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ANNUAL REPORT

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The Great Minnesota Get-Together • 2010

MINNESOTA STATE FAIR

Report of the **EXECUTIVE VICE PRESIDENT**

Dear Friends,

All fairs are memorable, but last year's Great Minnesota Get-Together was incredible. The 2010 State Fair opened with two record attendance days followed by heat, rain, sold-out Grandstand shows, cold, the best attended day in the fair's long history and total attendance that was within an eyelash of the best year ever.

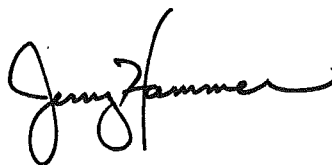
Fair visitors, like the fair itself, are very resilient. Four consecutive hot days with temps at or near 90 didn't slow them down, nor did midweek rain followed by temps in the 50s accompanied by a howling north wind. In the space of a few days, the top selling items at the fair went from cool drinks and ice cream to sweatshirts and stocking caps.

Those who braved the heat, rain and cold were rewarded with the best fair presentation ever. Educational programs and exhibits were outstanding, with the fair's 320-acre classroom serving people of all ages in every endeavor. Agriculture remained the primary focus, with the fair providing a unique opportunity for people to actually meet those who feed us. Competitive events in agriculture, education and creative arts also served to educate and inspire.

The comprehensive entertainment program included four sell-out performances at the historic Grandstand, plus a variety of free presentations across the fairgrounds including the enormously popular Bandshell Tonight! series. Commercial exhibits were outstanding, as were the presentations at the Mighty Midway and Kidway.

Minnesotans embraced their State Fair in near-record numbers last year to be part of a world-class event where worries are left at the gate. The Great Minnesota Get-Together is a safe haven that showcases all that is right with our great state. A visitor from Montreal, Canada, whose first visit to the fair was on our busiest day ever, said "There's no tension here." Remarkable. And exactly the way it should be.

All of us associated with the State Fair are grateful for the opportunity to serve this amazing institution, and we look forward to seeing you at the even bigger and better 2011 Great Minnesota Get-Together. God bless.



Jerry Hammer
Executive Vice President, Minnesota State Fair

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★ 2010 PRICING ★

Pre-Fair Admission Price

All ages \$9

Regular Admission Price

Adults (13-64) \$11; Seniors (65 & over) \$9;
Kids (5-12) \$8; Children (under 5) FREE

Thrifty Thursday

Adults (13 & over) \$9; Kids (5-12) \$6;
Children (under 5) FREE

Seniors Days

Seniors (65 & over) \$6

Kids Days

Kids (5-12) \$6; Children (under 5) FREE

Ticket Deal Tuesday

Adults (13 & over) \$9; Children (under 5) FREE

Read & Ride Wednesday

Public Library Card holders received a discount off regular admission when they purchased a ticket at the gate.

Adults (13 & over) \$9;
Seniors (65 & over) \$6; Kids (5-12) \$6;
Children (under 5) FREE

Blue Ribbon Bargain Book

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

Mighty Midway & Kidway

Pre-fair: 20-ticket sheet \$10
Fair-time: 50-ticket sheet \$30; 30-ticket sheet \$20;
single ticket 75¢

Parking: \$11 or one \$9 pre-fair admission ticket

TOTAL ATTENDANCE: 1,776,211

THURSDAY, AUG. 26

Thrifty Thursday: 119,145*

High: 79 Low: 56

Precipitation: None

FRIDAY, AUG. 27

**Governor's Fire
Prevention Day: 132,738***

High: 88 Low: 63

Precipitation: None

SATURDAY, AUG. 28

4-H Day: 175,621

High: 89 Low: 67

Precipitation: None

SUNDAY, AUG. 29

FAN Central Day: 165,784

High: 94 Low: 68

Precipitation: None

MONDAY, AUG. 30

**Seniors, Kids &
MN State Patrol Day:
113,637**

High: 92 Low: 77

Precipitation: Trace

TUESDAY, AUG. 31

**Ticket Deal Tuesday:
105,848**

High: 86 Low: 68

Precipitation: 0.35 inches

WEDNESDAY, SEPT. 1

Read & Ride Day: 126,823

High: 77 Low: 60

Precipitation: None

THURSDAY, SEPT. 2

Seniors Day: 116,250

High: 73 Low: 59

Precipitation: 0.74 inches

FRIDAY, SEPT. 3

MPR Day: 155,185

High: 61 Low: 51

Precipitation: Trace

SATURDAY, SEPT. 4

FFA Day: 234,384*

High: 69 Low: 48

Precipitation: None

SUNDAY, SEPT. 5

**Minnesota History Day:
210,570**

High: 73 Low: 50

Precipitation: None

MONDAY, SEPT. 6

**Kids & Last Chance Day:
120,226**

High: 71 Low: 59

Precipitation: 0.13 inches

* New attendance record

OUR MISSION:

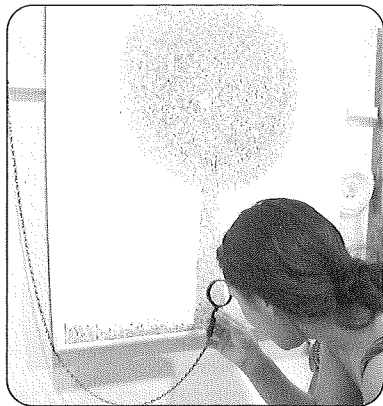
To educate and involve our guests by providing a world-class showcase that is innovative, entertaining and fun.

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



★..... Animals, Agriculture & Competition★



FINE ARTS

This year's People's Choice Award went to "Microdoodle Topiary," a pen and ink piece created with phosphorescent acrylic paint by Jeffery Gauss of St. Louis Park. Arden Harrison-Bushnell of Shorewood won the Kids' Choice Award for a textile work entitled "Dog Park."

Each year the Minnesota State Fair Fine Arts Show features an invited artist, collection, genre or group. "Art Dolls as Art Form" was the 2010 Fine Arts Show's special exposition, showcasing the art of prominent Minnesota art doll artists. The doll art displayed covered a wide range of styles including cutting edge figurative art.

NEW COMPETITIONS AND CONTESTS

Fine Arts Jewelry Class

Jewelry was added as an enterable class in the Fine Arts show.

Suri Class Llama Showcase

The Suri Llama was added to the Llama showcase.

Asian Chicken Class

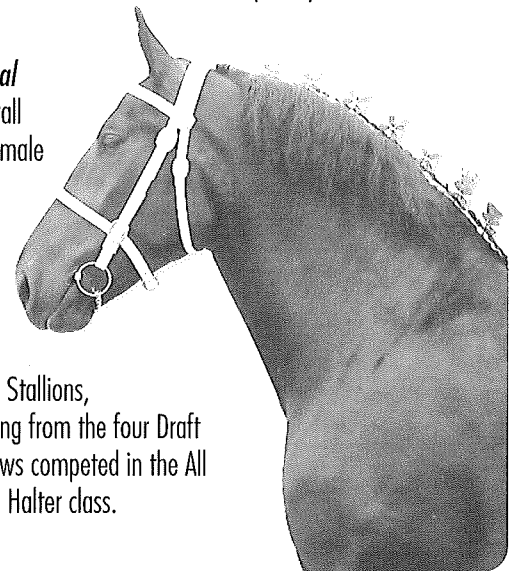
Asian chicken breeds including Shamo, Dwarf Ko Sham AOL, Thai and Vietnamese Ga Don were added to the poultry division.

