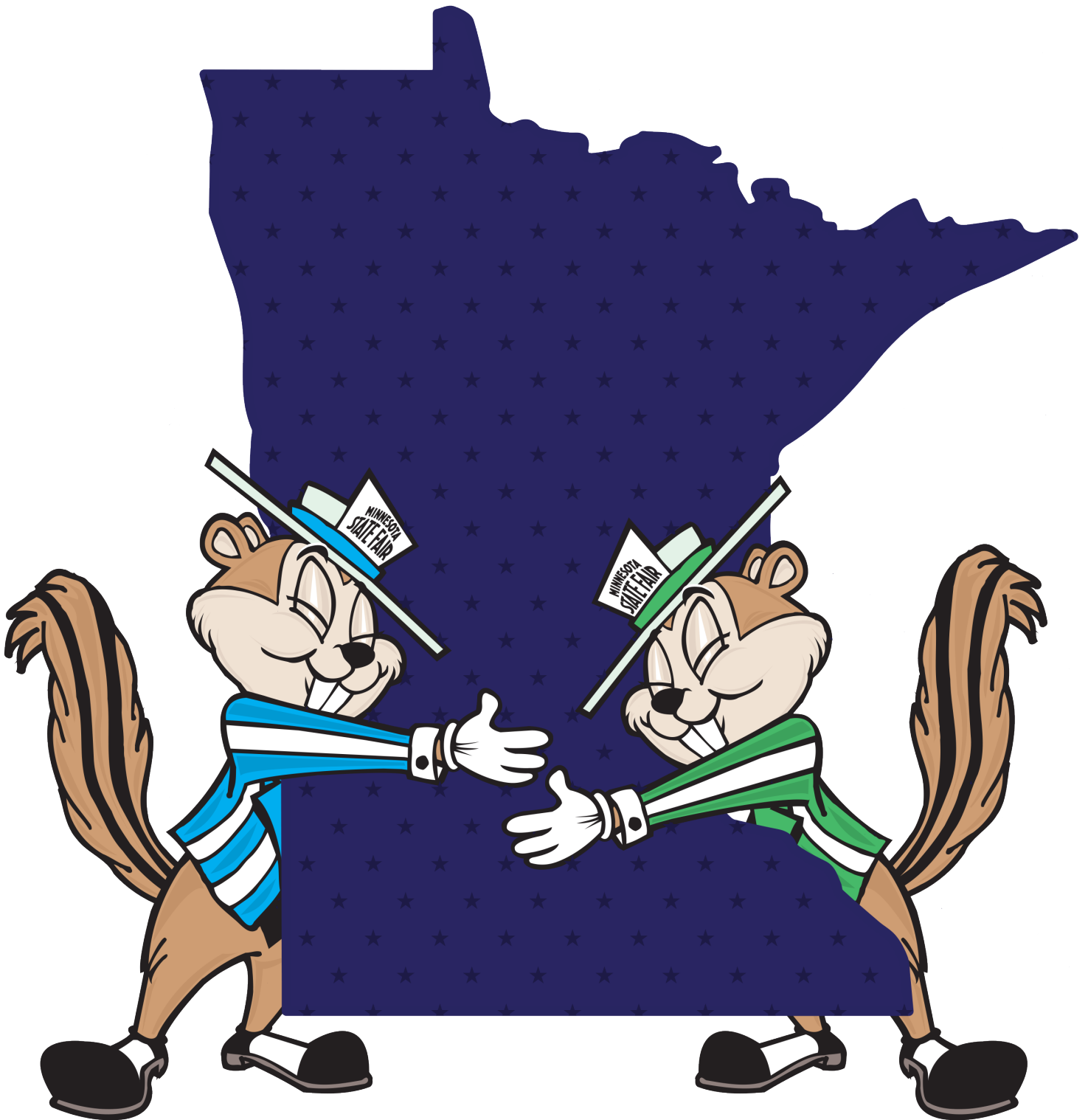


2020 ★ Annual Report

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MINNESOTA STATE FAIR ★ ★ ★ ★ ★



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This family enjoyed the first-ever drive-thru food parade on the fairgrounds last fall. They were able to get their fair food fix in a year without the Great Minnesota Get-Together.

Report of the Executive Vice President



It's not supposed to look like this. One of the most iconic and joyful places on earth was silenced by a virus in 2020, shut down and emptied for the first time since polio closed the fair in 1946. Cancellation was challenging for our State Fair ancestors 74 years ago, but it was positively devastating in 2020.

The fair has grown significantly since the '40s with educational programs, agricultural competitions, entertainment, guest services, technology, infrastructure and a world-wide popularity that our fair ancestors never dreamed of. After adjusting for inflation for an apples-to-apples comparison, today's fair operation is 12 times larger than in 1946.

Predictably, our 2020 financial statements are awful. Ninety-seven percent of our revenue disappeared last year, leaving us with an operating loss of more than \$16.5 million. That pain was felt far beyond the fairgrounds. With no fair, the Twin Cities lost Super Bowl-sized economic impact of \$300 million, and 12,000 full-time and part-time job equivalents disappeared. The fair's vital program of investment in the historic State Fairgrounds stopped cold. And when Minnesota needed it most, our golden once-a-year opportunity to unite all Minnesotans in celebration was lost. As bad as 2020 was for everyone, though, the hardships were necessary to protect the health and safety of us all.

Recovering from 2020 will take years, but there's also good news. Our State Fair is resilient, having survived the Civil War, two World Wars, the Great Depression, five previous cancellations and numerous economic and social upheavals. Although we've been running on fumes for months and borrowed to keep our doors open, our operation remains intact. Everything you love about the Great Minnesota Get-Together springs from the hard work of our staff - their vision, their experience and their love for this great institution. That's why we made it our

priority to keep our team of seasoned fair pros together during the pandemic. They're all here working hard to bring our state back together in August, and that's great news now and for the future of the amazing state treasure that is our fair.

Thanks to our rock star staff and our board for holding our operation together. Thanks to the State Fair Foundation for its continued support. Thanks to our department superintendents, seasonal and fair-time staff, agriculturists, competitors, vendors and all the many thousands of people who bring the fair to life. Your unwavering support and understanding have carried us through the toughest year in State Fair history. God bless, and we'll see you at the Great Minnesota Get-Back-Together.

Jerry Hammer
Executive Vice President & GM
Minnesota State Fair

June 7, 2021

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 agriculture, industry and education institutions. 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.

Ray Erspamer
Hibbing, MN
8th District Manager

Joseph Fox
Maplewood, MN
4th District Vice President

Dan Grunhovič
Gary, MN
9th District Manager

Jeff Hawkins
Inver Grove Heights, MN
2nd District Manager

Gail Johnson
Anoka, MN
3rd District Manager

D. J. Leary
Minneapolis, MN
5th District Vice President

Ron Oleheiser
Grand Rapids, MN
President

Joe Scapanski
Sauk Rapids, MN
6th District Manager

Gordy Toenges
Alden, MN
1st District Manager

Wally Wichmann
Balaton, MN
7th District Manager



Honorary Life Member

Honorary Life Membership in the Minnesota State Agricultural Society is awarded for long and faithful service to the State Fair. State Fair Board Vice President D. J. Leary of Minneapolis, who retired in January this year after serving brilliantly during his 20 years on the board, was elected to Honorary Life Membership during the Society 2021 annual meeting. He leaves a lasting legacy as one of the architects of the State Fair's bonding authority. The State Fair has used the authority to renovate historic facilities, including the Grandstand, and build West End Market and the Transit Hub, North End Event Center and International Bazaar.

D. J. is a former political and public affairs media consultant who is regarded by politicians, business leaders, trade organizations and journalists as one of Minnesota's sharpest public relations minds. Local, state and national politicians, including the late Vice President Hubert Humphrey, called on him for advice on how to look good in news stories and how their ideas would play with ordinary folks. Business leaders consulted with him on how to impress politicians and seem like good guys on TV. Reporters relied on him for valuable news tips and insider political gossip.

D. J. was born and raised in St. Paul, landed his first job in broadcasting at age 16 and, after a stint in the Navy, graduated from the University of Minnesota with a journalism degree. He then went into radio and television broadcasting, which led to a job as media advance man for Humphrey's 1968 presidential campaign.

In 1969, he founded a company that became Media Services Inc., providing services to political organizations and candidates around the country. In 1978, he shifted the firm's focus to corporations, business groups and trade associations mostly located in Minnesota.

He used his experience and connections to become a political analyst and commentator on radio and television and a reliable source for newspaper reporters. In the mid-'80s, he and his longtime business partner, Wy Spano, founded a popular newsletter, "Politics in Minnesota," that thrived for a quarter of a century. He retired from this business at the end of 2004.

D. J. has been active in numerous community service organizations. He was first elected to the Minnesota State Fair board in 2001 and often regaled friends with stories about the sights he saw and people he met in his daily visits to the fair. He also served as a board member or advisor to journalism organizations, his alma mater Cretin High School, a chemical dependency treatment program for women, and legal organizations, including the Minnesota Board of Public Defense and ACLU-Minnesota.

D. J. is married to Linda Wilson, a retired administrator of the University of Minnesota's Hubbard School of Journalism and Mass Communication. Their blended family consists of four adult children, six grandchildren and four great grandchildren. The couple lives in Minneapolis.



U.S. Navy veteran D. J. Leary (center) with U.S. Army veteran Dan Ojeda (second from left) and members of the Minnesota Air National Guard 133rd Airlift Wing at the 2019 State Fair's Military Appreciation Day.

Hall of Fame

Mark Goodrich, the State Fair's long-time guru of agriculture, is the newest member of the Minnesota State Fair Hall of Fame. Mark has a lifetime of involvement with the State Fair and joined the full-time staff in 1985, overseeing Coliseum events, including year-round horse and livestock shows and the winter hockey operation. In 2009, Mark was promoted to deputy general manager in charge of livestock facilities and all competitive events. Mark retired from full-time employment in July 2020, but continues to serve the fair's livestock and agriculture operations.

Through it all, Mark pioneered new ideas and ways of operating that have changed the face of not only the Minnesota State Fair, but fairs and livestock shows across North America. Under his guidance, the fair has incorporated technology into its livestock and equine shows, and reimagined the layout of facilities while always staying true to the fair's agricultural roots. He is a quiet and humble leader, never satisfied with what is, always seeing what could be, and gently guiding others toward his vision.

Mark is highly regarded throughout the North American livestock industry, but his special expertise is beef cattle. In 1999, Mark created the Minnesota Beef Expo at the State Fairgrounds, which today is regarded as one of the premier beef industry events in the nation. He is perhaps most proud of the Beef Expo's Minnesota Youth

Beef Experience Program (MYBEP), through which cattle producers introduce young people to the beef industry by donating heifers and serving as mentors. Since 2004, more than 130 young people have participated in the program.

In 2019, Mark was awarded the Honorary American FFA Degree from the National FFA Organization and was inducted into the Minnesota Livestock Breeders' Hall of Fame.

In 2020, he was presented with the Dean's Award for Distinguished Friend of Extension from Minnesota 4-H.

In addition to his fair duties, Mark is an experienced cattleman who owns and operates Goodrich Place, Inc. raising elite performance-oriented Angus and Red Angus cattle and registered Quarter Horses near Emerald, Wis., with his wife, Claudine, his children and grandchildren.



The Show Went On

FINE ARTS EXHIBITION WELCOMED GUESTS IN PERSON AND VIRTUALLY

The Minnesota State Fair's Fine Arts Exhibition is the state's largest juried art show. Participation is open to all living residents of Minnesota and has been a major part of the fair for more than a century. Categories include painting, sculpture, photography, ceramics and drawing. Works selected by the jurors are displayed in the Fine Arts Center. The 2020 Fine Arts Exhibition of Minnesota show went on despite no fair in '20, both in person and virtually from Aug. 27



through Labor Day, Sept. 7, and featured works by 346 artists from across the state selected through an online juried competition. In a sold-out event, a total of 3,600 guests viewed the exhibition up-close during 12 days of special in-person gallery showings in the Fine Arts Center with health and safety precautions in place. The exhibition could be viewed virtually by all fair fans via a video-recorded tour and online catalog. The 2020 People's Choice Award - Adults' Choice went to "Canis Lupus," watercolor and archival ink by Erik Fremsted of Victoria, Minn. (above). Dan John Foley of Plymouth, Minn., won the Kids' Choice Award for "Henry," a digital print (left).



Virtual Competitions & Showcases

The Minnesota State Fair competition division offered four virtual showcases for 2020. The showcases included:

Cookie Decorating: Decorated cookies depicted a favorite fair activity.

Crop Art: Artists joined in virtually for the beloved crop art tradition. One entry in the advance class and one entry in the amateur class were selected for special honors.

K-12 Artwork and Photography: Students from across the state submitted their artwork (drawing/painting using any medium, including but not limited to: crayons, markers, watercolor acrylic, mixed media) and photography (black and white or color). Three photography and three drawing/painting entries from each grade were showcased online.

Quilt On-A-Stick: One of the fair's most unique competitions, the 2020 theme was "Fishing in Minnesota: The One That Got Away." Maximum dimensions were 8"x9", and competitors could use any quilting method - machine or by hand - with a paint stirrer as the stick.

Nearly 400 entries were submitted in the four categories, and top choices were announced on the fair's social media channels.



Youth Recognition



SCHOLARSHIP PROGRAMS

Deeply invested in the educational endeavors of young adults from Minnesota, both the Minnesota State Fair and the Minnesota Livestock Breeders' Association continued to offer scholarship opportunities despite the cancellation of the fair. Recipients were selected based on their leadership and achievement in youth livestock programs, as well as their involvement in the local community.

The Minnesota State Fair Scholarship program was established in 1994 and annually awards 20 scholarships of \$1,000 each. Since its inception, nearly \$536,000 has been awarded.

This year, the scholarships were funded by the Minnesota State Fair Foundation 501(c)(3). The scholarships were made available to rural youth or those enrolled in an agriculture program in 2019-20. The 20 students from Greater Minnesota honored this year were: Jessica Beckendorf of Renville, Emily Bollum of Austin, Luke Borst of Rochester, Brenna Connelly of Byron, Olivia Flack of Lake Crystal, Renae Harvey of Lake City, Emily Jopp of Richmond, Bridget Kaari of Stillwater, Adrienne Lipinski of Eden Valley, Emma Loveless of Owatonna, Catherine Nelson of Ada, Sophia Nienaber of Scandia (pictured above), Anna Prchal of Montgomery, Isaac Rott of Elgin, Owen Scheffler of Zumbrota, Zoey Schentzel of Farmington, Bailee Schiefelbein of Kimball, Kendra Waldenberger of Spring Grove, Madelyn Wehe of Faribault, and Daniel Williamson of Spicer.

Additionally, the Christensen Family Scholarship was awarded to Nicole Koziolk of Northfield. This \$1,000 scholarship was made available by Christensen Farms, one of the largest family-owned pork producers in the nation, through an endowment with the Minnesota State Fair Foundation.

The Minnesota Livestock Breeders' Association, in conjunction with Minnesota 4-H and the 4-H Auction Committee, awarded 51 scholarships totaling more than \$60,000 to 4-H members working toward post-secondary degrees. More than \$500,000 has been awarded over the lifetime of this program.



Brenna Connelly of Byron, Minn., was one of 20 recipients of this year's Minnesota State Fair Scholarship. In August, she was also crowned the 67th Princess Kay of the Milky Way and will serve as the official goodwill ambassador for nearly 3,000 Minnesota dairy farm families this year. Photo credit: Midwest Dairy

Minnesota State Fair: At-Home Edition

During what would have been the 12 days of the Minnesota State Fair, fans were able to celebrate the Great Minnesota Get-Together in their homes with the Minnesota State Fair: At-Home Edition. This special offering kicked off Thursday, Aug. 27 on the fair's website and social media channels and included daily fun fair facts, memories, engaging demonstrations and entertainment, history tidbits, creative contests, behind-the-scenes peeks, photos, videos and interactive activities. Native Pride Dancers demonstrated the Eagle and Jingle Dress dances (below). The Minnesota Beef Council, American Dairy Association of the Midwest, Minnesota Pork Producers Association and the Minnesota Lamb & Wool Producers Association presented "Minnesota Farm & Food" cooking technique videos with chefs and Minnesota farmers and producers. OMG Digital Media Solutions presented a series of performances by prominent musical artists as part of the "Celebrate Culture & Community" lineup. Several presenters of the State Fair's Dan Patch Park programs contributed to the at-home experience, including the National Alliance of Mental Illness and Minnesota Farmers Union. Every day was different and included updates and new content. In total, the fair's content on social media was viewed 10.7 million times. Scores of social media messages were posted, and 12 new web pages full of exciting new content were uploaded.





StateFairWear.com

Shopping

ONLINE MARKETPLACE, STATE FAIR KITS, FAIRWEAR AND MORE!

Minnesota State Fair fans love to shop, and several shopping opportunities were created in 2020 to fill that void. The Minnesota State Fair Online Marketplace was a searchable hub to help fair fans support State Fair merchandise vendors and discover new shopping surprises. Guests clicked through more than 285 vendor websites, many offering State Fair deals and special merchandise. The Marketplace was available Aug. 4 through Dec. 31, 2020. The online Marketplace continued the fair tradition of showcasing plenty of specialty merchants and unique artisans who sell hard-to-find gifts and gadgets, handmade and made-in-Minnesota goods, foodie fun, upcycled décor, helpful home services, hobby gear, treats for furry friends, apparel and more. Each vendor promotional page in the Marketplace included a description of their business and what they sell, link to an e-commerce site, photo of their State Fair space, location at the 2019 State Fair, and their contact information.

Shopping opportunities continued through the year as fans could purchase merchandise such as T-shirts, buttons, drinkware, magnets, face coverings and more — including some specially created designs for 2020 — at StateFairWear.com. Part of the proceeds benefits the Minnesota State Fair Foundation. In addition, three specially designed kits — State Fair Party In-A-Box and Crop Art to Go kits with regular and holiday-themed designs — were created. The State Fair Party In-A-Box included all items needed for a party of six: commemorative tickets, plates, cups, paper hats, party favors, prizes, a vintage State Fair ribbon, pennant garland decor and a party game. The Crop Art to Go kit had everything to get started with this famous Minnesota State Fair tradition: seven varieties of seeds, eight beginner illustrations to use as design patterns, a 5"x7" canvas, glue, paintbrush, toothpicks, pencil and directions. Quantities were limited and all of the kits quickly sold out.

The Minnesota State Fair Foundation, the fair's nonprofit fundraising arm, created a 12-day online auction, presented by By The Yard, Aug. 27 through Sept. 7. The auction featured State Fair items and experiences one could not get anywhere else, such as a greenhouse tour, a fireworks party, early entry to the CHS Miracle of Birth Center and limited-edition commemorative art prints. The auction was a big success and supported the Foundation's mission to preserve and improve State Fair programs, buildings and the fairgrounds.

In collaboration with State Fair vendors, select Minnesota breweries and cideries offered seven specialty brews and beverages (typically only available during the 12 days of the fair) for sale throughout August and September. To complement any summer get-togethers, the fair made the iconic State Fair cups available for purchase and sold nearly 220,000 cups to fair fans.

Tickets to all previously announced Grandstand shows remained on sale.



Crop Art to Go



State Fair Cups

State Fair Community Gives Together

The State Fair created opportunities to partner with nonprofits serving communities in need, and fair fans generously showed their support.

As part of the first Food Parade in August and September, the fair held a food drive in partnership with Cub to benefit Second Harvest Heartland. Over the 13 days of the event, six truckloads were filled with 57,000 pounds of food and household and toiletry products donated by Food Parade attendees.

Education is a core part of the fair's mission, and October's Fall Food Parade was an opportunity to raise awareness of the technology and connectivity challenges facing many Minnesota students, especially during the pandemic. As part of this effort, nearly \$1,700 was raised for Partnership for a ConnectedMN, which distributes funds to nonprofits, school districts and organizations working to bring tech devices and internet access to students most in need.

Then on Dec. 12, the State Fair partnered with Bridging to collect Kitchen Packs, which included a can opener, mixing spoon, spatula and dish towel – essential kitchen tools for our neighbors seeking housing stability with furnishings and household goods provided by Bridging. Generous community members donated 294 full kitchen packs — enough to give one to every household served by Bridging for nearly a month. In addition, 49 can openers, 190 mixing spoons, 182 spatulas, 365 kitchen linens and more than 500 miscellaneous items were donated.





Drive-Thru Food Parades

The fair hosted two sold-out drive-thru Food Parades that were huge fun and gave fair fans a chance to get their State Fair food fix. Both featured a one-way, meandering 1.5-mile parade route through the fairgrounds with food ordering and delivery done through vehicle windows at each vendor stop. All covid health and safety guidelines were followed. Vehicle tickets were \$20 plus fees, and included admission for up to five people in one standard-size vehicle. Food purchases were not included in the ticket price. Tickets were sold for specific days and arrival times. The revenue for these events helped support State Fair operations.

The first Food Parade took place over the course of 13 weekend days — Aug. 20-23, 27-30 and Sept. 3-7, when 19,000 vehicles brought tens of thousands of guests to the fairgrounds. This event featured 16 vendors, plus games and entertainment along the way. Participating food vendors included: Turkey to Go by MN Turkey Growers, Tom Thumb Donuts, Fresh French Fries, Mouth Trap Cheese Curds, Que Viet, Sweets & Treats, Pronto Pups, Dairy Goodness Bar by ADA of the Midwest, West Indies Soul Food, Hansen's Foot Long Hot Dogs & Corn Dogs, Butcher Boys/Pitchfork Sausage, Cheese On-A-Stick and Fresh-Squeezed Lemonade, Giggles' Campfire Grill, El Sol Mexican Foods, The Hangar and Sweet Martha's Cookie Jar.

A lot of fair food was enjoyed:

- 16,050 pounds of turkey meat and drumsticks were served by Turkey to Go by MN Turkey Growers.
- 60,000 pounds of potatoes were used to make french fries at the Fresh French Fries stand.
- 70,000 lemons were squeezed to make the fresh-squeezed lemonade at the Cheese On-A-Stick and Fresh-Squeezed Lemonade booth.
- 15,000 sticks were used for the giant egg rolls on-a-stick, and 78,000 wontons were hand-folded for the garlic cream cheese wontons at the Que Viet location.

The Fall Food Parade welcomed 12,000 vehicles over the course of two weekends — Oct. 1-4 and 8-11. The encore to the first parade featured 16 vendors serving up fair classics plus fall specials, including turkey sandwiches with brie and cranberry topping, deep-fried apple pies with cinnamon ice cream, Polish sausage sandwiches with sauerkraut, hot apple cider, pumpkin spice funnel cakes and more. Participating food vendors included: Turkey to Go by MN Turkey Growers, Fresh French Fries, Mouth Trap Cheese Curds, Que Viet, Sweets & Treats, Pronto Pups, Tom Thumb Donuts, West Indies Soul Food, Hansen's Foot Long Hot Dogs & Corn Dogs, Butcher Boys/Pitchfork Sausage, Cheese On-A-Stick and Fresh-Squeezed Lemonade, Giggles' Campfire Grill, El Sol Mexican Foods, The Hangar, Sweet Martha's Cookie Jar and Minneapolis Pie.

Fun facts from this sold-out event:

- 20,000 duck bacon wontons, 2,700 pounds of walleye and 1,000 pounds of duck drumsticks were served by Giggles' Campfire Grill.
- Turkey to Go by MN Turkey Growers served up 11,775 pounds of turkey meat and drumsticks.
- 1.25 gallons of milk was needed to make each one-pound bucket of Mouth Trap Cheese Curds.
- The Hangar deep fried 20,000 Oreos and twisted 2,500 pounds of potatoes for its Tater Twisters.



Thank You to Our Food Parade Sponsors

- Allina Health | Aetna
- Cal Spas
- Cub
- Explore Minnesota
- Faribault Woolen Mill Co.
- Girl Scouts River Valleys
- Humana
- Mazda
- Minnesota Vikings
- Sleep Number
- Star Tribune
- Summit Brewing Co.
- Twin Cities PBS
- Xcel Energy
- Xfinity





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
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers and Management
Minnesota State Agricultural Society

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2020, 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 \$3,684,844 and \$1,753,174, respectively, as of and for the year ended October 31, 2020. 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*.

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.

(continued)

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

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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, 2020, 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.

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.

(continued)

Prior Year Comparative Information

We have previously audited the Society's 2019 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 March 27, 2020. 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, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2021 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 solely 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
April 9, 2021

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. The following is an analysis of the Society's financial activities and performance during the fiscal years ended October 31, 2020 and 2019, 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 2020 and 2019 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 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 decreased to \$52.5 million during fiscal 2020. This decrease of \$16.5 million was the result of the cancellation of the 2020 Minnesota State Fair during the COVID-19 global pandemic and a decrease in operating income.

Approximately 126 percent of the Society's net position - \$66.4 million - 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.

Unearned revenue includes Grandstand tickets, gate tickets, Milk Run registrations and competition income received during fiscal 2020 and deferred to fiscal 2021.

■ INCOME AND EXPENSE

The State Fair realized a decrease in net position of \$16.5 million in fiscal 2020, based upon gross revenues of \$3.4 million and gross expenses of \$19.9 million. With the cancellation of the 2020 State Fair, our revenue shifted to gate admission to the two Food Parades and the Fine Art Exhibition (\$0.5 million) and non-fair events (\$1.5 million), which includes the food & beverage percentages from the two Food Parades.

As with most business enterprises, expenses are diverse. The Society incurred costs in four main areas in fiscal 2020: administrative (\$5.7 million), activities and support (\$3.8 million), fairgrounds plant operations and maintenance (\$4.2 million) and depreciation of State Fair facilities (\$4.1 million).

On March 12, 2019, after a prolonged period of snow and rain, a portion of the Cattle Barn roof collapsed due to shifting snow loads. Incident related accrued expenses through October 31, 2019 totaled \$2,180,492 with an additional \$813,467 accrued through October 31, 2020. Insurance recovery reimbursement proceeds offset storm damage expenses and in our financial statements, these storm damage expenses were reported net of estimated insurance recoveries. As a result, a \$553,670 receivable was recorded to offset fiscal 2019 and 2020 incident related accrued expenses.

The change in pension accounting decreased the net position due to the required recognition of the Society's portion of the overall unfunded pension liability of the Minnesota State Retirement System (MSRS). As a result of this required pension reporting and fluctuations in the stock market, the Society recognized an additional \$310 thousand in pension expense in the current year. In the previous year, pension expense increased \$325 thousand, related to this liability.

A detailed breakdown of the State Fair's income and expenses is included in the Revenues and Expenses Supporting Schedule on pages 34-37.

■ CAPITAL ASSETS (THE STATE FAIRGROUNDS)

The State Fair's capital assets consist of: 123 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 2020, the State Fair invested \$1.3 million in capital improvements. Projects included \$554,000 for structural improvements to the Cattle Barn and \$379,000 on projects that were suspended due to the COVID-19 global pandemic.

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

■ LONG-TERM LIABILITIES

During 2020, the Society refinanced two notes and extended the maturity date to September 2032. The Society also obtained a Paycheck Protection Program (PPP) loan for cash flow purposes, which may be forgiven under the provisions of the PPP. 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.

■ FACTORS BEARING ON THE SOCIETY'S FUTURE

The COVID-19 pandemic has caused worldwide economic and financial market volatility. The 2020 Minnesota State Fair was canceled as well as spring and fall non-fair events. There is significant uncertainty about the breadth and duration of potential business disruptions related to COVID-19. At this time, the Society is unable to determine what effect this may have on its future growth. Although the current external economic conditions are challenging and the Fair industry has been greatly impacted, the Society's continued growth and solid financial condition place the Society in a strong position to meet future challenges.

The Society reports the investments of the Minnesota State Fair Foundation at fair value based on standards described in Note 9. The potential future impact on the fair value of the Foundation's investment portfolio is not determinable at this time. Due to the COVID-19 global pandemic, the Foundation's 2020 Taste of the Fair fundraising event was canceled. The Foundation is taking actions to mitigate the negative impact of the pandemic on its operations in consultation with the Foundation's Board of Directors. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated since these events are still developing.

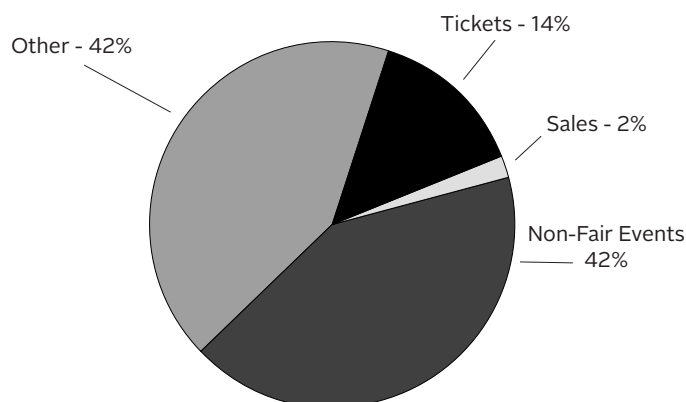
REVENUE, EXPENSE AND CHANGES IN NET POSITION

	2020	2019
Revenue		
Ticket sales	\$ 488,727	\$40,065,718
Activities	313,570	15,995,600
Other	1,789,007	5,715,290
Non-operating revenue		
Investment income	21,404	130,325
Grant revenue	811,200	1,001,250
Gain on sale of capital asset	-	307,067
Total revenue	3,423,908	63,215,250
Expense		
Activities, support and administrative	9,566,395	37,389,841
General operations	10,316,164	19,428,936
Total expense	19,882,559	56,818,777
Change in net position	(16,458,651)	6,396,473
Beginning net position	68,994,553	62,598,080
Ending net position	\$52,535,902	\$68,994,553

CONDENSED STATEMENT OF NET POSITION

	2020	2019
Current & other assets	\$ 3,745,465	\$ 16,714,418
Capital assets	83,247,393	86,049,705
Total assets	86,992,858	102,764,123
Deferred outflows of resources	772,067	5,263,121
Notes payable	16,501,000	17,280,000
Unearned revenue	2,494,573	292,046
Other liabilities	9,613,731	11,056,238
Total liabilities	28,609,304	28,628,284
Deferred inflows of resources	6,619,719	10,404,407
Net investment in capital assets	66,351,920	68,645,537
Restricted	1,501,596	3,031,237
Unrestricted	(15,317,614)	(2,682,221)
Total net position	\$ 52,535,902	\$ 68,994,553

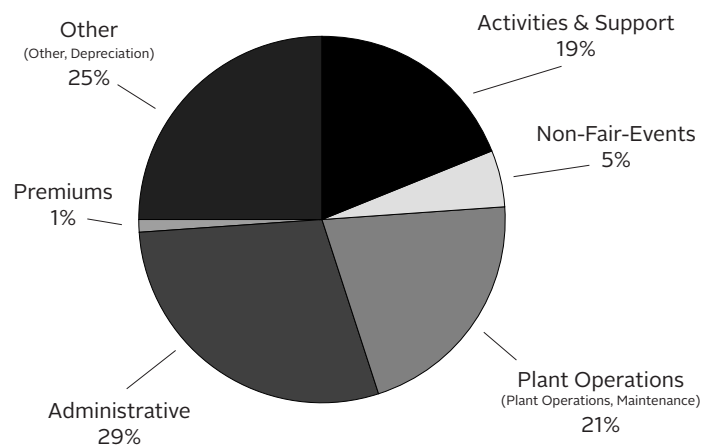
■ 2020 INCOME (\$3.4 million)



■ 2020 Income (in millions)

- Sales - \$0.1
- Gates - \$0.5
- Other - \$1.4 (Beef Expo, Other)
- Non-Fair Events - \$1.4

■ 2020 EXPENSE (\$19.9 million)



■ 2020 Expense (in millions)

- Activities & Support - \$3.9
- Non-Fair Events - \$1.0
- Plant Operations - \$4.2 (Plant Operations, Maintenance)
- Administrative - \$5.7
- Premiums - \$0.2
- Other - \$4.9 (Other, Depreciation)

■ MINNESOTA STATE FAIR STATEMENT OF NET POSITION

As of October 31

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 1,540,838	\$ 10,140,485
Cash and cash equivalents - restricted	1,501,596	3,031,237
Accounts receivable	645,115	3,334,134
Prepaid expenses	<u>57,916</u>	<u>208,562</u>
Total current assets	<u>3,745,465</u>	<u>\$ 16,714,418</u>
Non-current assets:		
Capital assets, not being depreciated	\$ 3,178,633	\$ 2,799,432
Capital assets, net of related depreciation	<u>80,068,760</u>	<u>83,250,273</u>
Total non-current assets	<u>\$ 83,247,393</u>	<u>\$ 86,049,705</u>
Total assets	<u>\$ 86,992,858</u>	<u>\$ 102,764,123</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding of debt	\$ 100,579	\$ 150,868
Pension plan deferments - MSRS	542,163	4,940,784
Other post-employment benefit deferments	<u>129,325</u>	<u>171,469</u>
Total deferred outflows of resources	<u>\$ 772,067</u>	<u>\$ 5,263,121</u>
Total assets and deferred outflows of resources	<u>\$ 87,764,925</u>	<u>\$ 108,027,244</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,087,158	\$ 3,720,620
Accrued salaries	133,762	455,357
Unearned revenue	2,494,573	292,046
Note interest payable	57,105	78,258
Capital lease - current	151,381	88,938
Note payable - current	1,335,000	2,389,000
Compensated absences - current	<u>523,424</u>	<u>491,668</u>
Total current liabilities	<u>\$ 5,782,403</u>	<u>\$ 7,515,887</u>
Noncurrent liabilities:		
Capital lease	\$ 343,672	\$ 186,098
Note payable	15,166,000	14,891,000
Loan payable	1,445,000	-
Compensated absences	248,202	396,882
Other post-employment benefit liability	2,861,472	2,571,482
Net pension liability - MSRS	<u>2,762,555</u>	<u>3,066,935</u>
Total non-current liabilities	<u>\$ 22,826,901</u>	<u>\$ 21,112,397</u>
Total liabilities	<u>\$ 28,609,304</u>	<u>\$ 28,628,284</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plan deferments - MSRS	<u>\$ 6,619,719</u>	<u>\$ 10,404,407</u>
Total liabilities and deferred inflows of resources	<u>\$ 35,229,023</u>	<u>\$ 39,032,691</u>
NET POSITION		
Net investment in capital assets	\$ 66,351,920	\$ 68,645,537
Restricted for:		
Debt service	1,501,145	3,030,787
Capital improvements	451	450
Unrestricted	<u>(15,317,614)</u>	<u>(2,682,221)</u>
Total net position	<u>\$ 52,535,902</u>	<u>\$ 68,994,553</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 87,764,925</u>	<u>\$ 108,027,244</u>

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

■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF FINANCIAL POSITION

As of October 31

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS						
Cash and cash equivalents	\$ 1,506,524	\$ 613,054	\$ 2,119,578	\$ 1,571,931	\$ 781,211	\$ 2,353,142
Investments	-	1,315,391	1,315,391	-	1,159,763	1,159,763
Accounts receivable	72,352	-	72,352	-	-	-
Contributions receivable, net	-	160,608	160,608	-	264,835	264,835
Prepaid expenses and other assets	10,862	-	10,862	11,375	-	11,375
Merchandise inventory	5,368	-	5,368	6,271	-	6,271
Property and equipment, net of accumulated depreciation of \$6,128 and \$6,025, respectively	685	-	685	788	-	788
Total assets	<u>\$ 1,595,791</u>	<u>\$ 2,089,053</u>	<u>\$ 3,684,844</u>	<u>\$ 1,590,365</u>	<u>\$ 2,205,809</u>	<u>\$ 3,796,174</u>
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable	\$ 1,838	\$ -	\$ 1,838	\$ 5,854	\$ -	\$ 5,854
Accrued expenses	50,864	-	50,864	46,876	-	46,876
Payables due to the Minnesota State Agricultural Society	54,747	-	54,747	56,040	-	56,040
Notes payable	<u>94,700</u>	<u>-</u>	<u>94,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	202,149	-	202,149	108,770	-	108,770
Net assets						
Without donor restriction:						
Undesignated	1,330,569	-	1,330,569	1,406,057	-	1,406,057
Board-designated for fine arts	<u>63,073</u>	<u>-</u>	<u>63,073</u>	<u>75,538</u>	<u>-</u>	<u>75,538</u>
Total without donor restriction net assets	1,393,642	-	1,393,642	1,481,595	-	1,481,595
With donor restrictions	<u>-</u>	<u>2,089,053</u>	<u>2,089,053</u>	<u>-</u>	<u>2,205,809</u>	<u>2,205,809</u>
Total net assets	<u>1,393,642</u>	<u>2,089,053</u>	<u>3,482,695</u>	<u>1,481,595</u>	<u>2,205,809</u>	<u>3,687,404</u>
Total liabilities and net assets	<u>\$ 1,595,791</u>	<u>\$ 2,089,053</u>	<u>\$ 3,684,844</u>	<u>\$ 1,590,365</u>	<u>\$ 2,205,809</u>	<u>\$ 3,796,174</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

	2020	2019
OPERATING REVENUES		
Ticket sales	\$ 488,727	\$ 40,065,718
Activities	313,570	15,995,600
Other	<u>1,789,007</u>	<u>5,715,290</u>
Total operating revenues	\$ 2,591,304	\$ 61,776,608
OPERATING EXPENSES		
Administrative	\$ 5,717,943	\$ 6,334,983
Activities and support	3,848,452	31,054,858
Premiums	162,652	1,678,584
Plant operations	3,370,139	7,430,785
Plant maintenance	862,736	3,674,243
Other	1,180,656	1,863,620
Depreciation	<u>4,070,374</u>	<u>4,049,437</u>
Total operating expenses	\$ 19,212,952	\$ 56,086,510
Operating income (loss)	(\$ 16,621,648)	\$ 5,690,098
NON-OPERATING REVENUES (EXPENSES)		
Investment income	\$ 21,404	\$ 130,325
Grant revenue	811,200	1,001,250
Gain on sale of capital assets	-	307,067
Interest expense	<u>(669,907)</u>	<u>(732,267)</u>
Total non-operating revenues (expenses)	\$ 162,997	\$ 706,375
Change in net position	(\$ 16,458,651)	\$ 6,396,473
Net position, beginning of the year	<u>68,994,553</u>	<u>62,598,080</u>
Net position, end of year	<u>\$ 52,535,902</u>	<u>\$ 68,994,553</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

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	\$ 639,169	\$ 535,163	\$ 1,174,332	\$ 440,882	\$ 1,652,862	\$ 2,093,744
Support from the Minnesota State Agricultural Society	177,860	-	177,860	149,979	-	149,979
In-kind contributions	5,345	-	5,345	60,247	-	60,247
Special events, net of direct benefits of \$0 and \$40,926, respectively	7,175	-	7,175	106,155	-	106,155
Interest and dividends	11,984	-	11,984	511	-	511
Realized and unrealized gains on investments	-	91,563	91,563	25,313	130,635	155,948
Net assets released from restrictions	<u>743,482</u>	<u>(743,482)</u>	<u>-</u>	<u>1,267,026</u>	<u>(1,267,026)</u>	<u>-</u>
Total	1,585,015	(116,756)	1,468,259	2,050,113	516,471	2,566,584
Merchandise sales and commissions	118,477	-	118,477	396,045	-	396,045
Less: cost of goods sold	<u>(38,271)</u>	<u>-</u>	<u>(38,271)</u>	<u>(91,956)</u>	<u>-</u>	<u>(91,956)</u>
Net merchandise sales and commissions	<u>80,206</u>	<u>-</u>	<u>80,206</u>	<u>304,089</u>	<u>-</u>	<u>304,089</u>
Total revenues	1,665,221	(116,756)	1,548,465	2,354,202	516,471	2,870,673
EXPENSES						
Program	1,017,754	-	1,017,754	1,220,753	-	1,220,753
Management and administrative expenses	374,830	-	374,830	282,483	-	282,483
Fundraising expenses	<u>360,590</u>	<u>-</u>	<u>360,590</u>	<u>523,601</u>	<u>-</u>	<u>523,601</u>
Total expenses	1,753,174	-	1,753,174	2,026,837	-	2,026,837
CHANGE IN NET ASSETS	(87,953)	(116,756)	(204,709)	327,365	516,471	843,836
Net assets - beginning of year	<u>1,481,595</u>	<u>2,205,809</u>	<u>3,687,404</u>	<u>1,154,230</u>	<u>1,689,338</u>	<u>2,843,568</u>
NET ASSETS - END OF YEAR	\$ 1,393,642	\$ 2,089,053	\$ 3,482,695	\$ 1,481,595	\$ 2,205,809	\$ 3,687,404

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

■ MINNESOTA STATE FAIR STATEMENT OF CASH FLOWS

For the years ended October 31

	2020	2019
Cash flow from operating activities		
Cash received from operations		
Ticket sales	\$ 2,533,940	\$ 40,065,358
Activities	937,974	15,809,996
Other	4,010,936	3,259,217
Cash payment for operating expenses		
To suppliers for goods or services	(10,321,872)	(38,206,087)
To employees for services	<u>(6,927,867)</u>	<u>(11,728,858)</u>
Net cash provided (used) by operating activities	<u>\$ (9,766,889)</u>	<u>\$ 9,199,626</u>
Cash flow from capital and related financing activities		
Payments for acquisition and construction of capital assets	\$ (1,368,827)	\$ (17,830,786)
Principal payments on revenue note	(2,389,000)	(2,378,000)
Refunding payments on revenue note	(13,401,000)	-
Principal payments on capital lease	(114,994)	(83,397)
Interest payments on revenue note	(640,471)	(642,061)
Proceeds from issuance of revenue notes	15,011,000	10,000,000
Proceeds from issuance of PPP loan payable	1,445,000	-
Proceeds from sale of capital asset	-	310,392
Proceeds from issuance of capital lease	<u>335,011</u>	<u>240,185</u>
Net cash provided (used) by capital and related financing activities	<u>\$ (1,123,281)</u>	<u>\$ (10,383,667)</u>
Cash flow from non-capital financing activities		
Grant revenue	<u>739,478</u>	<u>941,003</u>
Cash flow from investing activities		
Interest earnings	<u>21,404</u>	<u>130,325</u>
Net increase (decrease) in cash and cash equivalents	(10,129,288)	(112,713)
Cash and cash equivalents, beginning of year	<u>13,171,722</u>	<u>13,284,435</u>
Cash and cash equivalents, end of year	<u>\$ 3,042,434</u>	<u>\$ 13,171,722</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (16,621,648)	\$ 5,690,098
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	4,070,374	4,049,437
Other non-operating revenues and cash expenses	71,722	60,247
Changes in assets, deferred outflows, liabilities and deferred inflows		
Assets: (increase) decrease		
Accounts receivable	2,689,019	(2,527,348)
Prepaid expenses	150,646	73,042
Deferred outflows of resources: (increase) decrease		
Pension plan deferments - MSRS	4,398,621	4,086,640
Other post-employment benefit deferments	42,144	4,524
Liabilities: increase (decrease)		
Accounts payable	(2,532,697)	1,692,036
Accrued salaries	(321,595)	37,668
Compensated absences	(116,924)	6,225
Unearned revenue	2,202,527	(114,689)
Other post-employment benefit liability	289,990	(97,486)
Net pension liability - MSRS	(304,380)	142,933
Deferred inflows of resources: increase (decrease)		
Pension plan deferments-MSRS	<u>(3,784,688)</u>	<u>(3,903,701)</u>
Total adjustments	<u>\$ 6,854,759</u>	<u>\$ 3,509,528</u>
Net cash provided by operating activities	<u>\$ (9,766,889)</u>	<u>\$ 9,199,626</u>

Supplemental disclosure of non-cash transactions

For fiscal year 2020 and 2019, accounts payable included capitalized expenses of \$69,067 and \$169,832 respectively. For fiscal year 2020 and 2019, the Society received in-kind contributions totaling \$71,722 and \$60,247 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. 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 and other post-employment benefit plans, 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 and other post-employment benefit 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' 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 2020.

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 State of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended October 31, 2019, 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, 2020, the Society had a bank balance of \$3,199,466. After adjusting the bank balance for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$3,042,434. At October 31, 2020, 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, 2020 were:

Cash equivalents - restricted	
Building account	\$ 451
Debt service account	<u>1,501,145</u>
Total restricted cash equivalents	1,501,596
Cash equivalents - unrestricted	<u>1,540,838</u>
Total cash equivalents	<u>\$ 3,042,434</u>

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

NOTE 3: PROPERTY, STRUCTURES, UTILITIES & EQUIPMENT

	Beginning Balance 11/01/19	Increases	Decreases	Ending Balance 10/31/20
Capital assets, not being depreciated:				
Land	\$ 2,799,432	\$ -	\$ -	\$ 2,799,432
Construction in progress	-	<u>379,201</u>	-	<u>379,201</u>
Total capital assets, not being depreciated	2,799,432	379,201	-	3,178,633
Capital assets, being depreciated:				
Land improvements	131,613,952	553,850	-	132,167,802

Utility systems	17,637,592	-	-	17,637,592
Personal property	<u>2,878,603</u>	<u>335,011</u>	-	<u>3,213,614</u>
Total capital assets, being depreciated	152,130,147	888,861	-	153,019,008
Less accumulated depreciation for:				
Land improvements	(57,358,096)	(3,289,263)	-	(60,647,359)
Utility systems	(9,333,228)	(462,461)	-	(9,795,689)
Personal property	<u>(2,188,550)</u>	<u>(318,650)</u>	-	<u>(2,507,200)</u>
Total accumulated depreciation	<u>(68,879,874)</u>	<u>(4,070,374)</u>	-	<u>(72,950,248)</u>
Total capital assets, being depreciated, net	<u>83,250,273</u>	<u>(3,181,513)</u>	-	<u>80,068,760</u>
Total capital assets, net	<u>\$ 86,049,705</u>	<u>\$ (2,802,312)</u>	<u>\$ -</u>	<u>\$ 83,247,393</u>

NOTE 4: LONG-TERM LIABILITIES

	Balance 11/01/19	Additions	Deletions	Balance 10/31/20	Due Within One Year
Refunding revenue note series 2012	\$ 2,208,000	\$ -	\$ (718,000)	\$ 1,490,000	\$ 735,000
Revenue note series 2013	5,148,000	-	(5,148,000)	-	-
Revenue note series 2018	9,924,000	-	(9,924,000)	-	-
Refunding revenue note series 2020A	-	\$ 9,402,000	-	\$ 9,402,000	-
Refunding revenue note series 2020B	-	\$ 5,609,000	-	\$ 5,609,000	\$ 600,000
PPP loan payable	-	\$ 1,445,000	-	\$ 1,445,000	\$ -
Capital Lease	<u>275,036</u>	<u>335,011</u>	<u>(114,994)</u>	<u>495,053</u>	<u>151,381</u>
Total long-term liabilities	<u>\$17,555,036</u>	<u>\$16,791,011</u>	<u>\$ (15,904,994)</u>	<u>\$ 18,441,053</u>	<u>\$ 1,486,381</u>

The Refunding Revenue Note Series 2012 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 for the year ended October 31, 2020 were \$2,591,304 which exceeds the amount required for payment of principal and interest in 2021. The interest rate is 2.53% and matures September 15, 2022.

Upon the occurrence of any event of default specified in the Society's revenue note resolutions, the certificate holders may declare the future debt payments due and payable immediately. The Society shall make available for inspection the books of records and accounts and all other records relating to the State Fairgrounds for the use of certificate holders, agents and their attorneys. During the continuance of an event of default, the Society shall allocate all money, securities, funds and revenues in the following order: expense of fiduciaries, operating expenses, principal or redemption price, and interest and subordinated indebtedness.