FFA Supreme Breeding Animal

Awarded to overall best breeding female in each species (beef, dairy, swine, sheep).

Supreme Draft Halter

Grand champion Stallions, Mares and Gelding from the four Draft Horse breed shows competed in the All Breeds Supreme Halter class.



★..... Contests & Activities★



Nick Wishard receives his first place trophy from State Fair President Denny Baker.

38TH ANNUAL STATE FAIR AMATEUR TALENT CONTEST WINNERS

Open Division:

First place: Nick Wishard of Somerset, Wisc.

Second place: Jon Crumm of St. Louis Park

Third place: "Part-Time Heroes" of Waconia

Teen Division:

First place: "The Five of Clubs" of Edina

Second place: Alex Shaleen of Lindstrom

Third place: John Blanda of Maplewood

Preteen Division:

First place: Alex Sesch and Zack Manske of Woodbury

Second place: Josh Swenson of Waconia

Third place: Josie Nelson of Alexandria

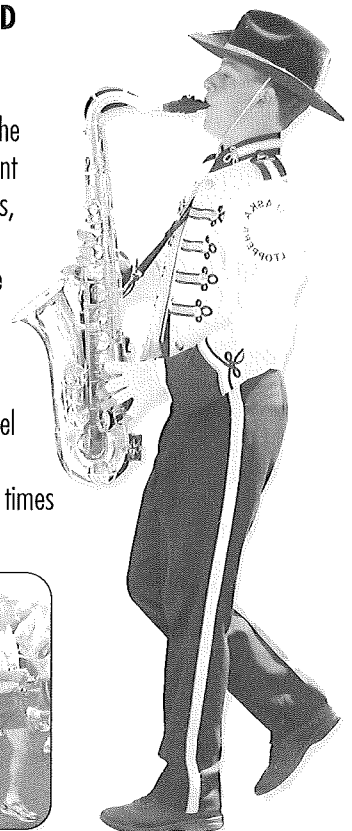


HIGH SCHOOL MARCHING BAND COMPETITION

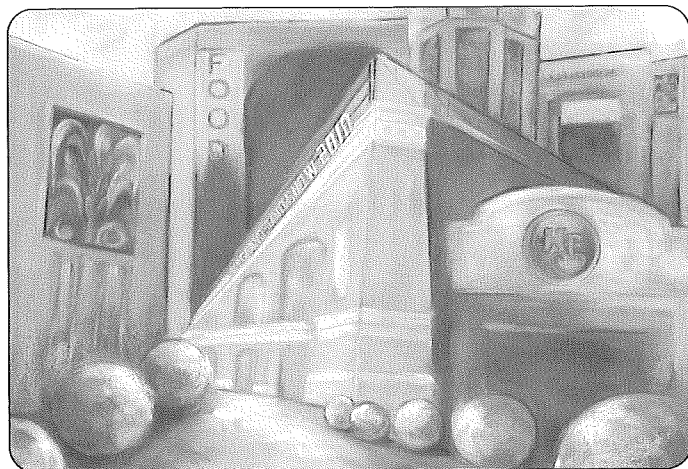
High school marching bands from Minnesota and Wisconsin competed in the State Fair's daily mall parade. Rosemount High School was awarded Class A honors, Waseca took first place in Class B, and Chequamegon School District won in the Class C division.

MILK RUN

Kim Robinson of Mounds View and Daniel Murray of Blue Earth were the overall female and male Milk Run winners with times of 17:51 and 16:43 respectively.



★ New Entertainment, Exhibits & Elements ★



SEVENTH IN A SERIES—COMMEMORATIVE ART BY MINNESOTA ARTIST DEBORAH VOYDA ROGERS

White Bear Lake artist Deborah Voyda Rogers created the 2010 State Fair commemorative art, which boldly showcases some of the Great Minnesota Get-Together's most prominent and historically significant architecture. Of the pastel piece, Rogers said, "There have been changes in the buildings, as well as the fair in its long history. For modern fairgoers, the buildings remain a solid connection to the past."

THE DIRT DEMONSTRATION AREA

Master gardeners, florists, Christmas tree growers and other experts teamed up to offer informative demonstrations and question & answer sessions every day of the fair in this new addition to the Agriculture Horticulture Building.



AG MAGIC SHOW

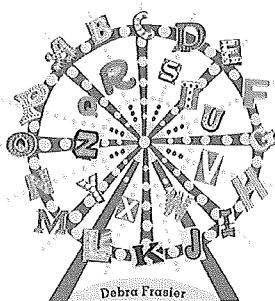
The Christensen Farms Stage at the CHS Miracle of Birth Center hosted the new Ag Magic Show, an educational and engaging experience that used magic to teach kids about agriculture. Three free shows were held daily.

SEED SURVIVOR

This popular touring exhibit taught youth about the elements needed for seeds to grow into plants. Seed Survivor featured multi-media and virtual reality games, insect video scopes, sunflower planting stations, talking walls and more.

CHOO CHOO BOB'S TRAIN SHOW & STORE

New to the fair in 2010, the Choo Choo Bob Train exhibit celebrated trains and offered live entertainment. The attraction featured operating trains, play areas for kids, photo opportunities, a train museum for adults, train and railroad items for sale and the opportunity for fair guests to be "Engineer of the Hour."



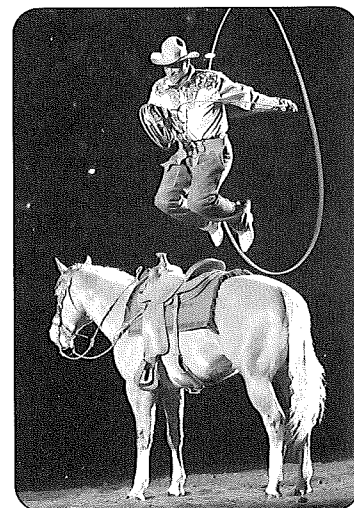
A FABULOUS FAIR ALPHABET

Designed by Minnesota author and illustrator Debra Frasier, this vocabulary building game invited families to collect words they saw, read, heard, felt or tasted at the fair. Players who completed a game card with words from the fair won a blue ribbon from the Fabulous Fair

Alphabet Booth in Baldwin Park. Families took pictures with fair letters, purchased the book that inspired the game and participated in other alphabet-related activities. A portion of the proceeds supported the State Fair Foundation's focus on educational experiences.

CHARRO JERRY DIAZ

Charro Jerry Diaz performed at select English and Western Horse Shows and Minnesota High School Rodeos in the Lee & Rose Warner Coliseum. Diaz is a fourth generation charro—a traditional Mexican horseman who demonstrates horsemanship, bull riding, horse and steer roping and trick roping.



2010 SPONSORS

- | | | | |
|-----------------------------|-------------------------|--------------------------------------|-----------------------------------|
| • American Express | • Cub Foods | • John Deere Company | • Qwest |
| • August Schell Brewing Co. | • Ford | • Kemps | • Select Comfort |
| • Butter Kernel | • Gold'n Plump | • Leinenkugel's | • Summit Brewing Co. |
| • Cargill | • Great River Energy | • Minnesota Corn Growers Association | • TCF National Bank |
| • Coca-Cola | • Green Mill Restaurant | • Minnesota State Lottery | • Treasure Island Resort & Casino |
| • Comcast | • Hazelden | | |



Awards & Accolades



MSF ALL-STAR MVPS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and outstanding service. Winners for 2010 were Debbie Edman, Employment Services; Ashley Houle, Sponsorships; Eric Haselman, Sanitation; Cindi Krasky, Attraction Ticket Takers; and Dan Owl, Public Safety Police.

BEN C. HALLBERG SCHOLARSHIPS

- Jacob Achen, Sauk Centre
- Craig Barta, Faribault
- Kelsey Bourne, Maynard
- Kelsey Brandt, Le Sueur
- Kathryn Dahl, Luverne
- Randene Davis, Glenville
- Heidi Enninga, Fulda
- Mary Faber, Sherburn
- Nancy Faber, Sherburn
- Alyssa Finnesgard, Zumbrota

- David Hanson, Goodridge
- Kaylee Helgeson, Ortonville
- Alexander Hohenstein, Lakefield
- Blaire Hoven, Zumbrota
- Brooke Johnson, Spring Grove
- Chelsey Johnson, Heron Lake
- Joseph Lee, McIntosh
- Mark Mitteness, Benson
- Kelsey Petit, Plainview
- Angela Stevens, Pipestone

50 YEAR AWARD

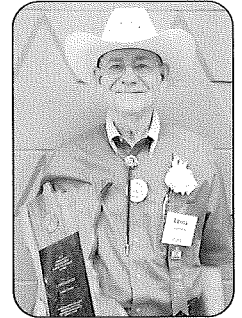
- Dave Bathke, Admissions
- Chas Laursen, Concessions
- Jim Pearson, Attraction Ticket Taker
- Joan Thrasher, Sanitation
- Douglas Tuman, Livestock Showmanship
- Palmer Vaadeland, Poultry



Katie Miron, Princess Kay of the Milky Way

OUTSTANDING SENIOR CITIZENS

Valborg Clauson of Spring Grove and Lewis Leasure of Cambridge were named Minnesota's 2010 Outstanding Seniors at the Leinie Lodge Bandshell on Seniors Day, Sept. 2.

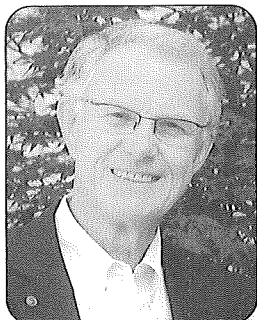


DOUGLAS K. BALDWIN AWARD

Matthew Pearson of Grove City was named the 47th recipient of the Douglas K. Baldwin Award. An active FFA member, he began helping his brother fit and show sheep for FFA competitions when he was 9 years old. Since 9th grade, Matthew has shown his own livestock every year at the Minnesota State Fair and has worked at the CHS Miracle of Birth Center. Throughout his FFA career, Matthew has been selected as a Ben C. Hallberg Scholarship winner, a 4-H Auction Scholarship winner and as the Hickman Rookie award winner. He is currently a senior at the University of Minnesota where he has served as the president of both the AGR Fraternity, as well as the Block and Bridle Club. Matthew is majoring in Animal Science and exploring career options in the livestock industry.

PRINCESS KAY

Katie Miron of Hugo was crowned the 57th Princess Kay of the Milky Way.



HONORARY LIFE MEMBER

Each year, the State Agricultural Society elects an individual for Honorary Life Membership. David Johnson of Inver Grove Heights is The Society's newest life member. A founding member of the Minnesota State Fair Foundation, Johnson served as board chair for three years, led the development committee and played a major role in raising funds for the CHS Miracle of Birth Center and J.V. Bailey House construction and renovation projects. Prior to his involvement with the State Fair Foundation, Johnson served as president and CEO of Cenex/Land O' Lakes Agronomy Company until 1998. He has also served on the boards of various industry and non-profit organizations including the Agricultural and Food Sciences Academy and Minnesota Agri-Growth Council. In 2004, Johnson received the Siehl Prize for Excellence in Agriculture.

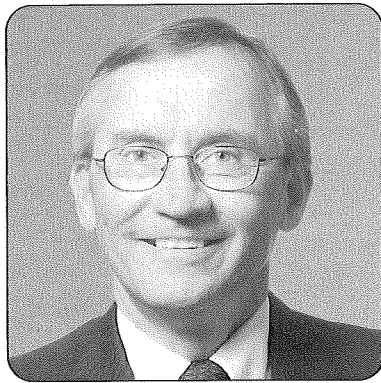
☆..... State Fair Hall of Fame☆



KAREN LEACH

During her 30 years at the Minnesota State Fair, Karen Leach held countless titles and oversaw many departments. She began her fair career as an administrative assistant in 1979. Leach went on to serve as public affairs supervisor, free entertainment coordinator, entertainment director and deputy general manager, among other titles. Throughout her three decades with the fair, Leach managed the talent contest, parade and free stages; booked Grandstand acts; and oversaw the marketing, ticketing, non-fair events and publications divisions. She earned her Certified Fair Executive designation through the IAFE in 1996 and led various committees throughout her involvement. Leach was also a member of the International Country Music Buyer's Association, which later became the International Entertainment Buyer's Association (IEBA). Of her many accomplishments, perhaps the greatest is Leach's role in the development of the non-profit Minnesota State Fair Foundation. Leach conducted the initial research and

planning for the Foundation, which has gone on to grant more than \$4 million to the State Fair to preserve and improve the buildings, grounds and educational programs. A mentor to numerous young professionals, she was a constant encourager and an unrelenting advocate for the fair and its guests. Leach helped move the State Fair toward the future, empowering those who learned from her. Leach retired in August, 2010.