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

	Principal	Interest
2021	\$ 735,000	\$ 37,697
2022	<u>755,000</u>	<u>19,102</u>
	<u>\$ 1,490,000</u>	<u>\$ 56,799</u>

Revenue Notes, Series 2013 and 2018 were refinanced into Series 2020A and Series 2020B. These notes are special, limited liability obligations of the Society and are not secured by the full faith and credit of the Society. The notes are payable solely from the revenues of the State Fair. Operating revenues for the year ended October 31, 2020 were \$2,591,304, which exceeds the amount required for payment of principal and interest in 2021. The Series 2020A refunding revenue note

principal amount at original issue was \$9,402,000 with an interest rate of 2.85% and matures September 15, 2032. The Series 2020B refunding revenue note principal amount at original issue was \$5,609,000 with an interest rate of 2.75% and matures September 15, 2026. The difference between the carrying amount of the refunded note and its reacquisition price was not material, and was included in the current year expense on the enterprise fund financial statements. This current refunding reduced the Society's total future debt service payments by \$1,023,925 and resulted in a present value savings of approximately \$498,339.

Annual debt service requirements to maturity for the State Fair Refunding Revenue Note, Series 2020A is as follows:

	Principal	Interest
2021	\$ -	\$ 268,701
2022	-	267,957
2023	-	267,957
2024	-	267,957
2025	-	267,957
2026	100,000	267,957
2027	1,459,000	265,107
2028	1,501,000	223,526
2029	1,543,000	180,747
2030	1,587,000	136,772
2031	1,633,000	91,542
2032	<u>1,579,000</u>	<u>45,001</u>
	<u>\$ 9,402,000</u>	<u>\$ 2,551,181</u>

Annual debt service requirements to maturity for the State Fair Refunding Revenue Note, Series 2020B is as follows:

	Principal	Interest
2021	\$ 600,000	\$ 148,249
2022	738,000	137,748
2023	1,072,000	117,453
2024	1,102,000	87,972
2025	1,042,000	57,667
2026	<u>1,055,000</u>	<u>29,012</u>
	<u>\$ 5,609,000</u>	<u>\$ 578,101</u>

In May 2020, the Society obtained a Paycheck Protection Program (PPP) loan totaling \$1,445,000 for cash flow purposes from a local bank. This loan may be forgiven under the provisions of the PPP. Any unforgiven portion must be repaid under the terms of the loan agreement, which bears an annual interest rate of 1.0 percent. No payments are due for six months from the disbursement of this loan. Interest will continue to accrue during the deferment period commencing seven months from the date of this note, unless fully forgiven prior thereto, the Society shall pay monthly principal and interest payments, each in an amount that would fully amortize the unpaid principal balance of this note over the then remaining term of this note. The monthly installment shall be due and payable on the same day of each subsequent calendar month. All remaining amounts shall be fully due and payable on the maturity date. Interest expense for the current year was \$0. If the Society defaults on this loan, the lender can require immediate payment of the outstanding loan principal.

Capital Leases:

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, 2020, this asset had a capitalized value of \$173,047 with accumulated depreciation of \$138,437. Depreciation expense for the year was \$34,609.

	Principal
2021	\$ 34,609
2022	<u>14,421</u>
	<u>\$ 49,030</u>

The Society entered into an interest-free capital lease agreement to finance the acquisition of two wheeled loaders. The total financed through this capital lease was \$159,336, with a maturity in May 2023. As of October 31, 2020, this asset had a capitalized value of \$159,336 with accumulated depreciation of \$63,734. Depreciation expense for the year was \$31,867.

	Principal
2021	\$ 35,408
2022	35,408
2023	<u>20,654</u>
	<u>\$ 91,470</u>

The Society entered into a capital lease agreement to finance the acquisition of three skid steers. The total financed through this capital lease was \$80,849 with an interest rate of 6.3% per annum and a maturity in November 2023. As of October 31, 2020, this asset had a capitalized value of \$80,849 with accumulated depreciation of \$32,340. Depreciation expense for the year was \$16,170.

	Principal	Interest
2021	\$ 14,361	\$ 1,980
2022	14,484	1,554
2023	15,423	615
2024	<u>1,329</u>	<u>7</u>
	<u>\$ 45,597</u>	<u>\$ 4,156</u>

The Society entered into an interest-free capital lease agreement to finance the acquisition of 12 copiers. The total financed through this capital lease was \$335,011, with a maturity in June 2025. As of October 31, 2020, this asset had a capitalized value of \$335,011 with accumulated depreciation of \$67,002. Depreciation expense for the year was \$67,002.

	Principal
2021	\$ 67,003
2022	67,002
2023	67,002
2024	67,002
2025	<u>40,947</u>
	<u>\$ 308,956</u>

If an event of default occurs on capital leases, the Society will be required to return the equipment and pay an amount equal to the sum of any accrued and unpaid rent plus the present value of the total monthly rent for the remaining lease term.

Compensated Absences:

	Balance 11/01/19	Additions	Retirements	Balance 10/31/20	Due within one year
Severance benefits payable	\$ 447,800	\$ 41,780	\$(147,791)	\$ 341,789	\$ 93,587
Vacation benefits payable	<u>440,750</u>	<u>446,641</u>	<u>(457,554)</u>	<u>429,837</u>	<u>429,837</u>
	<u>\$ 888,550</u>	<u>\$ 488,421</u>	<u>\$ (605,345)</u>	<u>\$ 771,626</u>	<u>\$ 523,424</u>

NOTE 5: SHORT-TERM OBLIGATIONS

During fiscal year 2020, the Society renewed a working capital line of credit in the amount of \$1.5 million, with a maturity date of June 30, 2021, for possible short-term financing of fair operations. The interest rate is the prime interest rate, with a minimum rate of 3.5%. No short-term financing was necessary in fiscal 2020.

During fiscal year 2020, the Society obtained a draw-down revenue note, Series 2020C, in the amount of \$4 million, with a maturity date of August 31, 2021, converting to a term period maturing on September 15, 2025, for possible financing of fair operations. The interest rate is variable at .25% in excess of the index rate, with a minimum of 3.5%. No draws on this note were taken in fiscal 2020.

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 and months of service, and the highest average salary for any 60 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. Benefit recipients receive annual 1.0 percent benefit increases. Annual benefit increases will change to 1.5 percent per year beginning January 1, 2024. Retirees who have been receiving a benefit for at least 12 full months as of June 30 of the calendar year immediately before the post-retirement benefit increase adjustment will receive the full increase. Members receiving benefits for at least one month, but less than 12 full months, will receive a pro rata increase.

Retirement benefits can be computed using one of two methods: the Step formula and the Level formula. Members hired before July 1, 1989, may use the Step or Level formula, whichever is greater. Members hired 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 allowable 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 allowable 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 6.0 percent and 6.25 percent, respectively. The Society's contribution to the General Plan for the fiscal year ending October 31, 2020 was \$393,577. These contributions were equal to the contractually required contributions for each year as set by state statute.

Actuarial Assumptions

The Society's net pension liability was measured as of June 30, 2020, 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	2.25 percent per year
Active Member Payroll Growth	3.00 percent per year
Investment Rate of Return	7.50 percent

Assumption changes since the prior measurement date include the following:

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2015 to Scale MP-2018.

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on Pub-2010 mortality tables using projection scale MP-2018 generational mortality tables for males or females, as appropriate, with adjustments to match fund experience. Benefit increases for retirees were established in state statutes and no assumptions are required.

Actuarial assumptions used in the June 30, 2020 valuation were based on the last experience study, dated June 30, 2019, a review of inflation and investment return assumptions dated September 11, 2017, and a recent asset liability study obtained by the State Board of Investment (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 toward 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 2020 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 equity	35.5%	5.10%
International equity	17.5%	5.30%
Fixed income	10.0%	0.75%
Treasuries	10.0%	0.50%
Private markets	25.0%	5.90%
Cash	2.0%	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 2.45 percent, as published by the Fidelity Index in June 2020. 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 available to make all future benefit payments of current plan members through fiscal year 2120. Therefore, the discount rate is the long-term expected rate of return on pension plan investments, which was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 7.5 percent, the same single discount rate that was used in fiscal year 2019.

Net Pension Liability

At October 31, 2020, the Society reported a liability of \$2,762,555 for its proportionate share of MSRS' net pension liability. The net pension

liability was measured as of June 30, 2020, 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, 2019, through June 30, 2020, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2020, the Society's proportion was 0.208 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 (6.5%)	Discount rate (7.5%)	1% increase in discount rate (8.5%)
Society's proportionate share of the net pension liability	\$6,557,435	\$2,762,555	(\$395,689)

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, 2020, the Society recognized pension expense of \$670,410. At October 31, 2020, 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	\$ 49,585	\$ 28,364
Changes of assumptions	\$ 0	\$ 6,236,587
Net difference between projected and actual earnings on investments	\$ 131,758	\$ 0
Changes in proportion and differences between actual contributions and proportionate share of contributions	\$ 230,876	\$ 354,768
Contributions paid to MSRS subsequent to the measurement date	\$ 129,944	-
Total	\$ 542,163	\$ 6,619,719

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, 2021. 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
2021	(\$4,208,513)
2022	(\$1,945,666)
2023	\$848
2024	(\$54,169)

Deferred Compensation

All Society 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 LIABILITY

Plan Description

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. The plan does not issue a publicly available financial report.

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 is 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.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. The Society has not established a trust fund to finance these OPEB benefits.

Membership

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

Active employees electing coverage	77
Active employees waiving coverage	5
Retirees electing coverage	<u>3</u>
Total members	<u>85</u>

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study with valuation and measurement dates as of October 31, 2019, using the alternative measurement method, using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified:

Discount rate	2.89%
20-year municipal bonds	2.89%
Inflation rate	2.50%
Medical trend rate	6.40%
	grading to 4.0% through 2076
Dental trend rate	3.75%

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2015, and other adjustments.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.89 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The Society discount rate used on the prior measurement date was 3.94 percent.

Changes in the Total OPEB Liability

	Total OPEB liability
Beginning balance	\$ 2,571,482
Changes for the year	
Service cost	168,404
Interest	104,574
Differences between expected and actual experience	(51,078)
Changes of assumptions	248,836
Changes in benefit terms	(9,277)
Benefit payments	\$ (171,469)
Total net changes	289,990
Ending Balance	\$ 2,861,472

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.94 percent to 2.89 percent based on updated 20-year municipal bond rates.
- Medical and dental trend rates were reset to reflect updated cost increase expectations, including the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality rates were updated from the RP-2014 headcount-weighted tables to the rates used in the 2019 Actuarial Valuation.
- Salary increase rates were updated from the rates used in the 2017 MSRS Actuarial Valuation to the rates used in the 2019 MSRS Actuarial Valuation.
- The inflation assumption was changed from 2.75 percent to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes

The following presents the total OPEB liability of the Society, as well as what the Society's total OPEB 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	Discount rate	1% increase in discount rate
OPEB discount rate	1.89%	2.89%	3.89%
Total OPEB liability	\$3,108,888	\$2,861,472	\$2,633,199

The following presents the total OPEB liability of the Society, as well as what the Society's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% decrease in healthcare trend rates	Healthcare trend rates	1% increase in healthcare trend rates
Medical trend rate	5.4% decreasing to 3.0% through 2076	6.4% decreasing to 4.0% through 2076	7.4% decreasing to 5.0% through 2076
Dental trend rate	2.75%	3.75%	4.75%
Total OPEB Liability	\$2,544,603	\$2,861,472	\$3,238,229

OPEB Expense and Related Deferred Outflows and Deferred Inflows of Resources

The Society recognized OPEB expense of \$461,459 in the current year, and at year-end reported the following deferred outflows and inflows of

resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Society's contributions subsequent to the measurement date	\$ 129,325	\$ -

NOTE 8: DISAGGREGATION OF RECEIVABLE & PAYABLE BALANCES

Receivables: Accounts receivable balances for the year ended October 31, 2020 were:

Activities	\$ 3,150
Other	641,965
Total receivables	\$ 645,115

Payables: Accounts payable balances for the year ended October 31, 2020 were:

Administration	\$ 335,801
Activities	60,756
Plant operations	384,532
Capitalized	69,067
Other	237,002
Total payables	\$ 1,087,158

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 Society to be used for the preservation, restoration and improvement of the Minnesota State Fairgrounds, and to support the Society's 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 N., St. Paul, MN 55108.

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

Financial Statement Presentation

Net assets, revenues, expenses, gains 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:

Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Designated amounts represent those revenues that the board of directors (board) has set aside for a particular purpose.

With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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, 2020.

Contributions receivable at October 31, 2020 represent the present value of receivables due. Present value is determined using discount rates ranging from .38% to 2.98%. The expected collection periods of the contributions receivable at October 31, 2020 are as follows:

<u>Year ending October 31</u>	<u>Amount</u>
2021	\$ 146,475
2022	21,050
2023	<u>10,000</u>
Total	\$177,525
Less: unamortized discount	917
Less: allowance for doubtful pledges	<u>16,000</u>
Total	<u>\$160,608</u>

Revenue Recognition

Contributions and support from the Minnesota State Agricultural Society, including unconditional promises to give, are recognized as without donor restrictions or with donor restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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.

Donated Services

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. For the year ended October 31, 2020, volunteer hours were 1,093. No amounts have been reflected in the statement for donated services, since the services do not meet established criteria for recognition. These criteria require that the donated services create or enhance the nonfinancial assets, require specialized skills which would be purchased if not donated, and have an objective basis for measurement.

Fair Value Measurements

The Foundation has categorized its financial instruments based on the priority of the inputs of the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

If the inputs used to measure the financial instrument fall within different levels of the hierarchy, the categorization is based on the lowest level

input that is significant to the fair value of the instrument. Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

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

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

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

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable Minnesota regulations.

The Foundation follows the accounting standard for uncertainty in income taxes recognized in an entity's financial statements. This standard clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold for the financial statement of tax positions taken, or expected to be taken, on a tax return that are not certain to be realized. 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 mutual funds. 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 net realizable value. 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.

Adoption of Accounting Principle

In May 2014, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-09, Revenue from Contracts with Customers (Topic 606). Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be

entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. These financial statements reflect the application of ASC 606 guidance beginning in fiscal year 2020. The adoption of ASU 2019-09 did not significantly impact the Foundation's reported historical revenue therefore has been applied prospectively.

Additionally in June 2018, FASB issued ASU 2018-08, Accounting Guidance for Contributions Received and Made. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transaction subject to other guidance and (2) determining whether a contribution is conditional. These financial statements reflect the adoption of ASU 2018-08 beginning in fiscal year 2020. The implication of this standard did not impact the Foundation's reported revenue and has been applied prospectively.

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, 2020, the Foundation had outstanding payables due to the Society for payroll and other compensation-related expenses in the amount of \$54,747. The Society contributed payroll expenses to the Foundation of \$129,580 during fiscal 2020.

Grants to the Minnesota State Agricultural Society

During the year ended October 31, 2020, the Foundation granted \$175,694 towards improvements to the Swine Barn; Coliseum improvements valued at \$78,750; coolers for Creative Activities valued at \$60,690; fair-time educational enrichment and artistic experiences valued at \$36,862; environmental applications valued at \$5,673; recognition pavers and benches valued at \$65,728, and various other miscellaneous gifts valued at \$387,803, for a grant total of \$811,200 during fiscal 2020.

NOTE 11: RISK MANAGEMENT AND ACCOUNTING FOR INSURANCE RECOVERIES

The Society is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and employer obligations. The Fair manages these risks through the State of Minnesota Risk Management Fund, a self-insurance fund, and other insurance and self-insurance mechanisms.

State Risk Management Fund

The Society participates in the Risk Management Fund, which offers auto, liability, property and related coverage. The property coverage offers the Fair a range of deductibles from \$500 through \$25,000 per loss. The fund covers the balance of the claim up to \$1.0 million. The reinsurance program provides coverage up to \$1.0 billion. Once annual aggregate losses paid by the Risk Management Fund reach \$2.5 million in any one fiscal year, the reinsurer will provide coverage in excess of a \$25,000 maintenance deductible for each claim.

On March 12, 2019, after a prolonged period of snow and rain, a portion of the Cattle Barn roof collapsed due to shifting snow loads. Incident related accrued expenses through October 31, 2019 totaled

\$2,180,492 with an additional \$813,467 accrued through October 31, 2020. Insurance recovery reimbursement proceeds offset storm damage expenses and in our financial statements, these storm damage expenses were reported net of estimated insurance recoveries. As a result, a \$553,670 receivable was recorded to offset fiscal 2019 and 2020 incident related accrued expenses.

NOTE 12: CONTINGENCIES

The Society has the usual and customary legal claims pending at year-end. Although the outcomes of these lawsuits are not presently determinable, the Society believes that the resolution of these matters will not have a material adverse effect on its financial position.

NOTE 13: COVID-19 IMPACT

The COVID-19 pandemic has caused worldwide economic and financial market volatility. The 2020 Minnesota State Fair was canceled as well as spring and fall non-fair events. There is significant uncertainty about the breadth and duration of potential business disruptions related to COVID-19. At this time, the Society is unable to determine what effect this may have on its future growth. Although the current external economic conditions are challenging and the Fair Industry has been greatly impacted, the Society's continued growth and solid financial condition place the Society in a strong position to meet future challenges.

The Society reports the investments of the Minnesota State Fair Foundation at fair value based on standards described in Note 9. The potential future impact on the fair value of the Foundation's investment portfolio is not determinable at this time. Due to the COVID-19 global pandemic the Foundation's 2020 Taste of the Fair fundraising event was canceled. The Foundation is taking actions to mitigate the negative impact of the pandemic on its operations in consultation with the Foundation's Board of Directors. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated since these events are still developing.

NOTE 14: SUBSEQUENT EVENTS

December 10, 2020 the Society entered into a revised lease with Caterpillar Financial Services Corporation for the rental of three Skid Steer Loaders. The lease term is 60 months with an implicit interest rate of 2.17% per annum.

In March 2021, the Society obtained a second Paycheck Protection Program (PPP) loan totalling \$1,451,750 for cash flow purposes from a local bank. This loan may be forgiven under the provisions of the PPP. Any unforgiven portion must be repaid under the terms of the loan agreement which bears an annual interest rate of 1.0 percent.

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:

	2020	2019	2018	2017	2016	2015
Society's proportion of the net pension liability	<u>0.2080%</u>	<u>0.2180%</u>	<u>0.2110%</u>	<u>0.2120%</u>	<u>0.2080%</u>	<u>0.2050%</u>
Society's proportionate share of the net pension liability	<u>\$ 2,762,555</u>	<u>\$ 3,066,935</u>	<u>\$ 2,924,002</u>	<u>\$ 15,725,964</u>	<u>\$ 25,789,681</u>	<u>\$ 3,155,757</u>
Society's covered payroll	<u>\$ 6,769,358</u>	<u>\$ 6,383,768</u>	<u>\$ 6,297,473</u>	<u>\$ 6,081,370</u>	<u>\$ 5,636,409</u>	<u>\$ 5,455,335</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>40.81%</u>	<u>48.04%</u>	<u>46.43%</u>	<u>258.59%</u>	<u>457.56%</u>	<u>57.85%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>91.25%</u>	<u>90.73%</u>	<u>90.56%</u>	<u>62.73%</u>	<u>47.51%</u>	<u>88.32%</u>

Defined Benefit Pension Plans

Schedule of Society Contributions – State Employees Retirement Fund

Minnesota State Retirement System:

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 393,577	\$ 402,455	\$ 354,822	\$ 330,738	\$ 318,863	\$ 301,287
Contributions in relation to the statutorily required contributions	<u>393,577</u>	<u>402,455</u>	<u>354,822</u>	<u>330,738</u>	<u>318,863</u>	<u>301,287</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Society's covered payroll	<u>\$ 6,297,234</u>	<u>\$ 6,703,946</u>	<u>\$ 6,316,155</u>	<u>\$ 6,013,418</u>	<u>\$ 5,797,508</u>	<u>\$ 5,477,929</u>
Contributions as a percentage of covered payroll	<u>6.25%</u>	<u>6.00%</u>	<u>5.62%</u>	<u>5.50%</u>	<u>5.50%</u>	<u>5.50%</u>

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 1 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.

Note 5: 2018 changes in actuarial assumptions. The single discount rate was changed from 5.42 percent to 7.5 percent.

2018 changes to plan provisions. Effective July 1, 2018, the employer contributions increased from 5.5 percent to 5.875 percent and the member contributions increased from 5.5 percent to 5.75 percent. Post-retirement benefit increases were changed from a 2.0 to 2.5 percent per year increase based upon funded ratio, to a fixed rate of 1.0 percent for five years beginning January 1, 2019, and 1.5 percent per year thereafter.

Note 6: 2019 changes to plan provisions. Effective July 1, 2019, the employer contributions increased from 5.875 percent to 6.25 percent and member contributions increased from 5.75 percent to 6.0 percent. Post-retirement benefits will increase 1.0 percent annually until January 1, 2024, at which time they will increase to 1.5 percent.

Note 7: 2020 changes in actuarial assumptions. The price inflation assumption was decreased from 2.50 percent to 2.25 percent. The payroll growth assumption was decreased from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2015 to Scale MP-2018.

REQUIRED SUPPLEMENTARY INFORMATION**Other Post-Employment Benefits Plan • Schedule of Changes in the Society's Total OPEB Liability and Related Ratios****Year Ended October 31, 2018**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 168,404	\$ 179,393	\$ 175,377
Interest	104,574	96,337	88,610
Differences between expected and actual experience	(51,078)	-	-
Changes of assumptions	248,836	(197,223)	(35,917)
Changes in benefit terms	(9,277)	-	-
Benefit payments	<u>(171,469)</u>	<u>(175,993)</u>	<u>(105,412)</u>
Net change in total OPEB liability	289,990	(97,486)	122,658
Total OPEB liability - beginning of year	<u>2,571,482</u>	<u>2,668,968</u>	<u>2,546,310</u>
Total OPEB liability - end of year	<u>\$2,861,472</u>	<u>\$ 2,571,482</u>	<u>\$2,668,968</u>
Covered payroll	<u>\$5,859,372</u>	<u>\$ 5,674,182</u>	<u>\$5,402,854</u>
Total OPEB liability as a percentage of covered payroll	48.8%	45.3%	49.4%

Note 1: The Society implemented GASB Statement No. 75 in fiscal 2018. This information is not available for previous fiscal years.

Note 2: The Society has not established a trust fund to finance GASB Statement No. 75 related benefits.

Note 3: 2018 changes in actuarial assumptions. The discount rate was changed from 3.32 percent to 3.49 percent.

Note 4: 2019 changes in actuarial assumptions. The discount rate was changed from 3.49 percent to 3.94 percent.

Note 5: 2020 changes in actuarial assumptions. The discount rate was changed from 3.94 percent to 2.89 percent. Medical and dental trend rates were reset to reflect updated cost increase expectations, including the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans. Medical per capita claims costs were updated to reflect recent experience. Mortality rates were updated from the RP-2014 headcount-weighted tables to the rate used in the 2019 MSRS Actuarial Valuation. Salary increase rates were updated from the rates used in the 2017 MSRS Actuarial Valuation to the rates used in the 2019 MSRS Actuarial Valuation. The inflation assumption was changed from 2.75 percent to 2.50 percent.

■ MINNESOTA STATE FAIR SUPPORTING SCHEDULE - REVENUES AND EXPENSES

For the years ended October 31

2020

2019

OPERATING REVENUE

Ticket sales:

Carnival	\$ -	\$ 8,519,916
MSF attractions	-	216,512
Grandstand	(121,102)	5,469,722
Outside gate	609,829	24,424,973
Parking	-	1,434,595

Total ticket sales	\$ 488,727	\$ 40,065,718
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Activities:

Campground	\$ -	\$ 134,088
Carnival	-	134,822
Competition	7,303	365,945
Entertainment	-	73,978
Fine arts	31,687	64,069
Forage	99	153,364
4-H auction	93,440	851,502
Public safety	990	7,890
Sales	85,246	13,511,890
Ticket office	94,805	698,052

Total activities	\$ 313,570	\$ 15,995,600
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Other:

Beef Expo	\$ 1,625	\$ 144,561
Licensee utilities	-	292,887
Miscellaneous	267,285	84,669
Non-fair events	1,452,847	3,158,863
Sale of bulk milk	-	10,560
Sale of market animals	-	65,148
Sponsorships	67,250	1,311,285
Telephone	-	62,825
Utility assessments	-	584,492

Total other	\$ 1,789,007	\$ 5,715,290
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Total operating revenue	\$ 2,591,304	\$ 61,776,608
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OPERATING EXPENSES

Administrative:

Administrative services	\$ 372,520	\$ 643,075
Annual meeting	52,020	50,799
Audit services	53,605	56,321
Computer	415,415	535,988
Dues and subscriptions	21,776	21,559
Insurance	278,801	227,505
Legal services	171,402	108,984
Managerial services	379,492	405,804
Medical insurance	1,467,798	1,033,523
Paid leave	746,050	880,016
Postage and mailing service	30,635	95,859
Printing and supplies	15,896	96,311
Retirement fund	670,410	764,363
Social security	432,617	865,113
Telephone	175,043	225,735
Travel expense	62,133	123,127
Unemployment compensation	221,046	58,735
Workmans compensation	151,284	142,166

Total administrative	\$ 5,717,943	\$ 6,334,983
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	2020	2019
Activities and Support:		
Admissions	\$ 4,266	\$ 253,604
Advertising	52,744	993,621
Achives	44,550	64,761
Bee culture	197	22,184
Beef Expo	9,256	135,972
Campground	4,683	70,050
Carnival	2,818	6,316,111
MSF attractions	-	92,779
Cattle	395	117,491
Christmas trees	25	7,639
Competition	445,978	897,602
Creative activities	1,349	105,467
Dairy products	40	1,581
Dog trial	27	4,067
Education programming	157,233	903,995
Farm crops	132	35,010
FFA	2,998	51,346
Finance	360,841	312,091
Fine arts	11,651	40,266
Flower and agriculture shows	2,917	81,668
Flowers	228	13,716
Forage	19,394	229,222
4-H club	55,585	263,788
Free entertainment	217,992	1,988,609
Fruit	140	15,969
Gate tickets	-	270,718
Goats - Boer	23	1,949
Goats - Dairy	30	6,745
Grandstand - concerts	125,885	6,586,069
Guest services	6,077	118,563
Heritage exhibits	123	12,659
Horse and rodeo	5,690	251,724
K-12 competition	416	43,263
Llamas	195	3,850
Marketing	325,161	447,605
Park & Ride	543	2,636,962
Parking	-	190,812
Poultry	49	19,676
Publications	410,919	640,358
Public safety	683,081	2,381,690
Sales	588,663	1,778,059
Sanitation	53,445	1,234,815
Senior citizens & recognition programs	333	12,496
Sheep	62	8,712
Swine	95	22,174
Ticket office	243,088	769,629
Ticket promotion	-	506,126
Trams	9,000	45,000
Transportation	-	36,408
Vegetables	135	10,187
Total activities and support	\$ 3,848,452	\$ 31,054,858
Premiums:		
Bee culture	\$ -	\$ 3,261
Beef Expo	1,000	27,681
Cattle	-	110,814
Christmas trees	-	2,075

	2020	2019
Creative activities	-	17,057
Dairy products	-	1,545
Dog trials	-	1,000
K-12 competition	-	9,004
Farm crops	-	13,883
Fine arts	15,650	16,500
Fine arts sales	31,612	64,069
Flowers	-	3,541
4-H auction	93,390	851,502
4-H club	-	71,200
Fruit	-	1,921
FFA	-	83,431
Goats - Boer	-	1,082
Goats - Dairy	-	13,639
Horse	-	168,905
Llama	-	3,290
Poultry	-	6,323
Rural youth scholarships	21,000	20,000
Sale of bulk milk	-	10,559
Sale of market animals	-	65,135
Sheep	-	31,568
Swine	-	43,734
Talent contest	-	31,175
Vegetables	-	4,690
Total premiums	\$ 162,652	\$ 1,678,584
Plant operations:		
Architectural and engineering	\$ 236,775	\$ 159,252
Fire and police service	106,513	436,067
Fuel, oil and gasoline	37,484	102,427
Greenhouse	133,918	282,894
Operations	1,192,216	1,632,851
Salaries and contract services	304,722	1,053,254
Set-up and take-down	235,557	1,857,729
Signs	100,487	148,767
Supplies	50,324	211,887
Utilities	816,470	1,284,967
Water and sewer	155,673	260,690
Total plant operations	\$ 3,370,139	\$ 7,430,785
Plant maintenance:		
Electric system	\$ 176,025	\$ 1,085,238
Fence and fixtures	-	198,939
Gas system	-	48
Land	53,813	46,620
Personal property	144,852	352,235
Sewer system	24,887	141,399
Streets and sidewalks	4,647	142,623
Structures	370,452	1,524,415
Vehicles	76,818	121,862
Water system	11,242	60,864
Total plant maintenance	\$ 862,736	\$ 3,674,243
Other:		
Miscellaneous	\$ 142,627	\$ 161,306
Non-fair events	1,038,029	1,668,224
Veterinarian service	-	34,090
Total other	\$ 1,180,656	\$ 1,863,620

	2020	2019
Depreciation:		
Electric service	\$ 386,986	\$ 388,029
Fence and fixtures	117,679	130,775
Gas system	78	78
Land improvement	427,092	428,294
Personal property	284,040	259,184
Sewer system	53,574	78,290
Streets & sidewalks	21,823	114,891
Structures	2,744,493	2,626,063
Water system	34,609	23,833
Total depreciation	\$ 4,070,374	\$ 4,049,437
TOTAL OPERATING EXPENSES	\$ 19,212,952	\$ 56,086,510
Operating income (loss)	\$ (16,621,648)	\$ 5,690,098
NON-OPERATING REVENUE (EXPENSES)		
Investment income	\$ 21,404	\$ 130,325
Grant revenue	811,200	1,001,250
Gain on sale of capital assets	-	307,067
Interest expense	(669,607)	(732,267)
Total non-operating revenue (expenses)	\$ 162,997	\$ 706,375
CHANGE IN NET POSITION	\$ (16,458,651)	\$ 6,396,473



PRINCIPALS

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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, 2020, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated April 9, 2021. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation) as of and for the year ended October 31, 2020. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

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

(continued)

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

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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
April 9, 2021

MINNESOTA STATE AGRICULTURAL SOCIETY ANNUAL MEETING

January 16-17-18-19, 2020

DoubleTree by Hilton Hotel, Bloomington

The 161st annual meeting of the Society, held in conjunction with the annual conventions of the Minnesota Federation of County Fairs and the Midwest Showmen's Association, opened Thursday, Jan. 16, at the DoubleTree Hotel in Bloomington, Minn.

MEETING OF THE SALES COMMITTEE

5 p.m. Thursday, Jan. 16, 2020

Members present: Ron Oleheiser, chairman; Joe Fox; D. J. Leary; Dan Grunhøvd; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Paul Merkins, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Pam Simon, ex officio.

Also present: Renee Alexander; Brian Hudalla; Wally LeVesseur; Debbie Edman; Carol Doyle; Emily Quam; Erik Klingner; Marilyn Mangan; Nikki Hines; Kim Scibak; Melissa Varriano; Mary Chung.

Chairman Oleheiser called the meeting to order at 5:03 p.m.

Mr. Sinclair reviewed the report of 2019 State Fair sales revenue, originally distributed at the Nov. 14, 2019, meeting of the board. The report was approved as submitted on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-8; Nay-0).

Mr. Sinclair presented a request from K & M Recreation, Inc. (Robert J. Kohnen) to add the name of Debbie Kohnen to the license for operation of the Haunted House attraction. The request was approved on a motion by Ms. Johnson, seconded by Mr. Grunhøvd and carried (Aye-8; Nay-0). In related discussion, Haunted House admission fee of \$5 for the 2020 State Fair was approved on a motion by Mr. Hawkins, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Mr. Sinclair presented the following Midway and Kidway ticket prices for the 2020 State Fair:

Single tickets - \$1; 28-ticket sheets - \$25; 60-ticket sheets - \$50; advance sale 20-ticket sheets - \$15.

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

The following fees for percentage attractions at the 2020 State Fair were presented by Ms. Hines:

CONCESSIONAIRE	ATTRACTION	2019%	2020%
Big Adventures, Inc.	Turbo Bungy	25%	25%
Biggest Wheel LLC	Ferris Wheel	15%	20%
D.M.C., Inc.	Skyride	30%	30%
Fun Adventures, Inc.	Rock Climbing Wall	25%	25%
Giant Ride, Inc.	Giant Slide	30%	30%
Grandstand Artist	Artist CDs/DVDs	10%	10%
Merchandise Sales	Other Merchandise	20%	20%
Hot Shot Thrill Rides	Sling Shot	25%	25%
K & M Recreation, Inc.	Haunted House	30%	30%
KMB Performance, Inc.	Go Karts	25%	25%
Krazy Maze LLC	Krazy Maze	25%	25%
Mighty Midway and Kidway	Midway Rides and Shows	41%	41%
	Kidway Rides and Shows	43%	43%
	Games of Skill	23%	23%
Skyfair, Inc.	SkyGlider	30%	30%
Skyscraper Two, Ltd.	Skyscraper	25%	25%
Spineless Wonders	Butterfly House	20%	20%
Tinsley Amusements, Inc.	Carousel	40%	40%
Ventnor Place, Inc.	Space Tower	25%	25%

After discussion, the attraction percentages were approved on a motion by Mr. Scapanski, seconded by Ms. Johnson and carried (Aye-8; 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 (7.375%) is deducted from gross receipts and reconciliation between the Minnesota State Fair and concessionaires is made on the net-of-tax balance.

Ms. Hines presented the following ticket prices for the attractions:

CONCESSIONAIRE	ATTRACTION	2019 TICKET PRICE(S)
Big Adventures, Inc.	Turbo Bungy	\$5
Biggest Wheel LLC	Ferris Wheel	\$5
D.M.C., Inc.	Skyride	\$4.50 one-way \$7 round trip
Fun Adventures, Inc.	Rock Climbing Wall	\$5
Giant Ride, Inc.	Giant Slide	\$2.50
Hot Shot Thrill Rides, Inc.	Sling Shot	\$30 per rider Early Bird \$25 per rider from opening to 1 p.m.
K & M Recreation, Inc.	Haunted House	\$5
KMB Performance, Inc.	Go Karts	\$7 for driver \$4 for passenger
Krazy Maze LLC	Krazy Maze	\$5
Skyfair, Inc.	SkyGlider	\$4.50 one-way \$7 round trip
Skyscraper Two, Ltd.	Skyscraper	\$30 single Early Bird \$25 per rider from opening to 1 p.m.
Spineless Wonders	Butterfly House	\$3.50
Tinsley Amusements, Inc.	Carousel	\$2.50
Ventnor Place, Inc.	Space Tower	\$4

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

Ms. Hines presented the following concessionaires recommended for beer and wine licenses at the '20 State Fair:

CONCESSIONAIRE	BLOCK	LOCATION
Andrus Concessions, Inc. (Robert and Joseph Andrus)	Block 42	1774 Carnes Ave., Arcade Bldg. Malt Beverages
Ball Park Cafe, 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, 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 and Charlie Torgerson)	Block 28	1801 Dan Patch Ave., Bldg. 289A Malt Beverages
French Creperie (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 Saint Paul, Inc. dba Shanghaied 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. 286S Malt Beverages & Minn. Wine
CMK Investments dba Leinie Lodge (Robert J. Kirschner)	Block 34	1302 Cooper St., Bandshell Malt Beverages
Lancer Management Services, Inc. (Glenn Baron)	Block 50	1784 Judson Ave., Coliseum Malt Beverages
FireFly Group, Inc. dba LuLu's Public House (Charlie Burrows 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. – 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. – Minn. Craft Brewers Guild (Glenn Baron)	Block 45	1263 Cooper St., Ag-Hort Bldg. Malt Beverages
GSH Food Services, Inc. dba The Hideaway (Brian and Jennie Enloe)	Block 28	1760 Dan Patch Ave., Grandstand Malt Beverages and Minn. Wine
The Hangar Group, LLC dba The Hangar (Nate and Stephanie Janousek)	Block 12	1673 Murphy Ave. Malt Beverages

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

Mr. Sinclair presented the following commercial vendors recommended for multiple-site licenses at the '20 State Fair:

CONCESSION-EXHIBIT	DESCRIPTION	SITES
Batten Industries	Laundry Products/ Heat Packs/Towels	2
Bobick Concessions	Corn Dogs, Footlong Hot Dogs & Soft Drinks	2
Cenaiko Enterprises, Inc.	Chamois, Shami Mops/ JD's Salsa	2
Crutchee's, Inc.	Cheese On-A-Stick & Lemonade	2

Delrick Enterprises	Popcorn, Caramel Apples, & Soft Drinks	2
F&W Concessions, Inc.	London Broil Sandwiches/ Pitchfork Sausages	2
Fire Brick Concessions, Inc.	Steak & Chicken Kabobs & Soft Drinks	2
First 2 Market LLC	Gripstic Bag Sealers/Refrigeration Air Purifiers	2
George Funk	Leather Goods/Coffee	2
Giant Ride, Inc.	Giant Slide/Cheese On-A-Stick	2
Gregory J. Tetrault	Ice Cream, Sno Cones, Soft Drinks/Cloud Rolls	2
Groscurth Equipment, Inc.	Superdog Corn Dogs & Soft Drinks	2
Holly's Hobby	Christmas Ornaments & Handcrafts	2
Larry Abdo	Big Fat Bacon/Gopher State Ice Co. (wholesale)	2
Mark Andrew	French Fries/S'Mores	2
Midwest Dairy Assoc. of Minn.	Ice Cream, All You Can Drink Milk & Dairy Foods	2
Minn. Honey Producers Assoc.	Honey Foods, Books & Candles	2
Netterfield's Popcorn & Lemonade	Popcorn, Caramel Corn/ Food Court	2
Orange Treet LLC – Dairy Bar	Orange Treet Drink & Smoothies/Dairy Bar	2
Stafford Enterprises	Mats, Mops, Dusters/ Therapy Products	2
Starr International	Wine Bottle Openers/ Miracle Whisks	2
Wozniak Concessions, Inc.	Fresh Cut French Fries	2
Great Lakes Coca-Cola Bottling Inc.	Coca-Cola Soft Drinks	3
Kathy Yahr	Cotton Candy	3
Larry Immerman	Cotton Candy	3
Leah H. O'Neil	Poncho Dog Hot Dogs On-A-Stick	3
Lynn Davis	Rainbow Ice Cream, Sno Cones, Caramel Apples	3
Maxine Davis	Ice Cream & Caramel Apples/ Baked Potatoes	3
The Icee Company	Icee Frozen Beverages/ Packaged Candy	3
Crocker Enterprises, Inc.	Root Beer Barrels – Soft Drinks	4
Lancer Hospitality – Coliseum	Food, Beverages	4
Schroder Concessions, Inc.	Popcorn, Sno Cones/ Brats/Cheese Curds	4
Syndicate Sales Corp.	Food Processors/Cutlery/ Brooms/Mops/Dusters	4
Wee Dazzle	Novelties, Souvenirs & Toys	4
MSF Foundation	Information/MSF Posters/Prints	7
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

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

Ms. Varriano reported on the State Fair's sponsorship program. Information only; no action taken.

Ms. Quam and Mr. Klingner offered a report on the busy schedule of more than 200 year-round events at the State Fairgrounds. Information only; no action taken.

A non-fair event license for alcohol sales was approved for Chop Liver Craft Beer Festivals, Inc. (St. Paul Beer Fest June 13) on a motion by Mr. Fox, seconded by Mr. Hawkins and carried (Aye-8; Nay-0).

The sales committee meeting adjourned at 5:36 p.m. on a motion by Ms. Johnson, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

President Merkins declared an executive session meeting of the board of managers at 5:38 p.m.; the executive session adjourned at 6:02 p.m.

MEETING OF THE BOARD OF MANAGERS

10:15 a.m. Friday, Jan. 17, 2020

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

Also present: Renee Alexander; Brian Hudalla; Jim Sinclair; Wally LeVesseur; Pam Simon; Debbie Edman; Patrick Schoen; Jill Nathe; Heather Brady; Michelle Butler; Theresa Weinfurter; Emily Quam; Erik Klingner; Virginia Mold; Samantha Gilbertson; Melissa Varriano; Mary Chung; Danyl Vavreck; Shana Zaiser; Joe Bagnoli; Jeremy Parsons. President Merkins called the meeting to order at 10:23 a.m.

The State Fair's government relations attorney Joe Bagnoli reported on the upcoming session of the Minnesota Legislature and issues that may affect the State Fair. Information only; no action taken.

Mr. Hammer and Mr. LeVesseur presented historical background on attendance, the Society's sources of revenue and expense, annual cash flow, trends in gate ticket sales, food and beverage sales, long-term debt, fiscal year-end balances, net operating gains and depreciation followed by a detailed review of the Society's financial activities during fiscal 2019. Information only; no action taken.

Mr. Hammer reviewed the proposed operating budget and projected year-end cash position for 2020, followed by discussion on the budget's relationship to capital and maintenance projects. Information only; no action taken.

The meeting adjourned at 11:54 a.m. on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

MEETING OF THE BOARD OF MANAGERS

2:30 p.m. Friday, Jan. 17, 2020

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

The meeting was called to order at 3:45 p.m. by President Merkins and declared in executive session.

The meeting was adjourned by President Merkins at 4:55 p.m.

DISTRICT CAUCUSES OF THE SOCIETY

11:15 a.m. Saturday, January 18, 2020

Delegates from the first, third, sixth and eighth districts met in caucus to certify nominees for election to the State Fair board of managers during the Society's general business session Sunday, Jan. 19. Selected were Gordy Toenges of Alden (first district), Gail Johnson of Anoka (third district), Joe Scapanski of Sauk Rapids (sixth district) and Ray Erspamer of Hibbing (eighth district).

MEETING OF THE PLANNING COMMITTEE

1 p.m. Saturday, Jan. 18, 2020

Present: Gordy Toenges, chairman; Joe Fox; D. J. Leary; Dan Grunhove; Jeff Hawkins; Gail Johnson; Ron Oleheiser; Joe Scapanski; Wally Wichmann; Paul Merkins, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Sean Casey, ex officio; Cory Franzmeier, ex officio.

Also present: Renee Alexander; Jim Sinclair; Wally LeVesseur; Pam Simon; Theresa Weinfurter; Steve Grans.

Chairman Toenges called the meeting to order at 1:06 p.m.

Mr. Hammer reported on the construction timeline of all current State Fair facilities dating from 1907 through the present, followed by a presentation on the most recent two decades of capital and maintenance work. Information only; no action taken.

Mr. Hudalla reviewed \$20 million in capital and maintenance projects undertaken in fiscal 2019. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented capital and maintenance project recommendations for 2020 totaling \$9.7 million. A summary of the project list follows, and includes projects previously approved at the Nov. 14, 2019, meeting of the board:

2020 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

A. Structure Improvements	\$ 3,475,000
B. Land Improvements	
BI. Fencing & Fixtures	-
BII. Land	250,000
BIII. Sewer System	-
BIV. Streets & Sidewalks	585,000
BV. Water Distribution System	-
BVI. Gas Distribution System	-
BVII. Land Purchases	-
TOTAL Land Improvements	\$ 835,000
C. Personal Property	\$ 90,000
D. Electric Plant:	\$ 100,000
TOTAL Improvements	\$ 4,500,000
E. Structure Maintenance	\$ 3,053,500
F. Land Maintenance	
FI. Fencing & Fixtures	207,500
FII. Land	245,000
FIII. Sewer System	101,000
FIV. Streets & Sidewalks	187,000
FV. Water Distribution System	229,000
FVI. Gas Distribution System	2,500
TOTAL Land Maintenance	\$ 972,000
G. Personal Property Maintenance	\$ 350,500
H. Vehicle Maintenance:	\$ 173,000
I. Electric Plant Maintenance:	\$ 629,000
TOTAL Maintenance	\$ 5,178,000
Sub total Improvements & Maintenance	\$ 9,678,000
Cattle Barn – Accounts receivable	\$(1,100,000)
TOTAL Improvements & Maintenance	\$ 8,578,000

After discussion, Mr. Fox moved, Mr. Hawkins seconded and motion carried that the 2020 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 1:56 p.m. on a motion by Ms. Johnson, seconded by Mr. Scapanski and carried (Aye-8; Nay-0).

President Merkins declared an executive session meeting of the board of managers at 2 p.m., and adjourned the meeting at 2:07 p.m.

GENERAL BUSINESS SESSION OF THE SOCIETY

8:30 a.m. Sunday, Jan. 19, 2020

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

Long-time State Fair attorney Kent Harbison was inducted into the State Fair Hall of Fame and presented with his award by Mr. Fox and Mr. Hammer.

President Merkins called for a report of the credentials committee by Kathy Travis of Ramsey 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: There was one statewide association that did not have the correct information. Members of the Credential Committee do attest to the actions noted above on the 18th day of January 2020."

President Merkins called for a report of the resolutions committee. Committee member Kathy Travis of Ramsey County presented the following resolutions for consideration by the Society:

Whereas the Minnesota State Agricultural Society's presentation of the 2019 Minnesota State Fair was a success by every measure; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, on behalf of its members,

1. extends its gratitude to the more than 2 million guests who visited and participated in the 2019 Great Minnesota Get-Together and the additional 1 million people who came to events at the State Fairgrounds throughout the year, making 2019 the year we welcomed more people to the State Fairgrounds than any year in our history;
2. declares that the ongoing success of the fair is achieved through the combined efforts of many dedicated people, including staff, board of managers, volunteers, exhibitors, members of 4-H and FFA, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth, and neighbors and community organizations in the areas surrounding the fairgrounds;
3. gratefully acknowledges the Minnesota State Fair Foundation's board, staff, donors and volunteers, who generously support the preservation and improvement of State Fair buildings, the fairgrounds and educational programs; and
4. recognizes that it derives great benefit from its partnerships with and memberships in the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association, International Entertainment Buyers Association, Midwest Showmen's Association and other organizations that are essential to furthering and improving the fair industry locally, nationally and internationally.

Whereas the Minnesota State Fair strives to adapt and improve in an ever-changing environment and to vigorously pursue programs of the highest quality so that it is worthy of its reputation as one of the premier expositions in the world; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, on behalf of its members,

reaffirms its commitment to educate and engage people by presenting a world-class showcase of agriculture, entertainment and the innovative exchange of knowledge and ideas; provide outstanding customer service in a safe, clean, well-maintained environment that is accessible to all; and offer exceptional value while remaining financially independent through sound and fiscally responsible management.