STEVE POOCH

Steve Pooch served as competition director and later deputy general manager of the Minnesota State Fair. During his more than 40-year career, Pooch was instrumental in the development of numerous agricultural and competitive additions to the fair. Under his leadership, the 4-H market livestock show and Milking Parlor were introduced in the 1980s, Little Farm Hands opened in 2003, the CHS Miracle of Birth Center became a very popular free exhibit and the Moo Booth was renovated in 2009. Additionally, the 4-H Purple Ribbon Auction has grown considerably. He served on the International Association of Fairs & Expositions (IAFE) Agriculture Committee for many years, and was chair in 1995. Throughout his career, Pooch was the recipient of many awards including a Minnesota Department of Agriculture Excellence Award for Promotion of Agriculture, a state and national Honorary FFA Farmer Degree and a "Friend of County Fairs" Award. Pooch was also inducted into the Minnesota FFA Hall of

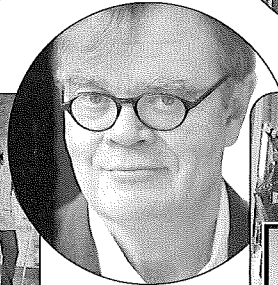
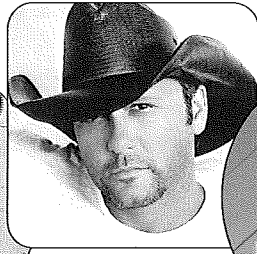
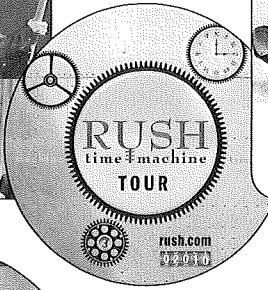
Fame in 2004 and the Minnesota Livestock Breeders Association Hall of Fame in 2010. Currently, he serves as the secretary-treasurer of the Minnesota Livestock Breeders Association, a position he has held since 1992. Pooch says his favorite memories of the fair involve all the great people he met over the years. Pooch retired in March, 2010.

..... 2010 State Fair Board of Managers

Front row (L-R): Wally Wichmann, Balaton, 7th District Manager; D.J. Leary, Minneapolis, 5th District Vice President; Denny Baker, Spicer, President; Joseph Fox, Maplewood, 4th District Vice President; Jim Foss, Kenyon, 1st District Manager; Back row (L-R): Joe Scapanski, Sauk Rapids, 6th District Manager; Ron Oleheiser, Grand Rapids, 8th District Manager; Sharon Wessel, Hamel, 3rd District Manager; Paul Merkins, Stewart, 2nd District Manager; Allen Paulson, Shevlin, 9th District Manager.



★ Grandstand Attendance ★



THURSDAY, AUG. 26

BODEANS and **BIG HEAD TODD & THE MONSTERS**

7 p.m. • \$28 • 4,664

FRIDAY, AUG. 27

An Evening with RUSH

7:30 p.m. • \$70, \$60, \$40 • 13,248

SATURDAY, AUG. 28

TIM MCGRAW with special guest **Julianne Hough**

7:30 p.m. • \$67, \$52, \$37 • 13,240

SUNDAY, AUG. 29

BRANDI CARLILE with special guests **Amos Lee** and **The Watson Twins**

7 p.m. • \$31 • 5,851

MONDAY, AUG. 30

SEETHER with special guests **Hinder** and **Black Stone Cherry**

7 p.m. • \$34, \$30 • 4,214

TUESDAY, AUG. 31

CARRIE UNDERWOOD

with special guest **Sons of Sylvia**

7:30 p.m. • \$59, \$49, \$39 • 13,253

WEDNESDAY, SEPT. 1

"WEIRD AL" YANKOVIC *Live in Concert*

8 p.m. • \$22 • 7,096

THURSDAY, SEPT. 2

MERCYME with special guests **Jeremy Camp** and **Joel Hanson**

7:30 p.m. • \$34, \$24 • 4,392

FRIDAY, SEPT. 3

A PRAIRIE HOME COMPANION

with **Garrison Keillor**

7:45 p.m. • \$28, \$23 • 7,203

SATURDAY, SEPT. 4

KISS with special guest **The Envy**

8 p.m. • \$70, \$60, \$40 • 13,032

SUNDAY, SEPT. 5

MINNESOTA STATE FAIR

AMATEUR TALENT CONTEST FINALS

featuring 2009 winner **Sedra Bistodeau**

8 p.m. • No Grandstand Ticket Required • Approx. 10,000

MONDAY, SEPT. 6

DUKES OF SEPTEMBER RHYTHM REVUE

featuring Donald Fagen, Michael McDonald and **Boz Scaggs**

7:30 p.m. • \$45 • 5,554



Free Stages



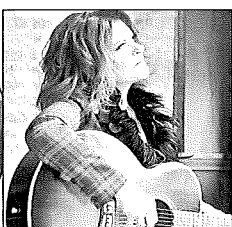
THE LEINIE LODGE BANDSHELL TONIGHT!



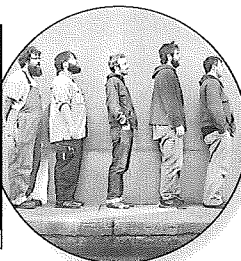
AUG. 26 & 27:
Boyz II Men



AUG. 28 & 29:
The Nitty Gritty Dirt Band



AUG. 30 & 31:
Rosanne Cash



SEPT. 1 & 2:
Trampled By Turtles



SEPT. 3 & 4:
The Family Stone



SEPT. 5 & 6:
The Lost Trailers

■ LEINIE LODGE BANDSHELL

- AUG. 26 & 27: Gwen Sebastian and Breakaway, Geno Delafosse, Jeff Allen
- AUG. 28 & 29: Tonic Sol-fa, Cherryholmes, Jason D. Williams
- AUG. 30 & 31: The Bellagala Big Band, The Quebe Sisters Band, David Ball
- SEPT. 1 & 2: Steve Meisner, Monroe Crossing, The Haygoods
- SEPT. 3 & 4: InPulse, Jim Lauderdale, Caitlin Crosby
- SEPT. 5 & 6: Marcoux Corner, Abalone Dots, Eddie Blazonczyk's Versatones, Crazy Keys

■ FAMILY FAIR AT BALDWIN PARK

- AUG. 26—SEPT. 6: Monster Shop Bump'n with the BC Characters, Sean Emery
- AUG. 26 & 27: Eric Buss—Comic Imaginator
- AUG. 28 & 29: Will Hale and the Tadpole Parade
- AUG. 30 & 31: The Bubble Show
- SEPT. 1 & 2: James Wedgwood
- SEPT. 3 & 4: The Okee Dokee Brothers
- SEPT. 5 & 6: Kidsdance

■ RAMBERG SENIOR CENTER

- AUG. 26 & 27: Bingham & Thorne, Singleton Street
- AUG. 28 & 29: Sloughgrass, Pigs Eye Jass Band
- AUG. 30 & 31: The Rod Cerar Orchestra, The Gallivanter
- SEPT. 1 & 2: Jim Berner, The Whistlepigs
- SEPT. 3 & 4: Glen Hanson & Friends, Chuck Thiel & The Jolly Ramblers
- SEPT. 5 & 6: Jim Shannon, Bill Koncar

■ INTERNATIONAL BAZAAR

- AUG. 26 & 27: Lehto & Wright, Sisters of Swing in Concert
- AUG. 28 & 29: Hayer Bibimma African Dance, Stevie Ray's Comedy Troupe
- AUG. 30 & 31: Atahualpa, Café Accordion Orchestra
- SEPT. 1 & 2: Jack Brass Band, Native Pride Dancers
- SEPT. 3 & 4: Ticket to Brasil, Innocent
- SEPT. 5 & 6: Flor Y Canto, Charanga Tropical