Whereas the Great Minnesota Get-Together continues to be successful because thousands of individuals join together to present an unparalleled State Fair each summer; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, on behalf of its members, recognizes with our deepest sympathies the passing this last year of: Vince Agnifili, owner of the Oasis Aqua Massage commercial concession, at the State Fair since 2006; Dick Ames, friend and supporter of the Minnesota State Fair, the Minnesota Livestock Breeders' Association Purple Ribbon 4-H Auction, the Arabian and Percheron horse industries and numerous other causes; David Bourn, proprietor of Hollywood Premiere Searchlight Advertising Co., who serviced and operated spotlights at the Coliseum and Grandstand for decades; Nick Cenaiko, owner of Cenaiko Expo Inc., product demonstration concessionaire; Ray Diekrager, long-time Minnesota State Fair Foundation volunteer from 2005 to 2019 and legacy benefactor; Robert "Bobby Dale" Engquist, master of ceremonies and stage manager of the Minnesota State Fair Bandshell from 1979 to 2004 and voice of the fair's free entertainment stages from 2005 to 2018; Margaret Hines, 16-year employee in the finance department; Laurie Kropp, partner with husband, Jim, in Kropp Enterprises Inc. cheese curd concession; Janet Kummala, full-time employee in the ticket office from 2002 to 2013; Tommy LaMotta of Diversified Amusements Inc., Midway game concessionaire; Allan Lotsberg, Gate 5 admissions employee for seven years; Daniel Lundeen, known as "Santa Dan," longtime supporter of the amateur talent contest; Brianna Franke Menssen, eight-year employee in Grandstand admissions; Lori Presser Murphy, owner of Ultimate Confections, candy concessionaire; John Paulmann, representative of the second district on the State Fair board of managers from 1997 to 2008; Edward J. Porcelli, owner/operator of Spaghetti Eddie's food and beverage concession; David Rosga, Gate 5 admissions employee since 2014; Duane Smith, farm crops superintendent from 1975 to 2001 and an Honorary Life Member of the Society and 50 Year Award winner; and Thomas Stevermer, who worked for more than 50 years in the admissions department.

Whereas, in 1885 the Society created the Minnesota State Fairgrounds and since then has operated and cared for these spectacular facilities; and **Whereas**, the Minnesota State Fairgrounds is widely recognized as one of the most beautiful and well-managed fairgrounds in the world; and **Whereas**, an outside commercial interest, solely for its own benefit, has attempted to interfere in the Society's management of the fairgrounds by, among other things, altering state law; now, therefore, be it

Resolved, that the Society urges continued public and government support to preserve intact the Society's authority to manage the fairgrounds, which the Society has done brilliantly for 136 years to the great benefit of all Minnesotans.

Whereas, the Minnesota State Fair has proven to be an internationally renowned, culturally rich exposition of education and exhibition and a time-honored tradition deeply rooted in the attendance and participation of youth and families; and **Whereas** a successful State Fair has Super Bowl-sized economic impact every year, and the state's tourism and hospitality industries are important to Minnesota; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, whose membership includes stakeholders from throughout the state, urges continued support for current state law requiring Minnesota's schools to open after Labor Day.

Whereas, this 161st annual meeting of the Minnesota State Agricultural Society was an important gathering of members for meetings, networking and education; now, therefore, be it

Resolved, that the Society extends its gratitude to all those who contributed to the success of this annual meeting.

The resolutions were adopted as read.

President Merkins conducted the election of Society president for a term of one year. Ron Oleheiser of Grand Rapids was elected and assumed the chair.

President Oleheiser turned the chair over to State Fair board past president and Honorary Society Life Member Sharon Wessel of Hamel who nominated Paul Merkins for honorary life membership; Mr. Merkins was elected by acclamation and was presented with the Society Life Member Award and Past President Plaque.

President Oleheiser then proceeded to conduct elections as follows: D. J. Leary of Minneapolis was reelected to a two-year term as fifth district vice president; Gordy Toenges of Alden was re-elected to a three-year term as first district representative; Gail Johnson of Anoka was re-elected to a three-year term as third district representative; Joe Scapanski of Sauk Rapids was re-elected to a three-year term as sixth district representative; and Ray Erspamer of Hibbing was elected to serve the remaining two years of President Oleheiser's unexpired three-year term as eighth district representative.

With no further business to be brought before the Society, President Oleheiser declared the meeting adjourned at 10:22 a.m.

MEETING OF THE BOARD OF MANAGERS

10:45 a.m. Sunday, Jan. 19, 2020

Present: Ron Oleheiser, president; Joe Fox, vice president; D. J. Leary, vice president; Ray Erspamer; Dan Grunhove; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Wally LeVesseur; Debbie Edman; Heather Brady; Jill Nathe; Patrick Schoen; Grace Woodis; Kim Scibak; Jim Rougier; Marie LeFebvre; Michelle Butler; Theresa Weinfurter; Nate Dungan; Lara Hughes; Chris Noonan; Danielle Dullinger; Abby Harazin; Gail Anderson; Julian Schadeck; Cory Franzmeier; Sean Casey; Shannon Buchda; Carol Doyle; Marilyn Mangan; Melissa Varriano; Emily Quam; Erik Klingner; Abbi Berquam; Mary Chung; Dani Vavreck; Leah Janus; Liam Higgins.

President Oleheiser called the meeting to order at 10:41 a.m.

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

Ron Oleheiser of Grand Rapids, president (one-year term); D. J. Leary of Minneapolis, fifth 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); Joe Scapanski of Sauk Rapids, sixth district representative (three-year term); and Ray Erspamer of Hibbing, eighth district representative (two years of unexpired three-year term).

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

Minutes of the board meeting conducted Nov. 14, 2019, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Grunhove and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Nov. 14, 2019, through Jan. 16, 2020, were approved on a motion by Mr. Grunhove, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

Mr. LeVesseur presented the financial statement for Dec. 31, 2019, as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending December 31, 2019

OPERATING ACCOUNT ACTIVITY:

Balance - Nov. 30, 2019		\$ 7,044,364
Add: Cash Deposits	\$ 1,302,215	
Less: Payroll Ending Dec. 13	(256,244)	
Payroll Ending Dec. 27	(155,520)	
Cash Disbursements	(1,756,950)	
	(866,499)	
Balance - Dec. 31, 2019		\$6,177,865

BUILDING FUND ACTIVITY:

Balance - Nov. 30, 2019	\$ 451	
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance - Dec. 31, 2019	\$ 451	

CONSTRUCTION ACCOUNT:

Balance - Nov. 30, 2019	\$ (10)	
Add: Note Proceeds		
Interest		
Less: Disbursements	\$ 10	
Balance - Dec. 31, 2019	\$ 0	

CASH BALANCES FOR MONTH ENDING:

	<u>2018</u>	<u>2019</u>
Operating Account	\$7,226,887	\$ 6,177,865
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account	<u>9,989,387</u>	<u>0</u>
(Note Proceeds)		
Total Cash Balances	<u>\$17,222,825</u>	<u>\$ 6,184,416</u>

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

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

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 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 accounts; Premium account - Jerry Hammer with "Hammer" signature imprint authorized for premium account; Security fund transfer resolution - Jerry Hammer or Wally LeVesseur. After discussion, the preceding was approved on a motion by Mr. Fox, seconded by Mr. Hawkins and carried (Aye-9; Nay-0).

The following standing committee appointments for 2020 were presented by President Oleheiser:

Finance - Grunhove, chairman; Hawkins; Johnson; Leary; Toenges; Wichmann; Oleheiser, ex officio; Hammer, ex officio; LeVesseur, ex officio.

Foundation Nominating - Oleheiser, chairman; Fox; Hawkins; Hammer.

Governmental Affairs - Johnson, chairman; Fox; Grunhove; Hawkins; Leary; Scapanski; Oleheiser, ex officio; Hammer, ex officio; Alexander, ex officio; Goodrich, ex officio; Hudalla, ex officio; Sinclair, ex officio.

Honors - Fox, chairman; Alexander; Goodrich; Hudalla; Oleheiser, ex officio; Hammer, ex officio.

Life Member Advisory - Merkins, chairman; Baker; Lake; Foss; Grass; Keenan; Krueger; Lake; Paulson; Prokosch; Reinhardt; Schmidt; Simons; Wenzel; Wessel; Oleheiser, ex officio; Hammer, ex officio; Edman, ex officio.

Operations - Hawkins, chairman; Fox; Grunhovd; Scapanski; Toenges; Wichmann; Oleheiser, ex officio; Hammer, ex officio; Hudalla, ex officio; Franzmeier, ex officio.

Planning - Toenges, chairman; Erspamer; Fox; Grunhovd; Hawkins; Johnson; Leary; Scapanski; Wichmann; Oleheiser, ex officio; Hammer, ex officio; Hudalla, ex officio; Goodrich, ex officio; Casey, ex officio; Franzmeier, ex officio.

Public Affairs - Wichmann, chairman; Fox; Johnson; Leary; Scapanski; Toenges; Oleheiser, ex officio; Hammer, ex officio; Alexander, ex officio.

Rules - Leary, chairman; Erspamer; Grunhovd; Johnson; Scapanski; Toenges; Oleheiser, ex officio; Hammer, ex officio; Goodrich, ex officio; LeFebvre, ex officio; Nathe, ex officio.

Sales - Scapanski, chairman; Erspamer; Fox; Grunhovd; Hawkins; Johnson; Leary; Toenges; Wichmann; Oleheiser, ex officio; Hammer, ex officio; Sinclair, ex officio; Simon, ex officio.

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

President Oleheiser presented the following board liaison and department superintendent appointments for 2020:

Administration - Leary

Employment Office - Toenges

Competition

Bee Culture - Fox

(superintendent open)

Beef Cattle - Grunhovd

(Chuck Schwartau, superintendent)

Christmas Trees - Fox

(Kim Ustruck, superintendent)

Creative Activities - Johnson

(Curt Pederson, superintendent)

Dairy Cattle - Johnson

(Deb Kraus, superintendent)

Dairy & Boer Goats - Fox

(Mark Boorsma & Gretchen Sankovit, superintendents)

Dairy Products - Wichmann

(Lisa Radamacher, superintendent)

Dog Trials - Erspamer

(JoAnna Yund, superintendent)

K-12 Competition - Fox

(Florence Newton, superintendent)

Farm Crops - Fox

(Ron Kelsey, superintendent)

Fine Arts - Toenges

(Jim Clark, superintendent)

Flowers - Fox

(Phyllis Andrews, superintendent)

4-H - Johnson

(Brad Rugg, superintendent)

Fruits - Fox

(Louis Quast, superintendent)

FFA - Grunhovd

(T.J. Brown, superintendent)

Horses - Toenges

(Pam Keeler, Steve Tibbetts, Don Bauleke, superintendents)

Llamas - Erspamer

(Jen Rouillard, superintendent)

Milking Parlor - Wichmann

(Doris Mold, superintendent)

Miracle of Birth - Fox

(Jim Ertl, superintendent)

Poultry - Scapanski

(Paul Bengtson, superintendent)

Seniors - Grunhovd

(Marge Krueger, superintendent)

Sheep - Leary

(Jo Bernard, superintendent)

Swine - Hawkins

(Jerry Hawton, superintendent)

Vegetables - Fox

(Phil Klint, superintendent)

Entertainment - Toenges

Grandstand Production - Leary

(Gary Perkins, superintendent)

Heritage Exhibits - Erspamer

(Jan Bankey, superintendent)

Finance - Hawkins

Gate Ticket Sales - Wichmann

(JoAnne Ferry, superintendent)

Midway Ticket Sales - Erspamer

(Damara Jefferson & Anne Nyumah, superintendents)

Marketing - Scapanski

Operations - Leary

Admissions - Hawkins

(Dave Woodis, superintendent)

Park & Ride - Hawkins

(Sarah Peterka, superintendent)

Parking - Wichmann

(Jim Benz, superintendent)

Public Safety - Grunhovd

(Paul Paulos, superintendent)

Sanitation - Johnson

Sales - Scapanski

Attraction Ticket Takers - Scapanski

(Anthony Elwood & Matt Bakkom, superintendents)

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

President Oleheiser declared the meeting in recess at 10:48 a.m. for committee meetings.

OPERATIONS COMMITTEE MEETING

Chairman Hawkins called the meeting to order.

Mr. Hammer presented the following gate admission policy for the '20 State Fair for consideration:

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

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

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

PUBLIC AFFAIRS COMMITTEE MEETING

Chairman Wichmann called the meeting to order.

Ms. Alexander presented advertising, marketing and publications budgets for 2020. After discussion, the budgets were approved on a motion by Ms. Johnson, seconded by Mr. Leary and carried (Aye-5; Nay-0).

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

RULES & PREMIUM LIST COMMITTEE MEETING

Chairman Leary called the meeting to order.

Authority was granted to Mr. Hammer's delegate to make adjustments in rules, release dates and premium allocations for competitive departments in accordance with guidelines established by the Society's 2020 operating budget on a motion by Mr. Grunhovd, seconded by Mr. Toenges and carried (Aye-5; Nay-0).

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

FINANCE COMMITTEE MEETING

Chairman Grunhovd called the meeting to order.

The 2020 operating budget, which was reviewed in detail by the board Jan. 17, and the 2020 improvements and maintenance budgets, which were approved Jan. 18 by the board's planning committee, were approved on a motion by Mr. Hawkins, seconded by Mr. Leary and carried (Aye-5; Nay-0).

Mr. Hammer was granted authority to implement flexible pricing schedules and seating configurations for Grandstand events, taking into account the costs of production, potential revenue from other sources and weather insurance premiums on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-5; Nay-0).

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

President Oleheiser reconvened the meeting of the board at 10:55 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. Hawkins, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

After discussion, the following admission fee schedule for the 2020 State Fair was approved on a motion by Mr. Scapanski, seconded by Mr. Leary and carried (Aye-9; Nay-0):

Adults (13-64)	\$15
Seniors (65+)	\$13
Children (5-12).....	\$13
Kids (4 & under).....	Free
Seniors & Kids Days promotions.....	\$10
Thrifty Thursday Adults	\$13
Thrifty Thursday Children & Seniors.....	\$10
Military Appreciation Day*	\$10
Read & Ride Day Adults**	\$13
Read & Ride Day Kids**	\$10
Auto parking	\$15
Motorcycle parking.....	\$9
All-ages pre-fair discount	\$12

* 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 Toltz, King, Duvall & Anderson architects and engineers, Collins Electric, Inc. electricians, Maertens-Brenny Construction Co.; and Spriggs Plumbing & Heating, Inc.; the contractor agreements were approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. Hammer was authorized to set staff salaries according to the following job classifications and pay ranges on a motion by Mr. Leary, seconded by Mr. Hawkins and carried (Aye-9; Nay-0):

Operating Classification

Title: Specialist

\$680 to \$1,240 weekly (\$35,360 to \$64,480 yearly)

Intermediate & Professional Classification

Title: Supervisor

\$860 to \$1,310 weekly (\$44,720 to \$68,120 yearly)

Middle Management Classification *

Title: Manager

\$1,300 to \$1,830 weekly (\$67,600 to \$95,160)

Executive Classification *

Titles: Director, Deputy General Manager

\$1,490 to \$2,780 weekly (\$77,480 to \$144,560 yearly)

* Exempt from overtime

The Society's legal representation by Fredrickson & Byron, P.A., and Joe Bagnoli, Esq., was approved on a motion by Mr. Toenges, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

The Society's audit firm of Malloy, Montague, Karnowski and Radosevich & Co., P.A. was approved on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Ms. Alexander provided an outlook on entertainment bookings for the '20 State Fair. Information only; no action required.

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

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Jan. 20 through April 2, 2020

January

24-26 - The Legacy Luau Gymnastics Meet was held at the Warner Coliseum.

24-Feb. 2 - The Saint Paul Winter Carnival's Minnesota State Snow Sculpting Championship was presented at the Kidway lot. Noonan gave a presentation on marketing careers to Roseville Middle School students.

27 - Sinclair and Hines met with Stephanie Shimp and David Burley of the Blue Barn, and Brian Tempas of Cuningham Group Architects to review their proposal for an addition to their concession structure at West End Market.

28 - A Lunch & Learn session featuring Allianz Field General Manager Justin Borrell was held at the Libby Conference Center.

29 - Saint Paul Fire Department training exercises were conducted at the Warner Coliseum.

30 - Event staff met with Mintahoe Catering & Events to discuss potential catering operations at the North End Event Center.

31 - Noonan gave a presentation on marketing careers to Sanford Middle School classes.

February

1 - A North Star Roller Derby bout was held at the Warner Coliseum.

2 - Schoen, Scibak and Woodis met with staff of Jennings Community School in St. Paul to discuss employment and fundraising opportunities for students.

4-8 - Sinclair, Simon, Ward and Hines attended the National Independent Concessionaires Association's Business Expo and Fare Foods Show, the International Independent Showmen's Association Trade Show and the Florida State Fair in Tampa.

5 - Simon, Quam, Klingner and Ward met with staff of the Roseville Visitors Association to discuss upcoming events.

7 - Sinclair and Hines attended the Outdoor Amusement Business Association Annual Meeting in Tampa, Fla., where Sinclair was elected to the OABA board.

10 - Sinclair and Simon met with representatives of the Minnesota Department of Transportation to discuss their interest in an automated vehicle exhibit at the upcoming State Fair.

12 - A Lunch & Learn session for full-time staff was presented at Flaherty's in Arden Hills. Schoen, Scibak and Woodis gave a presentation to administrative staff of Minneapolis Public Schools on employment and fundraising opportunities.

14 - Staff participated in a conference call with Etix representatives regarding Midway and Kidway ticket systems, and attended a presentation on esports.

15-16 - The Gina Morri Invitational Gymnastics meet was held at the Warner Coliseum.

18 - Sinclair and Hines met with Skip Johnson and Mick Mader of the River Raft Ride to discuss the attraction.

19 - Oleheiser, Hawkins, Hammer and Chung participated in a Minnesota State Fair Foundation planning session.

21 - Noonan attended a board meeting of the Midway Chamber of Commerce.

22 - The Winter Beer Dabbler was held at the Midway lot and Warner Coliseum.

24 - Alexander, chairperson of the International Entertainment Buyers Association, conducted an IEBA board meeting in Nashville, Tenn.

25 - Schoen and Woodis participated in the Roseville Area Job, Career & Resource Fair. Hudalla met with management of the Capital Regions Watershed District to discuss the State Fair's stormwater management plan.

26 - Noonan attended a Visit Roseville board meeting.

27 - Schoen and Woodis participated in the Minnesota Private Colleges Job and Internship Fair.

28 - Schoen and Woodis participated in the University of Minnesota Job and Internship Fair. Sinclair, Hudalla, Casey, Steffenhagen, Hines and Hagen met with representatives of State Fair engineers TKDA and the State Fire Marshal to discuss life safety improvements for the Ye Old Mill. Noonan gave a presentation on careers in marketing to students at the Farnsworth Aerospace Upper Campus.

28-29 - Twin Cities Regional Science Fair was held at the Warner Coliseum.

29 - The opportunity to create an entry for Feb. 29 occurs only once every four years, so here it is.

March

3 - Woodis attended a Minnesota Employee Resource and Service Company event.

4 - Sinclair, Goodrich, Nathe, LeFebvre and Hines met to discuss exhibit placement in the Agriculture Horticulture Building.

5 - Mike Heffron, lifelong State Fair employee and general manager from 1977 to 1997, State Fair Hall of Famer and greatly respected icon of the fair industry, died at his home in Roseville. A Lunch & Learn session for full-time staff was presented by the producers of Hmong Minnesota Day at the fair.

5-7 - Schadeck attended the IAFE Impact & Impressions Specialty Seminar in Columbus, Ohio, and facilitated two workshops on ticket technology.

7-9 - Hudalla, Rougier, Meyer and Chief Paulos attended the Houston Livestock Show & Rodeo in Houston, Texas.

8 & 9 - Many current and former staff, board members and other State Fair friends and associates attended visitation and memorial services for former State Fair Manager Mike Heffron in St. Paul.

10 - Minnesota Farmers Union representatives offered a presentation at a Lunch & Learn session for full-time staff.

11 - Staff honored long-time Box Office Manager Gail Anderson with a retirement celebration, recognizing nearly 30 years of service as one of the best and most influential ticket managers in North America. Schoen participated in a job fair for Minneapolis Public Schools.

13 - Hammer and State Fair bond counsel Peter Cooper discussed State Fair financial matters.

16 - Dullinger, Grans and Noonan met via conference call with Metro Transit representatives regarding production of the Express Bus and Park & Ride brochure.

20 - Noonan attended a conference call board meeting of the Midway Chamber of Commerce.

23 - Hammer participated in a conference call with the CEOs of State Fairs in Indiana, Iowa, Kentucky, Ohio and Wisconsin.

25 - Hammer and LeVesseur conducted a teleconference with State Fair bond counsel Peter Cooper and financial advisors Heather Casperson and Chuck Upcraft of Public Financial Management.

26 - Hammer, LeVesseur and Brady participated in a teleconference with Jim Eichten and Jackie Huegel of Malloy, Montague, Karnowski, Radosevich & Co., P.A. to review their audit of State Fair financial activities for fiscal 2019.

29 - Edman met with staff of the DoubleTree Bloomington Hotel to wrap up the Society's 2020 annual meeting, held in January.

30 - Hammer participated in a conference call with the CEOs of State Fairs in Indiana, Iowa, Kentucky, Ohio and Wisconsin.

April

1 - Hammer and LeVesseur consulted with State Fair bond counsel Peter Cooper and PFM financial advisors Heather Casperson and Chuck Upcraft regarding financial matters.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Friday, April 3, 2020

Teleconference

Members present: Ron Oleheiser, president; Joe Fox, vice president; Ray Erspamer; Dan Grunhove; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Jim Sinclair, Brian Hudalla, Renee Alexander, Mark Goodrich, Wally LeVesseur, Pam Simon, Debbie Edman, Jill Nathe, Sean Casey, Mary Chung, Leah Janus.

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

Minutes of the Society's board meetings, committee meetings, caucuses and general business session conducted Jan. 16-19, 2020, were approved on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-7; Nay-0; one abstain-Erspamer).

Minutes of interim activities covering the period Jan. 19 through April 2, 2020, were reviewed and approved on a motion by Ms. Johnson, seconded by Mr. Erspamer and carried (Aye-8; Nay-0).

The Society's financial statement for February 2020 was presented as follows by Mr. LeVesseur:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending February 28, 2020

OPERATING ACCOUNT ACTIVITY:

Balance – January 31, 2020		\$ 4,269,710
Add: Cash Deposits	\$ 1,246,598	
Less: Payroll Ending February 7	(244,341)	
Payroll Ending February 21	(245,822)	
Cash Disbursements	<u>(1,209,383)</u>	
		(452,948)

Balance - February 29, 2020 \$ 3,816,762

BUILDING FUND ACTIVITY:

Balance – January 31, 2020 \$ 451

Add: Interest Earned

Securities Purchased

Less: Securities Redeemed

Balance - February 29, 2020 \$ 451

CONSTRUCTION ACCOUNT:

Balance – January 31, 2020 \$ -

Add: Note Proceeds

Interest -

Less: Disbursements

Balance - February 29, 2020 \$ -

CASH BALANCES FOR MONTH ENDING:

	<u>2019</u>	<u>2020</u>
Operating Account	\$ 5,836,070	\$ 3,816,762
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account (Note Proceeds)	<u>10,012,395</u>	-
Total Cash Balances	\$15,855,016	\$ 3,823,313

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

Ms. Simon and Mr. Sinclair reported on activities within the sales and attractions division, and planning for the 2020 State Fair. Information only; no action taken.

A report on State Fair agricultural and creative contests, along with educational programs, was presented by Ms. Nathe and Mr. Goodrich. Information only; no action taken.

Ms. Alexander provided an update on the State Fair's extensive entertainment program, and reported on marketing activities. Information only; no action taken.

Mr. Hudalla and Mr. Franzmeier provided an update on State Fair operations, capital and maintenance projects, and facilities work. Information only; no action taken.

Ms. Edman reported on activities within the administration division. Information only; no action taken.

A report on the State Fair Foundation's fundraising activities and programs was presented by Mary Chung. Information only; no action taken.

President Oleheiser declared the meeting in executive session at 11:51 a.m.

The meeting reopened at 12:26 p.m. on a motion by Mr. Hawkins, seconded by Ms. Johnson and carried (Aye-8; Nay-0), and adjourned by President Oleheiser at 12:29 p.m.

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

April 3 through May 22, 2020

April

6 - Hammer participated in a teleconference with State Fair managers from Indiana, Iowa, Kentucky, Ohio and Wisconsin.

7 - Noonan attended an Etix webinar on system communication tools.

9 - Noonan attended an Explore Minnesota seminar conducted by the Minnesota Department of Tourism on the virus' effect on statewide tourism.

13 - Hammer participated in a teleconference with State Fair managers from Indiana, Iowa, Kentucky, Ohio and Wisconsin. Noonan attended an MSP Publications webinar on crisis marketing. Noonan recorded a virtual presentation on State Fair marketing for Best Prep schools.

14 - Hammer and Chung participated in a teleconference meeting of the State Fair Foundation's investment committee.

15 - Butler and Schuldt participated in a Minnesota Women's Agricultural Leadership webinar. Dullinger participated in a teleconference with the IAFE Advertising, PR & Promotions Committee.

16 - Hammer, Alexander and Chung participated in a teleconference meeting of the State Fair Foundation's marketing committee. Hammer and Sinclair participated in a conference call with past chairs of the IAFE. Alexander moderated a podcast on force majeure in entertainment contracts for the International Entertainment Buyers Association.

17 - Alexander moderated an International Entertainment Buyers Association podcast on venues reopening in the pandemic. Noonan attended a virtual board meeting of the Midway Chamber of Commerce.

20 - Alexander, Dungan, Buchda, Weinfurter and Hughes participated in Live Events Town Hall virtual conversation on live entertainment during a pandemic, presented by Backstage Productions and Pollstar. Alexander and Franzmeier participated in a University of Minnesota-led project on sustainability.

21 - Noonan attended a Midway Chamber of Commerce webinar regarding the virus' impact on the 2020 election.

23 - Hammer and Chung participated in a meeting of the State Fair Foundation's development committee. Schadeck participated in a Ticketing Task Force online meeting to discuss planning for the pandemic with staff of the Ohio State Fair, Indiana State Fair, Iowa State Fair, Colorado State Fair and Wisconsin State Fair. Butler participated in an online discussion on the pandemic hosted by the IAFE.

28 - Hammer and Chung participated in a meeting of the State Fair Foundation's executive committee. Butler, Noonan and Dullinger participated in an IAFE discussion on hosting virtual fairs. Noonan attended a webinar with Minnesota DEED Commissioner Steve Grove on the pandemic's effect on small businesses hosted by the Midway Chamber of Commerce. Dullinger participated in a Visit St. Paul teleconference on social media communications.

29 - Sinclair participated in a teleconference meeting of the Outdoor Amusement Business Association board. Noonan attended a virtual board meeting of Visit Roseville.

30 - Sinclair, Goodrich and LeFebvre met via teleconference with Tami Bremseth of 4-H Youth Development to discuss an agreement with 4-H.

May

1 - Hammer participated in a webinar panel discussion titled "Road to Recovery: Outdoor Public & Event Spaces" hosted by the Minnesota Destination Medical Center initiative.

3-5 - Dullinger, Gilbertson, Mold, Schadeck, Schoen and Woodis participated in the IAFE Institute of Fair Management Virtual Summit.

4 - Hammer had a teleconference with Minnesota Federation of County Fairs secretary Tiffany Gustin. Noonan attended a Midway Chamber of Commerce communications committee meeting.

5 - Alexander, Buchda, Lewis and seasonal staff selected participants for the 2020 Arts A'Fair program.

6 - Hammer met via teleconference with Minnesota Department of Agriculture Commissioner Thom Petersen. Dullinger participated in a teleconference with the IAFE Advertising, PR & Promotions Committee. Noonan attended a Midway Chamber of Commerce webinar on small businesses in the pandemic.

7 - Hawkins, Hammer and Chung participated in a meeting of the State Fair Foundation Finance & Investment Committee.

8 - Alexander participated on a panel of live entertainment industry professionals regarding the pandemic's effect on business. Noonan attended a virtual meeting for Visit St. Paul.

11 - Hammer had a teleconference with Minnesota Governor Tim Walz

for a status report on the State Fair. Butler participated in a virtual panel discussion with Minnesota Ag Literacy. Alexander, Schadeck and Ostapowycz met with Etix partner Lyte Inc. to discuss post-primary ticketing services.

13 - Hammer had a teleconference with U.S. Senator Tina Smith for a fair update. Edman and Schoen participated in a teleconference with the St. Paul Human Resources Association.

14 - Oleheiser, Hawkins, Hammer, Alexander and Chung participated in a teleconference board meeting of the State Fair Foundation.

15 - Noonan attended a virtual board meeting of the Midway Chamber of Commerce.

18 - Hammer participated in a teleconference with state fair CEOs from Indiana, Ohio, Iowa, Wisconsin, Kentucky and Missouri. Noonan attended a Midway Chamber of Commerce webinar with U.S. Representative Betty McCollum on federal response to the pandemic.

19 - Hammer, Sinclair, Hudalla, Goodrich and Alexander met via teleconference with Minnesota Department of Health Commissioner Jan Malcolm and Minnesota Governor's Assistant Chief of Staff Patrick Tanis.

20 - Noonan attended a virtual Visit Roseville "Roseville in Bloom" committee meeting.

22 - State Fair full-time staff participated in a staff meeting teleconference.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETINGS OF GOVERNING BOARD

10 a.m. Friday, May 22, 2020

Teleconference

Members participating: Ron Oleheiser, president; Joe Fox, vice president; Ray Erspamer; Dan Grunhove; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also participating: Jim Sinclair; Brian Hudalla, Renee Alexander, Mark Goodrich, Wally LeVesseur, Pam Simon, Debbie Edman, Jill Nathe, Sean Casey, Mary Chung, Leah Janus, Joe Bagnoli.

President Oleheiser called the meeting to order at 10:02 a.m. and declared the meeting in executive session.

President Oleheiser opened the meeting at 10:46 a.m.

Mr. Hammer reviewed how the pandemic has affected fair preparations, how the ability of tens of thousands of State Fair partners to present a fair had been eroded and how it would be impossible to safely produce a fair in 2020. Following the review, the 2020 State Fair was canceled on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. Oleheiser declared the meeting adjourned at 11 a.m.

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

May 23 through June 11, 2020

May

26 - Alexander had a teleconference with Giant Sing Along producers to discuss a virtual presentation. Butler participated in an IAFE virtual discussion on fairs during the pandemic.

27 - Noonan attended a Midway Chamber of Commerce webinar on social media, led by Danielle Dullinger.

28 - Hammer and Simon participated in a teleconference with fairs and agricultural shows in the U.S., England and Australia that have canceled their 2020 events; the conference was hosted by the IAFE. Noonan attended a Midway Chamber of Commerce economic development series webinar on strengthening the community after the pandemic.

June

2 - Hammer participated in a teleconference with the CEOs of state

fairs in Indiana, Iowa, Kentucky, Ohio and Wisconsin. Alexander, Simon and Noonan met with iHeart Radio staff to discuss potential summer programming. Dullinger participated in a teleconference with the IAFE Advertising, PR & Promotions Committee.

2-12 - The Roseville Visitors Association conducted "Roseville In Bloom" flower statue painting in the Merchandise Mart.

4 - Sinclair participated in a teleconference meeting of the IAFE Education Foundation board, during which he was elected board chair. Alexander, Duda and Hughes had a teleconference with Kevin Cannon, commemorative artist for 2020, to discuss next steps for this year's art. Butler and Hoven participated in a virtual panel discussion with Minnesota Ag Communicators Group.

10 - Edman and Schoen attended a teleconference meeting of the St. Paul Human Resources Association. Butler participated in an IAFE webinar on animal health.

11 - State Fair full-time staff participated in a staff meeting teleconference.

11-12 - Noonan attended a Midway Chamber of Commerce virtual retreat.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETINGS OF GOVERNING BOARD

10 a.m. Friday, June 12, 2020

Teleconference

Members participating: Ron Oleheiser, president; Joe Fox, vice president; Ray Erspamer; Dan Grunhove; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also participating: Jim Sinclair; Renee Alexander; Mark Goodrich; Brian Hudalla; Wally LeVesseur; Debbie Edman; Pam Simon; Jill Nathe; Cory Franzmeier; Sean Casey; Theresa Weinfurter; Michelle Butler; Blaire Hoven; Patrick Schoen; Chris Noonan; Tim Dybevik; Danielle Dullinger; Julian Schadeck; Nikki Hines; Mary Chung; Dani Vavreck; Ryan Coleman; Brett Ward; Emily Quam; Erik Klingner; Steve Grans; Melissa Varriano; Virginia Mold; Teri Blair; John Lewis; Paul Paulos; Leah Janus; Joe Bagnoli; Jim Eichten, MMKR; Jackie Huegel, MMKR.

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

Minutes of the Society board meeting conducted April 3 were reviewed and approved on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

Minutes of interim activities from April 3 through June 11 and the Society's May 22 board meeting were approved on a motion by Ms. Johnson, seconded by Mr. Erspamer and carried (Aye-8; Nay-0).

Mr. Bagnoli reviewed the 2020 session of the Minnesota legislature including issues with potential impact on the Society. Information only; no action taken.

Mr. Eichten and Ms. Huegel of Malloy Montague Karnowski Radosevich & Co., P.A., reported on their audit of Society's 2019 fiscal activities. Following discussion, the audit was approved on a motion by Mr. Toenges, seconded by Mr. Fox and carried (Aye-8; Nay-0).

The financial statement for May 2020 was presented by Mr. LeVesseur and Mr. Hammer as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

Month Ending May 31, 2020

OPERATING ACCOUNT ACTIVITY:

Balance – April 30, 2020	\$ 4,259,173
Add: Cash Deposits	\$ 1,546,586
Less: Payroll Ending May 1	(246,600)
Payroll Ending May 15	(246,351)
Payroll Ending May 29	(241,339)

Cash Disbursements	<u>(1,156,101)</u>	
		(353,805)
Balance – May 31, 2020		\$ 3,915,368
BUILDING FUND ACTIVITY:		
Balance – April 30, 2020		\$ 451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance – May 31, 2020		\$ 451
CONSTRUCTION ACCOUNT:		
Balance – April 30, 2020		\$ -
Add: Note Proceeds		
Interest		-
Less: Disbursements		
Balance – May 31, 2020		\$ -
CASH BALANCES FOR MONTH ENDING:		
	<u>2019</u>	<u>2020</u>
Operating Account	\$ 2,581,249	\$ 3,915,368
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account (Note proceeds)	<u>8,049,476</u>	<u>-</u>
 Total Cash Balances	 <u>\$ 10,637,276</u>	 <u>\$ 3,921,919</u>

Following discussion, the statement was accepted as presented on a motion by Mr. Hawkins, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

Mr. Hammer and Mr. LeVesseur presented a resolution authorizing the amendment of the State Fair 2009 Subordinated Indebtedness Note to extend its maturity, 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. Scapanski, seconded by Mr. Grunhord and carried (Aye-8; Nay-0).

Ms. Chung and Mr. Hammer reviewed State Fair Foundation activities. Information only; no action taken.

Mr. Hammer and senior staff reported on developments during the ensuing weeks since cancellation of the 2020 State Fair, followed by a detailed review of staff priorities moving forward. Information only; no action taken.

President Oleheiser declared the meeting in executive session at 11:54 a.m.; the meeting was reopened at 12:31 p.m. on a motion by Mr. Hawkins, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

The meeting adjourned at 12:34 p.m. on a motion by Mr. Toenges, seconded by Mr. Erspamer and carried (Aye-8; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES June 12 through Aug. 27, 2020

June

11-12 - Noonan attended an online board meeting and retreat of the Midway Chamber of Commerce.

18 - Sinclair, Simon, Quam and Klingner participated in a teleconference with representatives of the state departments of Health and Employment & Economic Development to discuss guidelines for conducting horse shows and other events during the pandemic.

24 - Alexander participated in a teleconference meeting of the International Entertainment Buyers Association Educational Outreach Board.

25 - Sinclair participated in a conference call of the Outdoor Amusement Business Association Government Relations Committee.

July

6 - Hammer, Sinclair, Goodrich, Simon, Quam, Klingner and Bower participated in a conference call with Commissioner of Agriculture Thom Peterson and Steve Tibbetts regarding possible presentation of the Western Saddle Clubs horse show.

9 - Alexander presented via Zoom to the North American Livestock Show & Rodeo Managers Association.

13 - Sinclair participated in an IAFE Education Foundation Board of Trustees meeting.

15 - Hammer and LeVesseur participated in a teleconference with finance advisors, bond counsel and Bremer Bank representatives.

22 - A celebration of life memorial for Bob Rudie was held at the History & Heritage Center.

28 - State Fair staff participated in an online Lunch & Learn presentation with Hart Johnson of TivoliToo. Sinclair, Hudalla, Casey, Franzmeier, Hagen and Ward met with Dave Rustad of Midwest ATMs to discuss cash machines at the State Fair Food Parade.

29 - Noonan participated in a Visit Roseville board meeting.

30-Aug. 16 - Dinosaur Adventure drive-through event was conducted Thursdays through Sundays at the Grandstand infield.

31 - Staff gathered to social-distantly celebrate the retirement from full-time employment of long-time and much-acclaimed Deputy General Manager Mark Goodrich. Tickets for the first-ever State Fair Food Parade went on sale, broke Etix and sold out in less than three hours.

August

4 - Hammer, Edman and Janus participated in a teleconference with representatives of the Minnesota Federation of County Fairs and Midwest Showmen's Association to discuss annual joint conventions scheduled for January 2021.

5 - Hammer and LeVesseur held a teleconference with Heather Casperson and Chuck Upcraft of PFM and Liam Higgins of Bremer Bank. Nathe was a panelist for an IAFE webinar where she discussed the State Fair's 2020 fine arts exhibition.

6 - Hammer participated in a panel discussion for membership of Meet Minneapolis. Oleheiser, Hawkins, Hammer and Chung participated in a meeting of the State Fair Foundation nominating committee.

11 - Hammer, LeVesseur and Joe Bagnoli discussed communications with the Minnesota governor's office.

12 - State Fair full-time staff met in the Coliseum where Length of Service Awards were presented to Dennis Calkins, Debbie Edman, Shannon Buchda, Renee Alexander, Steve Barnett, Michelle Barris, Kevin Levine, Robin Goldstein and Dani Vavreck. Hammer and LeVesseur conducted a teleconference with PFM representatives Heather Casperson and Chuck Upcraft, bond counsel Peter Cooper and Liam Higgins of Bremer Bank. Hammer, Sinclair, Nathe and Chung participated in an online event for State Fair Foundation donors.

13 - Hawkins and Hammer participated in a teleconference meeting of the State Fair Foundation finance committee.

19 - Staff participated in an emergency procedures training session for the State Fair Food Parade. Hammer, Edman and Casey participated in a teleconference meeting of the State Fair Honorary Life Member committee. Hammer and LeVesseur, the State Fair's bond counsellor and team of financial advisors met via teleconference with Bremer Bank representatives.

20 - Winners of the 2020 State Fair Youth Scholarships were announced: Jessica Beckendorf, Renville; Emily Bollum, Austin; Luke Borst, Rochester; Brenna Connelly, Byron; Olivia Flack, Lake Crystal; Renae Harvey, Lake City; Emily Jopp, Richmond; Bridget Kaari,

Stillwater; Adrienne Lipinski, Eden Valley; Emma Loveless, Owatonna; Catherine Nelson, Ada; Sophia Nienaber, Scandia; Anna Prchal, Montgomery; Isaac Rott, Elgin; Owen Scheffler, Zumbrota; Zoey Schentzel, Farmington; Bailee Schiefelbein, Kimball; Kendra Waldenberger, Spring Grove; Madelyn Wehe, Faribault; Daniel Williamson, Spicer. Hammer and Chung participated in a teleconference meeting of the State Fair Foundation development committee. Sinclair participated in an Outdoor Amusement Business Association Re-Opening Task Force conference call.

20-24, 27-30, Sept. 3-7 - The first-ever (and hopefully only) State Fair Food Parade drive-through event was held throughout the State Fairgrounds, featuring 16 favorite food vendors, entertainment and special activities.

21 - Noonan participated in an online board meeting of the Midway Chamber of Commerce.

24 - Hammer and LeVesseur met with financial advisor Heather Casperson of PFM. Sinclair participated in an IAFE Education Foundation Board of Trustees meeting.

27-Sept. 7 - The Fine Arts Exhibition of Minnesota was presented to a limited audience at the Fine Arts Center.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

10 a.m. Thursday, Aug. 27, 2020

State Fair Bandshell

Members present: Ron Oleheiser, president; Joe Fox, vice president; Ray Erspamer; Dan Grunhovd; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also present: Jim Sinclair; Wally LeVesseur; Debbie Edman; Leah Janus; Peter Cooper; Heather Casperson; Liam Higgins.

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

Minutes of the Society board meeting conducted June 12 were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Minutes of interim activities from June 11 through Aug. 27 were approved on a motion by Mr. Grunhovd, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Mr. LeVesseur and Mr. Hammer presented the July 2020 financial statement as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY MONTH ENDING JULY 31, 2020

OPERATING ACCOUNT ACTIVITY:

Balance – June 30, 2020	\$2,991,380
Add: Cash Deposits	\$592,132
Less: Payroll Ending July 10	(261,686)
Payroll Ending July 24	(297,718)
Cash Disbursements	(539,517)
	(506,789)
Balance – July 31, 2020	\$2,484,591

BUILDING FUND ACTIVITY:

Balance – June 30, 2020	\$ 451
Add: Interest Earned	
Securities Purchased	
Less: Securities Redeemed	
Balance – July 31, 2020	\$ 451

CONSTRUCTION ACCOUNT:

Balance – June 30, 2020	\$ -
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Add: Note Proceeds	
Interest	-
Less: Disbursements	
Balance – July 31, 2020	\$ -

CASH BALANCES FOR MONTH ENDING:

	2019	2020
Operating Account	\$2,805,781	\$2,484,591
Petty Cash	24,563	6,100
Building Fund	451	451
Construction Account (Note proceeds)	<u>4,065,803</u>	-
Total Cash Balances	<u>\$6,896,598</u>	<u>\$2,491,142</u>

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

Bond Counsel Peter Cooper, Heather Casperson of Public Financial Management, Liam Higgins of Bremer Bank along with Mr. Hammer and Mr. LeVesseur provided background on Society finances. Included was discussion on refinancing and restructuring current Society debt service and establishing additional funding to finance Society operations through the pandemic. Information only; no action taken.

The Society's joint annual convention with the Minnesota Federation of County Fairs and Midwest Showmen's Association scheduled for January 2021 was discussed. Given the current state of the pandemic and the impossibility of conducting a large gathering that follows state and federal health and safety guidelines, the Society recommends no in-person convention in January of 2021. Mr. Hawkins moved, Mr. Scapanski seconded and motion carried to join with the Federation and Showmen and jointly inform the meeting site hotel that their facilities will not be utilized in January 2021 (Aye-8; Nay-0).

Mr. Hammer presented the following list of 2020 State Fair Youth Scholarship winners: Jessica Beckendorf, Renville; Emily Bollum, Austin; Luke Borst, Rochester; Brenna Connelly, Byron; Olivia Flack, Lake Crystal; Renae Harvey, Lake City; Emily Jopp, Richmond; Bridget Kaari, Stillwater; Adrienne Lipinski, Eden Valley; Emma Loveless, Owatonna; Catherine Nelson, Ada; Sophia Nienaber, Scandia; Anna Prchal, Montgomery; Isaac Rott, Elgin; Owen Scheffler, Zumbrota; Zoey Schentzel, Farmington; Bailee Schiefelbein, Kimball; Kendra Waldenberger, Spring Grove; Madelyn Wehe, Faribault; and Daniel Williamson, Spicer. Information only; no action taken.

Meeting adjourned at 11:21 a.m. on a motion by Mr. Erspamer, seconded by Mr. Fox and carried (Aye-8; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

11 a.m. Friday, Sept. 4, 2020

Teleconference

Members participating: Ron Oleheiser, president; Joe Fox, vice president; Ray Erspamer; Dan Grunhovd; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also participating: Peter Cooper; Heather Casperson; Chuck Upcraft; Wally LeVesseur; Jim Sinclair; Jill Nathe; Pam Simon; Leah Janus.

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

Bond counsel Peter Cooper reviewed details of two resolutions - Authorizing Resolution 20-02 outlining the Society's authority to take certain actions, and Sixth Supplemental Resolution 20-03 which restructures the Society's debt service schedule. After discussion, each resolution was adopted unanimously. Complete resolutions are on file at Society offices on the State Fairgrounds.

The meeting adjourned at 11:58 a.m.

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Sept. 4 through Oct. 23, 2020

September

4-7 - The State Fair Food Parade continued through Labor Day.

10 - Edman and Schoen attended a virtual employee benefits training session. Noonan recorded a presentation for use in the University of Minnesota Certificate in Festival Management program.

11 - Hammer and Edman participated in a conference call with Minnesota Federation of County Fairs executive director Tiffany Gustin to discuss the 2021 joint annual conventions of the Society, Federation and Midwest Showmen's Association.

15 - Hammer, Sinclair, LeVesseur and Nathe met with IAFE Executive Director Marla Calico to discuss the current state of fairs and festivals. Schadeck and Ostapowycz attended an Etix virtual conference.

17 - Hammer presented a program on State Fair operations during the pandemic to members of MN Events Coalition.

18 - Noonan participated in a board meeting of the Midway Chamber of Commerce.

23 - Hammer and Edman participated in a teleconference with Tiffany Gustin and Steve Storck of the Minnesota Federation of County Fairs to discuss the 2021 joint annual conventions of the Society, Federation and Midwest Showmen's Association. Noonan participated in a Midway Chamber of Commerce board executive committee meeting. State Fair staff held a post-Summer Food Parade and pre-Fall Food Parade lunch.

25 - Hammer participated in a teleconference with managers from state fairs in Indiana, Iowa, Kentucky, Ohio and Wisconsin. Transition of State Fair finance functions to an Enterprise Resource Planning module was completed.

28-30 - State Fair staff participated in training sessions for the new finance module, conducted by K&R Consulting.

30 - Hughes and Noonan participated in a Visit Roseville board meeting; Noonan's term on the board has ended, and Hughes succeeds her as State Fair representative.

October

1 - The State Fair Fall Food Parade opened, running Thursdays through Sundays through Oct. 11. Hammer and Chung participated in a teleconference meeting of the State Fair Foundation Corporate Governance Committee. Schadeck participated in an online meeting with ticket managers from Wisconsin, Iowa, Indiana, Ohio and Colorado to discuss ticket procedures and planning.

5 - Noonan attended a virtual volunteer recognition program conducted by Best Prep – a Minnesota-based non-profit that provides education services.

7 - Scibak participated in the American Heart Association's basic life support program.

12 - Hammer and Edman discussed options for the Society's '21 annual meeting with State Fair attorney Leah Janus. Alexander served as a panelist for the International Entertainment Buyers Association's virtual conference. Employee benefits program provided seasonal flu vaccinations for State Fair staff at the Libby Conference Center.

14 - Hammer and LeVesseur discussed financing with bond counsel Peter Cooper, financial advisor Heather Casperson and Bremer Bank officials. Noonan participated in a Midway Chamber of Commerce board executive committee meeting.

15 - Hammer and Chung participated in a meeting of the State Fair Foundation finance and investment committees.

16 - Noonan participated in a board meeting of the Midway Chamber of Commerce.

21 - Sinclair participated in an Outdoor Amusement Business

Association board meeting conference call. Scibak attended an American Heart Association virtual CPR updates course.

22 - Oleheiser, Fox and Chung participated in a meeting of the State Fair Foundation nominating committee.

23 - Hammer, Alexander, Edman, Weinfurter, Scibak, Freestyle Productions Dale Kivimaki and Minnesota Federation of County Fairs Executive Director Tiffany Gustin met to discuss the 2021 annual meetings of the Society and Federation.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

11 a.m. Friday, Oct. 23, 2020

Teleconference

Members participating: Ron Oleheiser, president; Joe Fox, vice president; Ray Erspamer, Danny Grunhord; Jeff Hawkins; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer.