■ BAZAAR AFTER DARK

- AUG. 26 & 27: Neil Dynamite
- AUG. 28 & 29: Maria Isa
- AUG. 30 & 31: The Belfast Cowboys
- SEPT. 1 & 2: Power of 10
- SEPT. 3 & 4: Dosh
- SEPT. 5 & 6: Alison Scott

■ HERITAGE SQUARE

- AUG. 26 & 27: The Wild Goose Chase Cloggers, Kerry Christensen Master Yodeler
- AUG. 28 & 29: Sourdough Slim, The Minnesota State Fiddle Contest
- AUG. 30 & 31: The Alzen Family Bluegrass Band, New North String Band
- SEPT. 1 & 2: The Galactic Cowboy Orchestra, Dale Dahmen & The Polka Beats
- SEPT. 3 & 4: Dan Israel and the Cultivators, The Minnesota Flatpicking Guitar and Duet Championships
- SEPT. 5 & 6: Richie Yurkovich & Polkarioty, Brian Wicklund and Ten Penny Nail

■ HERITAGE AT SUNDOWN

- AUG. 26 & 27: The Pines
- AUG. 28 & 29: Romantica
- AUG. 30 & 31: Billy McLaughlin & His Electric String Quartet
- SEPT. 1 & 2: Martin Zellar and the Hardways
- SEPT. 3 & 4: Tommy Jennings
- SEPT. 5 & 6: Roma di Luna

■ THE X-ZONE

- AUG. 26—SEPT. 6: 3rd Lair SkatePark, Music Mayhem featuring local "Battle of the Bands" winners

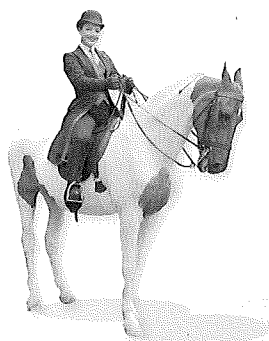
■ THE NORTH WOODS

- AUG. 26—SEPT. 6: IRONJACK Timber Team, Ron Schara's Minnesota Bound

WARNER COLISEUM

■ ENGLISH HORSE SHOW DATES & TIMES

- **Wednesday, Aug. 25:** 8 a.m.
- **Thursday, Aug. 26:** 8 a.m., 12:30, 6:30 p.m.
- **Friday, Aug. 27:** 1 p.m., 6:30 p.m.
- **Saturday, Aug. 28:** 6:30 p.m.
- **Sunday, Aug. 29:** 8:30 a.m., noon, 2, 6:30 p.m.
- **Monday, Aug. 30:** 12:30, 6 p.m.
- **Tuesday, Aug. 31:** 6:30 p.m.



■ HIGH SCHOOL RODEO DATES & TIMES

- **Wednesday, Sept. 1:** 6:30 p.m.
- **Thursday, Sept. 2:** 11:30 a.m., 6:30 p.m.
- **Friday, Sept. 3:** 6:30 p.m.

■ WESTERN HORSE SHOW DATES & TIMES

- **Friday, Sept. 3:** 8 a.m., noon
- **Saturday, Sept. 4:** 6:30 p.m.
- **Sunday, Sept. 5:** 8 a.m., 12:30, 6:30 p.m.
- **Monday, Sept. 6:** 8:30 a.m., 12:30 p.m.



OFFICE OF THE LEGISLATIVE AUDITOR

State of Minnesota • James Nobles, Legislative Auditor

Independent Auditor's Report

Representative Michael Beard, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Denny Baker, President
State Agricultural Society Board of Managers

Members of the State Agricultural Society

Mr. Jerry Hammer, Executive Vice President
State Agricultural Society

We have audited the accompanying Statement of Net Assets of the State Agricultural Society as of October 31, 2010 and 2009, and the related Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows for the years then ended. These financial statements, which collectively comprise the society's basic financial statements, are the responsibility of the society's management. Our responsibility is to express an opinion on those financial statements based on our audit. We did not audit the financial statements of the Minnesota State Fair Foundation, a discretely presented component unit of the State Agricultural Society. Those financial statements were audited by other auditors, and their report was provided to us. Our opinion, insofar as it relates to the amounts included for the Minnesota State Fair Foundation, is based solely on the report of the other auditors.

We conducted our audits of the society's 2010 and 2009 basic financial statements 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 audit standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

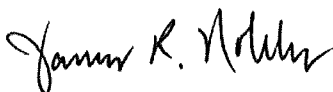
In our opinion, based on our audits of the society's 2010 and 2009 basic financial statements and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the State Agricultural Society and the Minnesota State Fair Foundation as of October 31, 2010 and 2009, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Representative Michael Beard, Chair
Members of the Legislative Audit Commission
Mr. Denny Baker, President
Members of the State Agricultural Society
Mr. Jerry Hammer, Executive Vice President
Page 2

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the other required supplementary information are not a required part of the society's basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the society's 2010 and 2009 basic financial statements. The accompanying supporting Schedule of Revenue and Expenses is presented for purposes of additional analysis and is not a required part of the society's basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



James R. Nobles
Legislative Auditor



Cecile M. Ferkul, CPA
Deputy Legislative Auditor

April 22, 2011

MINNESOTA STATE FAIR

FINANCIAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS

The Minnesota State Agricultural Society produces the annual Minnesota State Fair and manages the State Fairgrounds. The Society is a quasi-state agency, and operates with no public subsidy of any kind, for any purpose. The costs to produce the annual State Fair and all capital and maintenance improvements to the historic State Fairgrounds are financed with revenue earned by the Society and State Fair Foundation donations. Following is an analysis of the Society's financial activities and performance during the fiscal years ended October 31, 2010, 2009 and 2008, 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 2010 and 2009 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. Income and expenses for the year are presented in the Statement of Revenue, Expenses and Changes in Net Assets; this statement serves to determine if the Society has earned an acceptable level of net income. Next, the Statement of Net Assets outlines all of the Society's assets and liabilities, and includes detailed discussion of fixed assets—namely, the State Fairgrounds and its facilities. 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.

INCOME AND EXPENSE

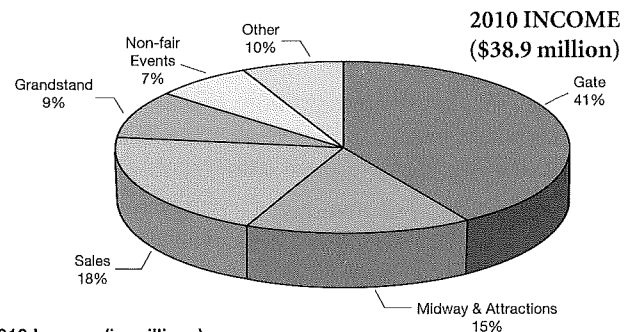
The State Fair realized a net operating gain of \$1.1 million in 2010, based upon gross revenues of \$38.9 million and gross expenses of \$37.8 million. The previous year showed a net operating gain of \$1.4 million from income of \$37.6 million and expenses of \$36.2 million. The net operating gain in fiscal 2008 was \$863,000 based on gross revenues of \$36.2 million and gross expenses of \$35.3 million. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space, and the rental of fair facilities for non-fair events.