Also participating: Wally LeVesseur, Jim Sinclair, Mary Chung, Renee Alexander, Pam Simon, Debbie Edman; Peter Cooper; Heather Casperson.

President Oleheiser called the meeting to order at 11:01 a.m.

State Fair Bond Counsel Peter Cooper reviewed Authorizing Resolution No. 20-04 and the Seventh Supplemental Resolution No. 20-05 regarding State Fair finance protocols and procedures (complete resolutions are on file at Society offices on the State Fairgrounds).

After discussion, Authorizing Resolution No. 20-04 was adopted on a motion by Mr. Hawkins, seconded by Mr. Fox and carried (Aye-7; Nay-0).

Following further discussion, Seventh Supplemental Resolution No. 20-05 was adopted on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

Next meeting of the State Fair board of managers was set for Friday Nov. 13.

The meeting adjourned at 12:08 p.m. on a motion by Mr. Toenges, seconded by Mr. Hawkins and carried (Aye-7; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Oct. 23 to Nov. 13, 2020

October

27 - Edman and Schoen attended a virtual seminar on employment law, presented by Fredrikson & Byron law firm. Sinclair, LeVesseur, Rougier, Coleman, Schadeck, Hines and Ward met via teleconference with Etix regarding a cashless ticket system for the Midway and Kidway.

28 - Hammer, LeVesseur and Alexander participated in a teleconference with Bond Counsel Peter Cooper, Financial Advisor Heather Casperson and Bremer Bank executives to finalize finance agreements. Sinclair chaired a teleconference meeting of the IAFE Education Foundation Board of Trustees. Hughes participated in a board meeting of the Roseville Visitors Association.

29 - Oleheiser, Fox, Hawkins, Hammer and Chung participated in a meeting of the State Fair Foundation board. Woodis held a teleconference with McDowell Agency regarding a new employee background check system. Edman and Schoen attended a virtual employment law seminar presented by Fredrikson & Byron law firm.

30 - U.S. presidential candidate Joe Biden's election committee conducted a campaign event at the Transit Hub lot. Dullinger gave a virtual presentation to the University of Minnesota's Backpack Communications on State Fair marketing.

November

4 - Sinclair, Simon, Quam and Klingner participated in a conference call with representatives of Saint Paul – Ramsey County Public Health

to discuss State Fairgrounds sites for drive-thru covid testing and vaccination. Sinclair participated in an OABA member forum regarding the attractions industry in 2021.

5 - Hammer (almost) and Chung participated in a meeting of the State Fair Foundation Audit Committee. Sinclair, Hines and Casey met with Bob Kirschner to discuss expansion of the Leinie Lodge temporary concession structure at the Bandshell.

9 - Noonan participated in a Midway Chamber of Commerce board executive committee meeting.

13 - Edman attended a Fredrikson & Byron employment law webinar. Noonan attended a virtual Visit Saint Paul membership meeting.

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE GOVERNING BOARD AND SALES
& PLANNING COMMITTEES
10 a.m. Friday, Nov. 13, 2020
Teleconference**

MEETING OF THE SALES COMMITTEE

Members participating: Joe Scapanski, chairman; Joe Fox; Ray Erspamer; Danny Grunhovd; Jeff Hawkins; Gail Johnson; Gordy Toenges; Wally Wichmann; Ron Oleheiser, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Pam Simon, ex officio.

Also participating: Renee Alexander; Brian Hudalla; Jill Nathe; Wally LeVesseur; Debbie Edman; Sean Casey; Heather Brady; Theresa Weinfurtnier; Michelle Butler; Carol Doyle; Brett Ward; Nikki Hines; Steve Grans; Cory Franzmeier; Mike Hagen; Ryan Coleman; Robin Goldstein; Tim Dybevik; Michelle Barris; Lara Hughes; Chris Noonan; Danielle Dullinger; Abby Harazin; Shannon Buchda; Melissa Variano; Grace Woodis; Kim Scibak; Marie LeFebvre; Blair Hoven; Virginia Mold; Samantha Gilbertson; Keith Burg; Teri Blair; Mark Goiffon; Mary Chung; Jennine Duda; John Lewis; Dani Vavreck; Paul Paulos; Leah Janus.

Chairman Scapanski called the meeting of the Sales Committee to order at 10:03 a.m.

Mr. Sinclair offered a report on sales division activities during the year and provided an outlook for the coming year. Information only; no action taken.

The Sales Committee adjourned at 10:25 a.m. on a motion by Mr. Grunhovd, seconded by Mr. Wichmann and carried (Aye-7; Nay-0).

MEETING OF THE PLANNING COMMITTEE

Members participating: Gordy Toenges, chairman; Joe Fox; Ray Erspamer; Danny Grunhovd; Jeff Hawkins; Gail Johnson; Joe Scapanski; Wally Wichmann; Ron Oleheiser, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Sean Casey, ex officio; Cory Franzmeier, ex officio.

Also participating: Renee Alexander; Jill Nathe; Wally LeVesseur; Debbie Edman; Heather Brady; Theresa Weinfurtnier; Michelle Butler; Carol Doyle; Brett Ward; Nikki Hines; Steve Grans; Mike Hagen; Ryan Coleman; Robin Goldstein; Tim Dybevik; Michelle Barris; Lara Hughes; Chris Noonan; Danielle Dullinger; Abby Harazin; Shannon Buchda; Melissa Variano; Grace Woodis; Kim Scibak; Marie LeFebvre; Blaire Hoven; Virginia Mold; Samantha Gilbertson; Keith Burg; Teri Blair; Mark Goiffon; Mary Chung; Jennine Duda; John Lewis; Dani Vavreck; Paul Paulos; Leah Janus.

Chairman Toenges called the meeting to order at 10:28 a.m.

Mr. Hudalla and Mr. Casey reviewed the status of State Fairgrounds facilities and provided an update on maintenance and improvements projects. Information only; no action taken.

The planning committee adjourned at 10:37 a.m. on a motion by Ms. Johnson, seconded by Mr. Hawkins and carried (Aye-7; Nay-0).

MEETING OF THE GOVERNING BOARD

Members participating: Ron Oleheiser, president; Joe Fox, vice president; Ray Erspamer; Danny Grunhovd; Jeff Hawkins; Gail Johnson; Joe Scapanski; Gordy Toenges; Wally Wichmann; Jerry Hammer, secretary.

Also participating: (See Sales Committee, above.)

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

Minutes of interim activities and board meetings conducted Aug. 27, Sept. 4 and Oct. 23 were approved on a motion by Mr. Toenges, seconded by Mr. Fox and carried (Aye-8; Nay-0).

The October 2020 financial statement was presented by Mr. LeVesseur as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
MONTH ENDING OCTOBER 30, 2020**

OPERATING ACCOUNT ACTIVITY:

Balance – September 30, 2020		\$1,687,932
Add: Cash Deposits	\$1,303,219	
Less: Payroll Ending October 2, 2020	(251,239)	
Payroll Ending October 16, 2020	(300,204)	
Payroll Ending October 31, 2020	(281,224)	
Cash Disbursements	(623,747)	
		(153,195)
Balance – October 31, 2020		\$1,534,737

BUILDING FUND ACTIVITY:

Balance – September 30, 2020	\$	451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance – October 31, 2020	\$	451

CONSTRUCTION ACCOUNT:

Balance – September 30, 2020	\$	-
Add: Note Proceeds		
Interest	\$	-
Less: Disbursements		
Balance – October 31, 2020	\$	-

CASH BALANCES FOR MONTH ENDING:

	<u>2019</u>	<u>2020</u>
Operating Account	\$10,130,365	\$1,534,737
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account (Note proceeds)	4,020	-
Total Cash Balances	<u>\$10,140,936</u>	<u>\$1,541,288</u>

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

The State Fair's summer and fall Food Parades were reviewed by Mr. Hammer, Ms. Varriano and Ms. Hines. Information only; no action taken.

Mr. Hammer and Mr. LeVesseur gave a comparative report of State Fair staff payrolls for 2019 and 2020. Information only; no action taken.

Ms. Nathe provided an overview of agricultural education and competitive department activities. Information only; no action taken.

The State Fair's abbreviated schedule of non-fair events was reviewed by Ms. Simon, Ms. Quam and Mr. Klingner. Information only; no action taken.

Ms. Chung reported on activities of the State Fair Foundation. Information only; no action taken.

Ms. Edman and Mr. Hammer provided an update on the upcoming annual meeting of the Society, set for Jan. 12-15, 2021.

Mr. Hammer reported on action taken by the State Fair Honors Committee, recommending long-time Deputy General Manager Mark Goodrich for induction into the State Fair Hall of Fame. The recommendation was approved on a motion by Gordy Toenges, seconded by Jeff Hawkins and carried (Aye-8; Nay-0).

Mr. Hammer also reported that retiring State Fair Vice President D. J. Leary will be nominated by the Life Member Advisory Committee for Honorary Life Membership in the Society at January's annual meeting.

Thursday, Dec. 24, was approved as a paid holiday for full-time staff on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

President Oleheiser declared the meeting in executive session at 12:26 p.m. The meeting was reopened at 12:45 p.m., and adjourned at 12:46 p.m. on a motion by Mr. Fox, seconded by Mr. Hawkins and carried (Aye-8; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

Nov. 14 2020 through Jan. 14, 2021

November

16 - Dullinger, Noonan and Varriano met with Bridging MN to discuss a Minnesota State Fair Community Gives Together event. Noonan participated in a careers panel discussion with Minneapolis Southwest High School students.

17 - Hammer, Alexander, Edman, Weinfurter, Scibak and Minnesota Federation of County Fairs exec Tiffany Gustin met with Dale Kivimaki and Dan Froelich to review plans for the 2021 joint annual meetings of the Federation and Society. Hammer and Sinclair recorded a presentation for fair management students at California Polytechnic State University. Sinclair participated in an Outdoor Amusement Business Association online forum regarding events in 2021.

18 - Noonan attended a Midway Chamber of Commerce Executive Committee meeting.

18-Jan. 3 - The GLOW Holiday Festival, featuring more than 1 million lights, music and video, was presented by GLOW Holiday Festival LLC and utilized most of the fairgrounds.

19 - Board and staff participated virtually in the IAFE Zone 4 annual business meeting. Sinclair, Simon, Franzmeier, Klingner and Quam met with GLOW Holiday Festival promoter Rand Levy, representatives of the Minnesota Department of Health, Minnesota Department of Employment & Economic Development and the State Attorney General's Office to discuss festival safety requirements. Edman and Schoen participated in an online employment law seminar presented by Fredrikson & Byron. Hammer and Chung participated in an online meeting of the State Fair Foundation's development committee.

20 - Oleheiser, Fox and Hammer conducted a teleconference to discuss the Society's 2021 annual meeting. Noonan attended a Midway Chamber of Commerce board meeting.

21 - Ramsey County Public Health conducted drive-through covid testing in Compeer Arena.

24 - The State Fair held a one-day flash sale of discount admission tickets, and sold more than 52,000 tickets.

30 - Sinclair attended the virtual annual meeting of the Showmen's League of America.

30-Dec. 2 - Sinclair participated virtually in the IAFE annual convention in his capacity as chairman of the IAFE Education Foundation.

December

1 - Hammer, Alexander, Weinfurter, Edman, Scibak and Tiffany Gustin

of the Minnesota Federation of County Fairs met with Dale Kivimaki and staff of Freestyle Productions to plan the Society's '21 annual meeting.

2 - Sinclair participated in an online meeting of the OABA board. Hammer met with Minnesota Congressman Tom Emmer's staff member Bobby Benson to discuss the impact of the coronavirus on the fair industry.

3 - LeVesseur and Brady held a conference call with Jim Eichten and Jackie Huegel of MMKR to discuss the Society's upcoming 2020 financial audit. Sinclair, Simon, LeFebvre and Weinfurter met by teleconference to review submissions for fair-time exhibit building decorating services.

5 - Ramsey County Public Health conducted drive-through covid testing in Compeer Arena. Noonan gave a marketing careers presentation to Upward Bound students.

8 - Sinclair attended the IAFE annual business meeting teleconference. Alexander attended an IAFE virtual business meeting.

9 - Noonan attended a Midway Chamber of Commerce Executive Committee meeting.

10 - Hammer gave a presentation to members of the Twin Cities North Chamber of Commerce. Sinclair, LeVesseur, sales staff, Brady and Rougier participated in a conference call with Ungerboeck Software.

12 - Ramsey County Public Health conducted drive-through covid testing in Compeer Arena. State Fair staff hosted the State Fair's Community Gives Together partnership with Bridging MN charity to collect kitchen ware donations at the south Como parking lot.

15 - Members of the State Fair board, staff, family and friends attended online funeral services for Ann Fox, wife of State Fair Vice President Joe Fox. Hammer, Alexander, Edman, Weinfurter, Scibak and Minnesota Federation of County Fairs exec Tiffany Gustin met with Dale Kivimaki and Dan Froelich for continuing discussions on the 2021 joint annual meetings of the Federation and Society. Hammer and Sinclair participated in a meeting of IAFE's past chairmen.

16 - Members of the State Fair board and staff attended an online event for Grand Champion donors to the Minnesota State Fair Foundation. Staff participated in a virtual holiday gathering, hosted by Santa Timmy D. Noonan moderated a panel discussion on sponsorship for the Midway Chamber of Commerce. Hughes attended Visit Roseville board meeting as the newly appointed member.

18 - Sinclair, LeVesseur, Hines, Ward, Schadeck and Rougier met virtually with Etix representatives regarding their electronic ticketing system.

19 - Ramsey County Public Health conducted drive-through covid testing in Compeer Arena.

21 - Hammer attended a virtual "Good Riddance to 2020" event with managers of state fairs in Indiana, Iowa, Kentucky, Ohio and Wisconsin.

29 - Hammer, Alexander, Weinfurter, Edman and Scibak met with Dale Kivimaki and staff of Freestyle Productions to discuss production of the Society's '21 annual meeting.

January

4 - Hammer and Chung participated in an online meeting of the State Fair Foundation's audit committee.

5 - Hammer, Alexander, Weinfurter, Edman and Scibak met with Dale Kivimaki and staff of Freestyle Productions to discuss production of the Society's '21 annual meeting.

6 - Sinclair participated in an online OABA Member Forum regarding contact-free payment and credit card technology.

7 - Hammer, Oleheiser, Fox, Hawkins and Chung participated in an online meeting of the State Fair Foundation's nominating committee. Hammer, Hawkins and Chung participated in an online meeting of the

State Fair Foundation's finance and investment committees.

8 - Staff attended a socially distant retirement gathering for long-time facilities staff member Jim Shafer.

13 - Noonan attended a meeting of the Midway Chamber of Commerce Executive Committee.

14 - Sinclair chaired a conference call meeting of the IAFE Education Foundation Board of Trustees.

MINNESOTA STATE AGRICULTURAL SOCIETY ANNUAL MEETING

January 11-14, 2021

Teleconference

To protect the health and safety of its members during the pandemic, the Society's 2021 annual meeting was held via teleconference.

MEETING OF THE CREDENTIALS & RESOLUTIONS COMMITTEES

6 p.m. Monday, January 11

Representatives of the Society's nine regional districts met to review credential applications of Society delegates from Minnesota's 87 county fairs and various statewide agricultural and educational associations. Action taken by the Credentials Committee is recorded in the minutes of the Society's Annual Meeting general business session conducted Jan. 14.

The same district representatives met as the Resolutions Committee and approved resolutions as recorded in the minutes of the Society's Jan. 14 general business session.

MEETING OF THE SALES COMMITTEE, PLANNING COMMITTEE & GOVERNING BOARD

4 p.m. Wednesday, January 13

MEETING OF THE SALES COMMITTEE

Members participating: Joe Scapanski, chairman; Joe Fox; Gordy Toenges; Jeff Hawkins; Gail Johnson; Wally Wichmann; Ray Erspamer; Danny Grunhove; Ron Oleheiser, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Pam Simon, ex officio.

Members present: Renee Alexander; Brian Hudalla; Jill Nathe; Wally LeVesseur; Debbie Edman; Cory Franzmeier; Heather Brady; Sean Casey; Mike Hagen; Theresa Weinfurter; Patrick Schoen; Kim Scibak; Michelle Butler; Nate Dungan; Steve Grans; Brett Ward; Nikki Hines; Lara Hughes; Danielle Dullinger; Chris Noonan; Abby Harazin; Julian Schadeck; Keri Huber; Sheila Gilbertson; Blaire Hoven; Virginia Mold; Mary Chung; Dani Vavreck; John Lewis.

Chairman Scapanski called the meeting to order at 4:01 p.m.

Ms. Hines presented the following percentage fees for attractions at the 2021 State Fair:

CONCESSIONAIRE	ATTRACTION	2021%	2019%
Big Adventures, Inc.	Turbo Bungy	25%	25%
Biggest Wheel LLC	Ferris Wheel	20%	20%
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	Artist CDs/DVDs	10%	10%
Merchandise Sales	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 Karts	25%	25%
Krazy Maze LLC	Krazy Maze	25%	25%
Mighty Midway and Kidway	Kidway Rides and Shows	43%	43%
	Midway Rides and Shows	41%	41%
	Games of Skill	23%	23%
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%

Attractions underlined are located in Adventure Park

The percentage fees above represent the fee(s) payable to the Minnesota State Fair on receipts from ticket sales associated with operation of the preceding attractions. Percentages are applied as follows; state sales tax (7.375%) is deducted from gross receipts and reconciliation between the Minnesota Fair and concessionaires is made on the net of tax balance.

Following discussion, the percentage fees were approved as presented on a motion by Mr. Hawkins, seconded by Ms. Johnson and carried (Aye-7; Nay-0).

Ms. Hines presented the following ticket prices for the attractions:

CONCESSIONAIRE	ATTRACTION	2021 TICKET PRICE(S)
Big Adventures, Inc.	<u>Turbo Bungy</u>	\$5
Biggest Wheel LLC	Ferris Wheel	\$5
D.M.C., Inc.	Skyride	\$4.50 one-way \$7 round trip
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	\$5
Giant Ride, Inc.	Giant Slide	\$2.50
Hot Shot Thrill Rides, Inc.	<u>Sling Shot</u>	\$30 per rider \$25 per rider from opening to 1 p.m.
K & M Recreation, Inc.	Haunted House	\$5
KMB Performance, Inc.	Go Karts	\$7 for driver \$4 for passenger
Krazy Maze LLC	Krazy Maze	\$5
Mighty Midway/Kidway	Rides & Games of Skill	\$1.00 single \$25.00 for 28 tickets (\$.893 per ticket) \$50.00 for 60 tickets (\$.834 per ticket)
	Advance Purchase	\$15.00 for 20 tickets (\$.750 per ticket)
Skyfair, Inc.	SkyGlider	\$4.50 one-way \$7 round trip
Skyscraper Two, Ltd.	<u>Skyscraper</u>	\$30 per rider Early Bird \$25 per rider from opening to 1 p.m.
Spineless Wonders	Butterfly House	\$3.50
Tinsley Amusements, Inc.	Carousel	\$2.50
Ventnor Place, Inc.	Space Tower	\$4

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

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

The following concessions were presented by Ms. Hines for beer and wine licenses at the 2021 State Fair:

CONCESSIONAIRE	BLOCK	LOCATION
Andrus Concessions, Inc. (Robert and Joseph Andrus)	Block 42	1774 Carnes Ave., Arcade Bldg. Malt Beverages
Ball Park Cafe, Inc. dba Ball Park Cafe (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, 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
Chi-Dogs, Inc. dba Chicago Dogs (Anne Chesin)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Coasters, Inc. (Paul Hohenwald)	Block 42	1804 Carnes Ave., Arcade Bldg. Malt Beverages & Minn. Wine
Dino's Gyros Festivals, Inc. dba Dino's Gyros (Constantin, Vona and Jason Adamidas)	Block 36	1701 Carnes Ave. Malt Beverage
Werner's Frontier, Inc. dba Frontier Bar (Richard C. Werner)	Block 42	1790 Carnes Ave., Arcade Bldg. Malt Beverages
American Restaurant, Inc. dba RC's Barbecue (Randy Jernberg and Charlie Torgerson)	Block 28	1801 Dan Patch Ave., Bldg. 289A Malt Beverages
French Creperie (Marc Vezies and Tracy Anderson)	Block 36	1711 Carnes Ave. Minn. Wine
Giggles' Campfire Grill LLC dba Giggles' Campfire Grille (Timothy J. Weiss)	Block 19	1520 Cooper St. Malt Beverages & Minn. Wine
H.M.H. of Saint Paul, Inc. dba Shanghaied 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 Grandstand Seating Area Malt Beverages & Minn. Wine
CMK Investments dba Leinie Lodge (Robert J. Kirschner)	Block 34	1302 Cooper St., Bandshell Malt Beverages
Lancer Management Services, Inc. (Tony Arvidson)	Block 50	1784 Judson Ave., Coliseum Malt Beverages & Minn. Wine
FireFly Group, Inc. dba LuLu's Public House (Charlie Burrows and Mike Brennan)	Block 27	1839 W. Dan Patch Ave. West End Market Malt Beverages
Mancini's al Fresco LLC dba Mancini's al Fresco (Pat and Jane Mancini)	Block 36	1715 Carnes Ave. Malt Beverages & Minn. Wine
Mintahoe, Inc. dba Minnesota Wine Country (James McMerty)	Block 44	1271 Underwood St. Minn. Wine
Midway Men's Club (Francis Michael Wright)	Block 30	1354 Underwood St. Malt Beverages
M.J. Financial Group, Inc. dba Ragin Cajun (Ronald Jacob)	Block 35	1670 Dan Patch Ave., The Garden

O'Gara Bar & Grill dba O'Gara's at the Fair (Daniel and Kris O'Gara)	Block 34	1626 Dan Patch Ave. Malt Beverages & Minn. Wine
Three Amigos LLC dba Tejas Express (Wayne Kostroski and Mark Haugen)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Lancer Mgmt. Services (Wayne Kostroski and Mark Haugen)	Block 45	1263 Cooper St., Ag-Hort Bldg. Malt Beverages
GSH Food Services, Inc. dba The Hideaway (Brian and Jennie Enloe)	Block 28	1760 Dan Patch Ave., Grandstand Veranda
The Hangar Group LLC dba The Hangar (Nate and Stephanie Janousek)	Block 12	1673 Murphy Ave. Bldg. 121 Malt Beverages

Following discussion, the vendors were approved as presented on a motion by Ms. Johnson, seconded by Mr. Wichmann and carried (Aye-7: Nay-0).

The following commercial vendors were presented by Mr. Sinclair, and recommended for multiple-site licenses:

CONCESSION-EXHIBIT	DESCRIPTION	SITES
Batten Industries	Nellie's Laundry Products/ Heat Packs/Towels/Humidifiers/ Power Cords	2
Bobick Concessions	Corn Dogs, Footlong Hot Dogs & Soft Drinks	2
Cenaiko Enterprises, Inc.	Chamois, Shami Mops/ JD's Salsa/Bloody Mary Mix	2
Crutchee's, Inc.	Cheese On-A-Stick & Lemonade	2
Delrick Enterprises	Popcorn, Caramel Apples, Soft Drinks, Caramel Corn, Candy, Root Beer Floats	2
F&W Concessions, Inc.	London Broil Sandwiches/ Pitchfork Sausages & Soft Drinks	2
Fire Brick Concessions, Inc.	Steak & Chicken Kabobs & Soft Drinks	2
First 2 Market LLC	Gripstic Bag Sealers/Refrigeration Air Purifiers	2
George Funk	Leather Goods/Coffee, Tea, Green Tea Slushes	2
George's Fun Foods	Popcorn, Caramel Apples, Soft Drinks, Cotton Candy, Lemonade Shakeups, Chocolate Covered Bananas, Ice Cream	2
Giant Ride, Inc.	Giant Slide/Cheese On-A-Stick, Lemonade	2
Gregory J. Tetrault	Ice Cream, Sno Cones, Soft Drinks/Cloud Rolls	2
Groscurth Equipment, Inc.	Superdog Corn Dogs & Soft Drinks	2
Holly's Hobby Ltd.	Christmas Ornaments & Handcrafts	2
Larry Abdo	Big Fat Bacon/Gopher State Ice Co. (Ice-wholesale permit only)	2
Mark Andrew	French Fries/S'Mores, Milk, Soft Drinks	2
Midwest Dairy Assoc. of Minn.	Ice Cream, All You Can Drink Milk & Dairy Goods	2

Netterfield's Popcorn & Lemonade, Inc.	Popcorn, Caramel Corn/Food Court, Hamburgers, Sausages, Turkey Legs, Nachos, Chicken Wings, Hot dogs, Corn dogs	2
Orange Treet LLC	Orange Treet Drink & Smoothies/Dairy Bar	2
Stafford Enterprises	Mats, Mops, Dusters/Therapy Products	2
Starr International	Wine Bottle Openers/Miracle Whisks	2
Wozniak Concessions, Inc.	Fresh Cut French Fries, Soft Drinks	2
Kathy Yahr	Cotton Candy	3
Larry Immerman	Cotton Candy	3
Leah H. O'Neil	Poncho Dog Hot Dogs On-A-Stick, Soft Drinks	3
Lynn Davis	Rainbow Ice Cream, Sno Cones, Caramel Apples, Bomb Pops	3
Maxine Davis	Ice Cream & Caramel Apples/Baked Potatoes, Soft Drinks	3
The Icee Company	Icee Frozen Beverages/Packaged Candy	3
Crocker Enterprises, Inc.	Root Beer Barrels – Soft Drinks	4
Lancer Hospitality – Coliseum	Food, Beverages	4
Schroder Concessions, Inc.	Popcorn, Sno Cones/Brats/Cheese Curds	4
Syndicate Sales Corp.	Food Processors/Cutlery/Brooms/Mops/Dusters/Knives/Food Saver bowl covers	4
Wee Dazzle	Novelties, Souvenirs & Toys	4
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

Following review, the vendors were approved as recommended for multiple sites on a motion by Mr. Grunhove, seconded by Mr. Erspamer and carried (Aye-7; Nay-0).

Ms. Quam and Mr. Klingner reviewed 2020's limited schedule of non-fair events and previewed upcoming events. Information only; no action taken.

A non-fair event alcohol sales license was approved for Chop Liver Craft Beer Festivals, Inc. to produce St. Paul Summer Beer Fest June 12 on a motion by Ms. Johnson, seconded by Mr. Hawkins and carried (Aye-7; Nay-0).

The sales committee meeting adjourned at 4:15 p.m. on a motion by Mr. Fox, seconded by Mr. Hawkins and carried.

PLANNING COMMITTEE

Present: Gordy Toenges, chairman; Joe Fox; Jeff Hawkins; Gail Johnson; Joe Scapanski; Wally Wichmann; Ray Erspamer; Danny Grunhove; Ron Oleheiser, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Sean Casey, ex officio; Cory Franzmeier, ex officio.

Also present: Renee Alexander; Brian Hudalla; Jill Nathe; Wally LeVesseur; Debbie Edman; Cory Franzmeier; Heather Brady; Sean Casey; Mike Hagen; Theresa Weinfurter; Patrick Schoen; Kim Scibak; Michelle Butler; Nate Dungan; Steve Grans; Brett Ward; Nikki Hines; Lara Hughes; Danielle Dullinger; Chris Noonan; Abby Harazin; Julian Schadeck; Keri

Huber; Sheila Gilbertson; Blaire Hoven; Virginia Mold; Mary Chung; Dani Vavreck; John Lewis.

Chairman Toenges called the meeting to order at 4:16 p.m.

Mr. Hammer reviewed the Society's investment of \$170 million in fairgrounds' facilities during the previous two decades, leaving the fair in good position to limit capital and maintenance projects for the time being.

Mr. Hudalla reported on improvements and maintenance projects undertaken in 2020 – most of which were suspended in March due to the pandemic. Information only; no action taken.

Mr. Hudalla presented a minimal schedule of basic maintenance projects for 2021 totaling \$1.5 million. The maintenance projects were approved on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-7; Nay-0).

The planning committee meeting adjourned at 4:34 p.m. on a motion by Ms. Johnson, seconded by Mr. Hawkins and carried (Aye-7; Nay-0).

MEETING OF THE BOARD OF MANAGERS

Members present: Ron Oleheiser, president; Joe Fox, vice president; Gordy Toenges; Jeff Hawkins; Gail Johnson; Joe Scapanski; Wally Wichmann; Ray Erspamer; Danny Grunhove; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Wally LeVesseur; Jill Nathe; Debbie Edman; Pam Simon; Cory Franzmeier; Heather Brady; Sean Casey; Mike Hagen; Theresa Weinfurter; Patrick Schoen; Kim Scibak; Michelle Butler; Nate Dungan; Steve Grans; Brett Ward; Nikki Hines; Lara Hughes; Danielle Dullinger; Chris Noonan; Abby Harazin; Julian Schadeck; Keri Huber; Sheila Gilbertson; Blaire Hoven; Virginia Mold; Mary Chung; Dani Vavreck; John Lewis; Joe Bagnoli.

President Oleheiser called the meeting to order at 4:36 p.m.

Mr. Hammer presented the recommended Society operating budget for 2021 built around three broad scenarios. The uncertainty fueled by the pandemic requires that State Fair planning proceeds on multiple tracks with maximum flexibility to improvise. Information only; no action taken.

State Fair government relations representative Joe Bagnoli reported on the current session of the Minnesota legislature and issues that may have an impact on the State Fair.

President Oleheiser declared the meeting in executive session at 5:40 p.m. The executive session was adjourned and the meeting reopened at 6:17 p.m. on a motion by Mr. Toenges, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

The meeting was adjourned on a motion by Mr. Scapanski, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

DISTRICT CAUCUSES OF THE SOCIETY

Seventh District Caucus

6:45 p.m. Wednesday, January 13

Teleconference

Delegates from the Society's seventh district met in caucus and certified incumbent Wally Wichmann of Balaton for reelection to a three-year term as district representative.

Ninth District Caucus

7:30 p.m. Wednesday, January 13

Teleconference

Delegates from the Society's ninth district met in caucus and certified incumbent Danny Grunhove of Gary for reelection to a three-year term as district representative.

**MINNESOTA STATE AGRICULTURAL SOCIETY
ANNUAL MEETING**

6 p.m. Thursday, January 14

Teleconference

The Society's annual meeting was produced at Freestyle Productions, Inc. studios in Crystal; President Oleheiser, Vice President Fox, Executive Vice President Hammer, Alexander, Edman, Rougier, Weinfurter and Scibak were on-site.

President Oleheiser called the meeting to order at 6 p.m. Following introductions of Society board members, President Oleheiser called on Mr. Hammer for his annual report. President Oleheiser moved the report be accepted, the motion was seconded by Mr. Fox and carried.

Mark Goodrich, the State Fair's long-time deputy general manager in charge of agriculture and competition, was inducted into the State Fair Hall of Fame.

President Oleheiser called for a report of the credentials committee by committee chair Dennis Larson of Ramsey County for the committee's report, as follows:

"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: There were five statewide that did not file with the secretary of state as required by Dec 20, 2021. Members of the Credential Committee do attest to the actions noted above on the 11th day of January 2021."

The credentials committee report was accepted as presented.

President Oleheiser called for a report of the resolutions committee, presented by committee chair Dennis Larson as follows:

Whereas there are very few times when a global crisis calls upon us to rise and meet unprecedented challenges we haven't encountered for generations, 2020 became one of just six such momentous years in the history of our great Minnesota State Fair; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, on behalf of its members,

1. Reaffirms that the Great Minnesota Get-Together is just that – an awe-inspiring celebration that brings our state's many communities together at a single, extraordinary location to participate in a grand showcase of the very best of Minnesota;
2. Recognizes that the cancellation of the 2020 Minnesota State Fair, while complex and difficult, was necessary to protect the health and safety of millions, and essential to the recovery and healing of the world;
3. Despite the deep disappointment of a year with no State Fair, we acknowledge with profound gratitude the thousands whose support and very best efforts the fair needs to move forward, including the vast network of agriculturists, 4-H and FFA participants, vendors, artists, entertainers, competitors, exhibitors, amusement operators, sponsors, news media, contractors, advertisers, volunteers, the boards and staff of the Minnesota State Fair and Minnesota State Fair Foundation, neighbors and community organizations, and millions of fair guests; and
4. Understands that longtime partnerships with countless allied industries have never been more important, including memberships with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association, International Entertainment Buyers Association, Midwest Showmen's Association, and other organizations that are essential to furthering and improving the fair industry locally, nationally and internationally.

Whereas a year without a Minnesota State Fair and virtually no operating revenue has been challenging, as it has for countless others enduring this crisis, the fair's future remains hopeful and bright; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society,

1. Remains committed to managing a financially sound operation that prioritizes the care and maintenance of its beautiful fairgrounds and facilities and the presentation of a culturally rich, high-quality exhibition worthy of its reputation as one of the premier expositions in the world;
2. Supports the unbounded creativity and ingenuity required to adapt State Fair operations and programs in an ever-evolving environment, and to acknowledge all who worked toward and supported the success of two Food Parades, fairgrounds events, unique sales opportunities and other programs that have brought essential revenue to the organization; and

Whereas the Great Minnesota Get-Together is a cherished and unparalleled event due to the exceptional efforts of thousands of individuals; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, on behalf of its members, expresses our deep sadness at the passing this last year of: Dick Anderson, former Park & Ride superintendent and 50 Year Award recipient; Steve Anderson, an officer with the State Fair Police Department for seven years; Alan Bradley, an officer with the State Fair Police Department for five years; Donald Craighead, husband of Minnesota State Fair Foundation board chair Sandy Craighead and Foundation benefactor; Rosella Fefercorn, 4-H Achievement Award winner, lifelong fan of the Minnesota State Fair and benefactor of the Minnesota State Fair Foundation's endowment and bench programs; Ann Fox, wife of Minnesota State Agricultural Society board member Joe Fox; Mike Heffron, respected, knowledgeable and influential fair leader who began his career at the Minnesota State Fair in 1954 and served as general manager from 1977 to 1997, and was president of the Midwest Fairs Association, International Association of Fairs & Expositions, and Minnesota State Fair and IAFE Hall of Fame member; Arthur "Al" Hohenwald, longtime proprietor of State Fair concessions; Kimberly Kane, wife of Mike Kane, former member of the State Fair police department; Richard Klein, fair-time watch commander with the State Fair Police Department for many years; Rick Kolodziej, gate ticket sales employee; Lewis Miller Jr., president and CEO of the International Association of Fairs and Expositions from 1980 to 2000; Lester Moore, Grandstand head rigger and staging engineer; Jim Olson, former Grandstand food concession operator and son of State Fair legend Cliff Olson; William Paddock, former State Fair sales department employee; Ethel F. Peters, who, with her husband, Jim, owned and operated the Peters Hot Dogs concessions; Greg Petrie, parking department employee; Joseph C. Premont Sr., owner of Paramount Attractions, longtime game arcade operator; Hugh Schilling, founder and chairman of the board of Horton Holding Inc., and Minnesota State Fair Foundation benefactor of the Hugh and Margaret Schilling Amphitheater at West End Market and the Horton Pavilions at Heffron Park; William Schomberg, recipient of a 50 Year Award in 2003 for swine exhibition at the State Fair; David Sprengeler, Brown Swiss cattle breeder and fourth-generation State Fair exhibitor; John A. "Jack" True, former Machinery Hill superintendent employed by the State Fair; Fredrick L. Vescio, owner of Vescio's, longtime food and beverage concession at the State Fair; and Dominic A. Vivona Sr., with Amusements of America, who provided rides at Mighty Midway.

Whereas, the Minnesota State Fair is an internationally renowned exposition and a time-honored tradition deeply rooted in the attendance and participation of millions of Minnesotans and beyond, with an estimated economic impact of nearly \$300 million in the Twin Cities alone plus priceless educational and social value, now, therefore, be it

Resolved, this 162nd annual meeting of the Minnesota State Agricultural Society was unlike any other in its history; now, therefore, be it

Resolved, that the Society extends its gratitude to all those who participated in this virtual gathering and contributed to its success. We look forward to a promising and hope-filled 2021.

The resolutions were adopted as presented.

President Oleheiser turned the chair over to Vice President Fox to conduct the election for a one-year term as President of the Society. President Oleheiser was reelected and reassumed the chair.

Retiring State Fair board fifth district Vice President D. J. Leary was elected to Honorary Life Membership in the Society.

In other elections, Joe Fox of Maplewood was reelected to a two-year term as fourth district vice president, Sara Donaldson of Minneapolis was elected to serve the one-year unexpired term as fifth district vice president, Wally Wichmann of Balaton was reelected to a three-year term as seventh district representative and Danny Grunhove of Gary was reelected to a three-year term as ninth district representative.

With no further business to be brought before the Society, President Oleheiser declared the meeting adjourned at 7:30 p.m.

MEETING OF THE BOARD OF MANAGERS

10 a.m. Friday, January 15, 2021

Teleconference

Present: Ron Oleheiser, president; Joe Fox, vice president; Sara Donaldson, vice president; Gordy Toenges; Jeff Hawkins; Gail Johnson; Joe Scapanski; Wally Wichmann; Ray Erspamer; Dan Grunhove; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Jill Nathe; Wally LeVesseur; Debbie Edman; Pam Simon; Cory Franzmeier; Michelle Butler; Robin Goldstein; Mike Hagen; Sean Casey; Steve Grans; Theresa Weinfurter; Nate Dungan; Carol Doyle; Melissa Varriano; Danielle Dullinger; Lara Hughes; Grace Woodis; Kim Scibak; Shannon Buchda; Michelle Barris; Keri Huber; Tony Juettner; Mary Chung; Dani Vavreck; Shana Zaiser.

Oaths of office were administered by Ms. Edman as follows:

Ron Oleheiser of Grand Rapids, president (one-year term); Joe Fox of Maplewood, fourth district vice president (two-year term); Sara Donaldson of Minneapolis, fifth district vice president (unexpired year of two-year term); Wally Wichmann of Balaton, seventh district representative (three-year term); Danny Grunhove of Gary, ninth district representative (three-year term).

Jerry Hammer of Como Park was reappointed to a one-year term as Executive Vice President of the Society on a motion by Joe Fox, seconded by Ms. Johnson and carried (Aye-9; Nay-0). Oath of office was administered by Ms. Edman.

Minutes of the State Fair board and committee meetings conducted Nov. 13, 2020, were reviewed and approved on a motion by Mr. Grunhove, seconded by Mr. Hawkins and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Nov. 13, 2020, through Jan. 14, 2021, were approved on a motion by Mr. Toenges, seconded by Mr. Fox and carried (Aye-9; Nay-0).

The financial statement for Dec. 31, 2020, was presented by Mr. LeVesseur as follows:

MINNESOTA STATE FAIR

CASH TRANSACTION SUMMARY

Month Ending December 31, 2020

OPERATING ACCOUNT ACTIVITY:

Balance - Nov. 30, 2020		\$ 913,381
Add: Cash Deposits	\$ 771,634	
Less: Payroll Ending Dec. 11	(265,554)	
Payroll Ending Dec. 27	(268,098)	

Cash Disbursements	(588,579)	(350,597)
Balance - Dec. 31, 2020		\$562,784

BUILDING FUND ACTIVITY:

Balance - Nov. 30, 2020	\$ 451	
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance - Dec. 31, 2020	\$ 451	

CONSTRUCTION ACCOUNT:

Balance - Nov. 30, 2020	\$ -	
Add: Note Proceeds		
Interest		
Less: Disbursements		
Balance - Dec. 31, 2020	\$ -	

CASH BALANCES FOR MONTH ENDING:

	2019	2020
Operating Account	\$6,177,865	\$ 562,784
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account	-	-
Total Cash Balances	<u>\$ 6,184,416</u>	<u>\$ 569,335</u>

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

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 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 accounts; Premium account - Jerry Hammer with "Hammer" signature imprint authorized for premium account; Security fund transfer resolution - Jerry Hammer or Wally LeVesseur. After discussion, the preceding was approved on a motion by Ms. Johnson, seconded by Mr. Grunhove and carried (Aye-9; Nay-0).

The following standing committee appointments for 2021 were presented by President Oleheiser:

Finance - Grunhove, chairman; Donaldson; Hawkins; Johnson; Toenges; Wichmann; Oleheiser, ex officio; Hammer, ex officio; LeVesseur, ex officio.

Foundation Nominating - Oleheiser, chairman; Grunhove; Hawkins; Hammer.

Governmental Affairs - Johnson, chairman; Donaldson; Fox; Grunhove; Hawkins; Scapanski; Oleheiser, ex officio; Hammer, ex officio; Alexander, ex officio; Hudalla, ex officio; Sinclair, ex officio.

Honors - Fox, chairman; Alexander; Hudalla; Nathe; Oleheiser, ex officio; Hammer, ex officio.

Life Member Advisory - Merkins, chairman; Baker; Lake; Foss; Grass; Keenan; Krueger; Lake; Leary; Paulson; Prokosch; Reinhardt; Schmidt; Simons; Wenzel; Wessel; Oleheiser, ex officio; Hammer, ex officio; Edman, ex officio.

Operations - Hawkins, chairman; Fox; Grunhove; Scapanski; Toenges; Wichmann; Oleheiser, ex officio; Hammer, ex officio; Hudalla, ex officio; Franzmeier, ex officio.

Planning - Toenges, chairman; Donaldson; Erspamer; Fox; Grunhove; Hawkins; Johnson; Scapanski; Wichmann; Oleheiser, ex officio; Hammer, ex officio; Hudalla, ex officio; Casey, ex officio; Franzmeier, ex officio.

Public Affairs - Wichmann, chairman; Donaldson; Fox; Johnson; Scapanski; Toenges; Oleheiser, ex officio; Hammer, ex officio; Alexander, ex officio.

Rules - Scapanski, chairman; Donaldson; Erspamer; Grunhovd; Johnson; Toenges; Oleheiser, ex officio; Hammer, ex officio; Nathe, ex officio; LeFebvre, ex officio.

Sales - Scapanski, chairman; Donaldson; Erspamer; Fox; Grunhovd; Hawkins; Johnson; Toenges; Wichmann; Oleheiser, ex officio; Hammer, ex officio; Sinclair, ex officio; Simon, ex officio.

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

President Oleheiser presented the following board liaison and department superintendent appointments for 2021:

Administration - Donaldson

Employment Office - Toenges

Competition

Bee Culture - Fox

(Alex King, superintendent)

Beef Cattle - Grunhovd

(Chuck Schwartau, superintendent)

Christmas Trees - Fox

(Kim Ustruck, superintendent)

Creative Activities - Johnson

(Curt Pederson, superintendent)

Dairy Cattle - Johnson

(Deb Kraus, superintendent)

Dairy & Boer Goats - Fox

(Mark Boorsma & Gretchen Sankovitz, superintendents)

Dairy Products - Wichmann

(Lisa Ramacher, superintendent)

Dog Trials - Erspamer

(JoAnna Yund, superintendent)

K-12 Competition - Fox

(Florence Newton, superintendent)

Farm Crops - Fox

(Ron Kelsey, superintendent)

Fine Arts - Toenges

(Jim Clark, superintendent)

Flowers - Fox

(Phyllis Andrews, superintendent)

4-H - Johnson

(Amber Greeley, superintendent)

Fruits - Fox

(Louis Quast, superintendent)

FFA - Grunhovd

(T.J. Brown, superintendent)

Horses - Toenges

(Pam Keeler, Steve Tibbetts, Don Bauleke, superintendents)

Llamas - Erspamer

(Jen Rouillard, superintendent)

Milking Parlor - Wichmann

(Doris Mold, superintendent)

Miracle of Birth - Fox

(Jim Ertl, superintendent)

Poultry - Scapanski

(Paul Bengtson, superintendent)

Seniors - Grunhovd

(Marge Krueger, superintendent)

Sheep - Donaldson

(Jo Bernard, superintendent)

Swine - Hawkins

(Jerry Hawton, superintendent)

Vegetables - Fox

(Phil Klint, superintendent)

Entertainment - Toenges

Grandstand Production - Donaldson

(Gary Perkins, superintendent)

Heritage Exhibits - Erspamer

(Jan Bankey, superintendent)

Finance - Hawkins

Gate Ticket Sales - Wichmann

(JoAnne Ferry, superintendent)

Midway Ticket Sales - Erspamer

(Damara Jefferson & Anne Nyumah, superintendents)

Marketing - Scapanski

Operations - Leary

Admissions - Hawkins

(Dave Woodis, superintendent)

Park & Ride - Hawkins

(Sarah Peterka, superintendent)

Parking - Wichmann

(Jim Benz, superintendent)

Public Safety - Grunhovd

(Paul Paulos, superintendent)

Sanitation - Johnson

Sales - Scapanski

Attraction Ticket Takers - Scapanski

(Anthony Elwood & Matt Bakkom, superintendents)

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

President Oleheiser declared the meeting in recess at 10:16 a.m. for committee meetings.

OPERATIONS COMMITTEE MEETING

Chairman Hawkins called the meeting to order.

Mr. Hammer presented the following gate admission policy for the 2021 State Fair for consideration:

"Entry into the Minnesota State Fair shall be contingent solely upon the presentation 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. Grunhovd, seconded by Mr. Wichmann and carried (Aye-5; Nay-0).

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

PUBLIC AFFAIRS COMMITTEE MEETING

Chairman Wichmann called the meeting to order.

Ms. Alexander presented advertising, marketing and publications campaigns covering various scenarios depending on status of the virus. Her report was approved on a motion by Ms. Johnson, seconded by Mr. Hawkins and carried (Aye-5; Nay-0).

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

FINANCE COMMITTEE MEETING

Chairman Grunhovd called the meeting to order.

The 2021 operating budgets, taking into account various virus-driven scenarios and reviewed in detail by the board Jan. 13, and the 2021 improvements and maintenance budgets which were approved Jan. 13 by the board's planning committee, were approved on a motion by Mr. Hawkins, seconded by Mr. Wichmann 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 Ms. Johnson, seconded by Ms. Donaldson and carried (Aye-5; Nay-0).

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

President Oleheiser reconvened the meeting of the board at 10:24 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. Scapanski, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Hammer reported that the uncertainty surrounding the 2021 State Fair's operation made it impractical to set a gate fee schedule at this relatively early date, and that gate fees should be set at a later date when the picture clears. Information only; no action taken.

Mr. Hudalla reviewed the status of current agreements with building trades contractors Toltz, King, Duvall & Anderson architects and engineers, Collins Electric, Inc. electricians, Maertens-Brenny Construction Co.; and Spriggs Plumbing & Heating, Inc.; the contractor agreements were approved on a motion by Mr. Grunhovd, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

Mr. Hammer was authorized to set staff salaries according to job classifications and pay ranges set by the board Jan. 20, 2019, on a motion by Mr. Scapanski, seconded by Ms. Donaldson and carried (Aye-9; Nay-0).

The Society's legal representation by Fredrickson Byron P.A., and Joe Bagnoli, Esq. was approved on a motion by Mr. Erspamer, seconded by Mr. Fox and carried (Aye-9; Nay-0).

President Oleheiser offered his special thanks and the thanks of the all of the board to State Fair staff for their ingenuity and resourcefulness in producing the '21 annual meeting virtually, and for their efforts to keep the fair's operation intact through the pandemic.

The meeting was adjourned at 10:36 a.m. on a motion by Mr. Grunhovd, seconded by Mr. Toenges and carried (Aye-9; Nay-0).



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