In a typical year, ticket sales represent two-thirds of the State Fair's gross annual income. In 2010, the ticket sales total of \$24.9 million was earned chiefly through sales of outside gate and parking tickets (\$15.9 million), Mighty Midway and Kidway tickets (\$5.3 million), and Grandstand tickets (\$3.7 million).

As with most business enterprises, expenses are very diverse. The State Fair provides extensive services to fair visitors that include police protection (\$1.2 million), sanitation (\$941,000) and Park & Ride buses (\$1.7 million). Other expenses include Grandstand and free entertainment (\$5.5 million), fairgrounds plant operations

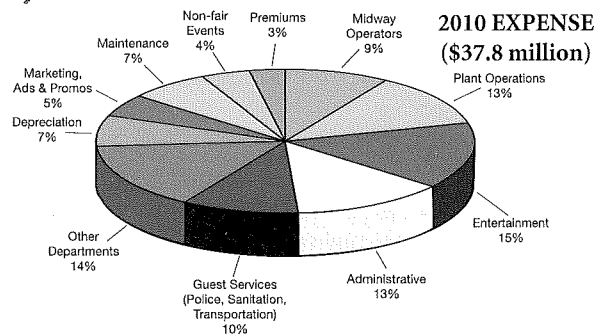
Revenue, Expenses and Changes in Net Assets

	2010	2009	2008
Ticket Sales	\$24,917,000	\$23,931,000	\$22,898,000
Activities	9,202,000	8,080,000	7,864,000
Other	4,418,000	4,534,000	4,990,000
Non-operating Revenue			
Grant Revenue	<u>353,000</u>	<u>1,015,000</u>	<u>412,000</u>
Total Revenue	38,890,000	37,560,000	36,164,000
Operating Expense			
Activities & Support	24,513,000	22,803,000	22,156,000
General Operations	<u>13,293,000</u>	<u>13,369,000</u>	<u>13,145,000</u>
Total Expense	37,806,000	36,172,000	35,301,000
Changes in Net Assets	1,084,000	1,388,000	863,000
Beginning Net Assets	<u>39,520,000</u>	<u>38,132,000</u>	<u>37,269,000</u>
Ending Net Assets	<u>\$40,604,000</u>	<u>\$39,520,000</u>	<u>\$38,132,000</u>



2010 Income (in millions)

- Gate – \$15.9
- Sales – \$7.0
- Midway & Attractions – \$6.0
- Grandstand – \$3.7



2010 Expense (in millions)

- Midway Operators – \$3.5
- Plant Operations – \$4.7
- Entertainment – \$5.5
- Administrative – \$4.9
- Guest Services (Police, Sanitation, Transportation) – \$3.9
- Other Departments – \$5.4
- Depreciation – \$2.5
- Marketing, Ads & Promos – \$2.0
- Maintenance – \$2.8
- Non-fair Events – \$1.5

(\$4.7 million) and maintenance and depreciation of State Fair facilities (\$5.3 million).

A detailed breakdown of the State Fair's income and expense are included in the Income and Expense Supporting Schedule on pages 23-25.

■ NET ASSETS

The Condensed Statement of Net Assets provides a quick look at the Society's overall financial position and indicates that the direction of the Society's financial situation is favorable, with net assets increasing \$1.1 million to a total of \$40.6 million during fiscal 2010.

Over 84% of the Society's net assets - \$33.9 million—represent the Society's continual investment in capital assets (buildings, equipment and infrastructure) that are absolutely necessary to the Society's ability to present the annual exposition and conduct a busy schedule of non-fair events year-around.

CONDENSED STATEMENT OF NET ASSETS			
	2010	2009	2008
Current & Other Assets	\$10,018,000	\$ 9,815,000	\$ 9,383,000
Capital Assets	<u>45,409,000</u>	<u>45,422,000</u>	<u>45,347,000</u>
Total Assets	55,427,000	55,237,000	54,730,000
Long Term Debt	10,545,000	11,850,000	12,410,000
Other Liabilities	<u>4,278,000</u>	<u>3,867,000</u>	<u>4,188,000</u>
Total Liabilities	14,823,000	15,717,000	16,598,000
Invested in Capital Assets, Net of Related Debt	33,924,000	33,012,000	32,032,000
Restricted	2,348,000	2,369,000	2,240,000
Unrestricted	<u>4,332,000</u>	<u>4,139,000</u>	<u>3,860,000</u>
Total Net Assets	<u>\$40,604,000</u>	<u>\$39,520,000</u>	<u>\$38,132,000</u>

■ FIXED ASSETS (The State Fairgrounds)

The State Fair's capital assets consist of: 120 fair-owned structures, land and improvements to the land, personal property and infrastructure including an intricate network of electricity, communications, gas, water and sewer distribution systems.

Structures include everything from small permanent information and ticket booths to the Coliseum and the massive Grandstand. Most of the State Fair's significant structures and utilities date back to WPA days in the '30s and very early '40s. Some buildings are even older, such as the Grandstand (1909), Arts Center (1907) and Progress Center (1907).

In 2010, the State Fair invested \$2,517,000 in capital improvements. Projects included \$910,000 for the continued installation of a fire suppression system in the Cattle Barn; \$262,000 to replace the Dairy Building roof; \$169,000 for renovation of Horse Barn stalling, and \$167,000 to renovate the Admin Too Office exterior. In 2009, the State Fair invested \$2,501,000 in capital improvements. Projects in the Cattle Barn included \$1,331,000 for the addition of a new Moo Booth exhibit area; \$342,000 to begin the installation of a fire suppression system, and \$128,000 for window and door replacement. Also, \$278,000 was spent on various improvements in the Warner Coliseum. In 2008, the State Fair invested \$7,965,000 in capital improvements. Projects included \$4,500,000 for the construction of a new Bazaar complex; \$1,350,000 for the re-roofing of the Swine Barn, \$940,000 for the re-roofing of the Cattle Barn, and \$525,000 for electrical system improvements.

Additional information on fixed assets can be found in note 3.

■ LONG-TERM OBLIGATIONS

During fiscal 2008, the Society issued a \$4.6 million revenue note to assist in financing the new Bazaar complex and the re-roofing of the Cattle Barn and the Swine Barn. This financing is in addition to the \$11.1 million revenue bond issued in 2003. After principal payments of \$925,000 during 2010, the principal balance as of October 31, 2010 is \$11,485,000. Additional information on long-term debt can be found in note 4 of the accompanying financial statements.

■ Minnesota State Fair Statement of Net Assets

For the years ended October 31

2010

2009

ASSETS

Current assets:

Cash and cash equivalents - Unrestricted	\$ 4,711,035	\$ 3,600,340
Cash and cash equivalents - Restricted	1,474,348	1,495,939
Accounts receivable	2,489,256	3,298,081
Prepaid expenses	155,991	161,902
Note receivable	35,334	84,333
Accrued interest receivable	<u>10,480</u>	<u>10,989</u>
Total current assets	\$ 8,876,444	\$ 8,651,584

Non-current assets:

Cash and cash equivalents - Restricted Debt Service Reserve	\$ 873,405	\$ 873,405
Receivable due from Minnesota State Fair Foundation	268,230	289,987
Capital Assets, Net of related depreciation	<u>45,409,090</u>	<u>45,421,670</u>
Total non-current assets	\$ 46,550,725	\$ 46,585,062

Total assets

Total assets	\$ 55,427,169	\$ 55,236,646
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LIABILITIES

Current liabilities:

Accounts payable	\$ 1,937,356	\$ 2,195,886
Accrued salaries	111,171	122,404
Deferred revenue	144,630	161,519
Bond and Note interest payable	66,001	70,633
Bond payable - current	480,000	465,000
Note payable - current	460,000	460,000
Unclaimed property payable	<u>9,621</u>	<u>9,621</u>

Total current liabilities

Total current liabilities	\$ 3,208,779	\$ 3,485,063
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Noncurrent liabilities:

Bond payable due in more than one year	\$ 7,785,000	\$ 8,265,000
Note payable due in more than one year	2,760,000	3,220,000
Unamortized bond discount	(161,692)	(174,129)
Unamortized note discount	(35,942)	(41,077)
Compensated absences	548,484	597,036
Other post retirement benefits	<u>718,751</u>	<u>364,746</u>

Total non-current assets

Total non-current assets	\$ 11,614,601	\$ 12,231,576
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Total liabilities

Total liabilities	\$ 14,823,380	\$ 15,716,639
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NET ASSETS

Invested in capital assets, net of related debt	\$ 33,924,091	\$ 33,011,671
Restricted for:		
Debt Service	2,333,840	2,355,444
Capital Improvements	13,914	13,900
Unrestricted assets	<u>4,331,944</u>	<u>4,138,992</u>

Total net assets

Total net assets	\$ 40,603,789	\$ 39,520,007
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Total liabilities and net assets

Total liabilities and net assets	\$ 55,427,169	\$ 55,236,646
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The notes to the financial statements are an integral part of this statement.

■ Minnesota State Fair Foundation Statements of Financial Position

For the year ended October 31

2010

2009

ASSETS

Cash and Cash Equivalents	\$ 700,669	\$ 172,789
Certificate of Deposits	-	250,000
Contributions Receivable	400,527	753,447
Prepaid Expenses and Other Assets	8,300	2,845
Merchandise Inventory	3,906	11,932
Property and Equipment, Net of Accumulated Depreciation of \$33,025 and \$27,993, Respectively	<u>37,537</u>	<u>35,015</u>
Total assets	<u>\$ 1,150,939</u>	<u>\$ 1,226,028</u>

LIABILITIES AND NET ASSETS (DEFICIT)

Liabilities

Accounts Payable	\$ 3,695	\$ 3,534
Accrued Expenses	17,324	16,995
Payable Due to the Minnesota State Agricultural Society	<u>268,230</u>	<u>289,987</u>
Total Liabilities	289,249	310,516

Net Assets

Unrestricted:		
Undesignated	\$ 108,086	\$ 56,192
Board Designated for Fine Arts	9,516	-
Temporarily Restricted	<u>744,088</u>	<u>859,320</u>
Total Net Assets	<u>861,690</u>	<u>915,512</u>
Total Liabilities and Net Assets	<u>\$ 1,150,939</u>	<u>\$ 1,226,028</u>

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

For the years ended October 31

	2010	2009
OPERATING REVENUES		
Ticket sales	\$ 24,917,093	\$ 23,931,053
Activities	9,201,855	8,079,833
Other	<u>4,331,787</u>	<u>4,414,407</u>
Total operating revenues	\$ 38,450,735	\$ 36,425,293
OPERATING EXPENSES		
Administrative	\$ 4,922,020	\$ 4,831,485
Activities and Support	19,591,234	17,970,763
Premiums	1,136,832	1,052,923
Plant Operations	4,738,079	4,974,991
Plant Maintenance	2,770,675	2,736,894
Other	1,565,426	1,539,468
Depreciation	<u>2,529,995</u>	<u>2,477,856</u>
Total operating expenses	\$ 37,254,261	\$ 35,584,380
Net operating revenues (expenses)	\$ 1,196,474	\$ 840,913
NON OPERATING REVENUES (EXPENSES)		
Interest revenue	\$ 86,979	\$ 120,286
Grant revenue	352,735	1,014,533
Interest expense	<u>(552,406)</u>	<u>(588,020)</u>
Total non-operating revenues (expenses)	\$ (112,692)	\$ 546,799
Change in net assets (deficit)	\$ 1,083,782	\$ 1,387,712
Total net assets, beginning of year	\$ 39,520,007	\$ 38,132,295
Net assets, end of year	\$ 40,603,789	\$ 39,520,007

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

■ Minnesota State Fair Foundation

Statements of Activities and Changes in Net Assets

For the Year Ended October 31

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES						
Contributions	\$ 155,286	\$ 250,151	\$ 405,437	\$ 129,218	\$ 645,900	\$ 775,118
Support from the Minnesota State Agricultural Society	149,160	-	149,160	140,776	-	140,776
In-Kind Contributions	109,135	-	109,135	132,705	-	132,705
Special Events, Net of Direct Benefits of \$44,752 and \$44,340, Respectively	25,383	-	25,383	16,132	-	16,132
Interest	2,239	979	3,218	12,532	1,599	14,131
Net Assets Released from Restrictions	<u>366,362</u>	<u>(366,362)</u>	<u>-</u>	<u>1,006,147</u>	<u>(1,006,147)</u>	<u>-</u>
Total	807,565	(115,232)	692,333	1,437,510	(358,648)	1,078,862
Merchandise Sales and Commissions	255,348	-	255,348	233,709	-	233,709
Less: Cost of Goods Sold	<u>(68,119)</u>	<u>-</u>	<u>(68,119)</u>	<u>(74,559)</u>	<u>-</u>	<u>(74,559)</u>
Net Merchandise Sales and Commissions	<u>187,229</u>	<u>-</u>	<u>187,229</u>	<u>159,150</u>	<u>-</u>	<u>159,150</u>
Total Revenues	994,794	(115,232)	879,562	1,596,660	(358,648)	1,238,012
EXPENSES						
Grants to the Minnesota State Agricultural Society	352,735	-	352,735	1,014,533	-	1,014,533
Payroll	370,762	-	370,762	354,757	-	354,757
Professional Services	51,595	-	51,595	30,531	-	30,531
Production Supplies	54,511	-	54,511	36,370	-	36,370
Postage and Mailing	6,324	-	6,324	8,617	-	8,617
Printing and Advertising	13,950	-	13,950	22,463	-	22,463
Rent	30,781	-	30,781	24,955	-	24,955
Incentives and Recognition	791	-	791	725	-	725
Office Supplies	2,357	-	2,357	3,336	-	3,336
Interest Expense	5,030	-	5,030	15,244	-	15,244
Loss on Obsolete Inventory	12,336	-	12,336	9,475	-	9,475
Other	<u>32,212</u>	<u>-</u>	<u>32,212</u>	<u>28,934</u>	<u>-</u>	<u>28,934</u>
Total Expenses	933,384	-	933,384	1,549,940	-	1,549,940
CHANGE IN NET ASSETS	61,410	(115,232)	(53,822)	46,720	(358,648)	(311,928)
Net assets - Beginning	<u>56,192</u>	<u>859,320</u>	<u>915,512</u>	<u>9,472</u>	<u>1,217,968</u>	<u>1,227,440</u>
NET ASSETS - ENDING	\$ <u>117,602</u>	\$ <u>744,088</u>	\$ <u>861,690</u>	\$ <u>56,192</u>	\$ <u>859,320</u>	\$ <u>915,512</u>

■ Minnesota State Fair Statement of Cash Flows

For the years ended October 31

2010

2009

Cash flow from operating activities:

Cash received from operations		
Ticket Sales	\$ 25,609,903	\$ 21,212,389
Activities	9,246,342	8,117,968
Other	4,408,184	4,375,605
Cash payment for operating expenses		
Administration	(4,659,070)	(4,365,964)
Activities	(20,706,647)	(18,864,823)
Plant Operations	(7,326,490)	(7,657,470)
Other	<u>(1,742,724)</u>	<u>(1,305,115)</u>
Net cash provided by operating activities	<u>\$ 4,829,498</u>	<u>\$ 1,512,590</u>

Cash flow from capital and related financing activities

Payments for acquisition and construction of capital assets	\$ (2,623,872)	\$ (3,272,407)
Payments for storm damage	-	20,332
Proceeds from note receivable	48,999	(52,333)
Proceeds from insurance	-	511,192
Principal payments on revenue bond and revenue note	(925,000)	(905,000)
Interest payments on revenue bond and revenue note	<u>(557,038)</u>	<u>(591,729)</u>
Net cash provided by capital and related financing activities	<u>\$ (4,056,911)</u>	<u>\$ (4,289,945)</u>

Cash flow from non-capital financing activities

Proceeds from working capital loan	\$ -	\$ 500,000
Principal payments on working capital loan	-	(500,000)
Interest payments on working capital loan	-	(681)
Grant revenue	<u>229,029</u>	<u>891,127</u>
Net cash provided by non-capital financing activities	<u>\$ 229,029</u>	<u>\$ 890,446</u>

Cash flow from investing activities

Interest earnings	87,488	111,781
Net increase (decrease) in cash and cash equivalents	1,089,104	(1,775,128)
Cash and cash equivalents, beginning of year	<u>5,969,684</u>	<u>7,744,812</u>
Cash and cash equivalents, end of year	<u>\$ 7,058,788</u>	<u>\$ 5,969,684</u>

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 1,196,474	\$ 840,913
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,529,995	2,477,856
Other non-cash expenses	123,706	64,406
Changes in current operating assets and liabilities		
Current assets: (increase) decrease		
Accounts receivable	830,583	(2,651,245)
Prepaid expenses	5,911	(26,549)
Current & Non-current liabilities: increase (decrease)		
Accounts payable	(152,073)	442,100
Salary payable	(11,233)	14,897
Compensated absences	(48,552)	35,978
Deferred revenue	(16,889)	(68,086)
Unamortized bond discount	17,571	17,574
Other post employee benefits	<u>354,005</u>	<u>364,746</u>
Total adjustments	<u>\$ 3,633,024</u>	<u>\$ 671,677</u>
Net cash provided by operating activities	<u>\$ 4,829,498</u>	<u>\$ 1,512,590</u>

For fiscal year 2010, accounts payable included capitalized expenses of \$56,954.

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

■ Minnesota State Fair Foundation Statement of Cash Flows

For the year ended October 31	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (53,822)	\$ (311,928)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	9,373	7,763
Contribution of Property	-	(52,000)
Contribution of Merchandise Inventory	(5,282)	(6,746)
Grant of property	-	52,000
Inventory Obsolescence Adjustment	12,336	9,475
(Increase) Decrease in Assets:		
Contributions Receivable	352,920	30,837
Inventory	972	1,860
Prepaid Expenses and Other Assets	(5,455)	4,693
Increase (Decrease) in Liabilities:		
Accounts Payable	161	1,200
Accrued Expenses	329	7,305
Payables Due to the Minnesota State Agricultural Society	<u>(21,757)</u>	<u>(29,800)</u>
Net Cash Provided (Used) by Operating Activities	289,775	(285,341)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(11,895)	(1,100)
Purchase of Certificate of Deposits	-	(250,000)
Maturities of Certificates of Deposits	<u>250,000</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>238,105</u>	<u>(251,100)</u>
INCREASE (DECREASE) IN CASH	527,880	(536,441)
Cash - Beginning of year	<u>172,789</u>	<u>709,230</u>
CASH - END OF YEAR	<u>\$ 700,669</u>	<u>\$ 172,789</u>
SUPPLEMENTAL DISCLOSURES OF NON CASH ITEMS		
Gift of Merchandise Inventory	<u>\$ 5,282</u>	<u>\$ 6,746</u>
Gift of Property	<u>\$ -</u>	<u>\$ 52,000</u>
Transfer of Property to the Minnesota State Agricultural Society	<u>\$ -</u>	<u>\$ 52,000</u>

■ Footnotes

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The Minnesota State Agricultural Society 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).

Private-sector standards of accounting and financial reporting, including Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict GASB guidance.

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.

Enterprise funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the enterprise fund's principal operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and the depreciation of capital assets. All other revenues and expenses are reported as non-operating items.

Compensated absences consist of employee vacation and sick leave benefits. These benefits are determined based on a formula with a maximum number of hours accumulated and are payable upon death, termination, or retirement. Compensated absences are reported as non-current liabilities.

Costs of newly acquired assets are capitalized and written off as depreciation charges over their estimated useful lives. Purchases over \$2,000 are capitalized. Depreciation is computed by the straight-line method. The provision for depreciation is calculated based on the following lives:

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

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

1. Invested in capital assets, net of related debt - consists of capital assets, net of accumulated depreciation and any outstanding debt that is attributable to the purchase, construction or improvement of those assets.
2. Restricted net assets - consists of net assets (funds) that are reported separately due to restrictions in place required by debt obligations or enabling legislation that mandate how these funds are applied by the Society. These assets are for debt service payments and capital improvements.

3. Unrestricted net assets - consists of all other assets that do not meet the criteria of restricted or invested in capital assets, net of related debt.

NOTE 2: CASH AND CASH EQUIVALENTS

The Society cash balance is invested in deposit accounts and government obligation funds invested exclusively in short-term government securities that the Society considers to be cash equivalents. Minn.Stat. Sec 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, 2010, according to the bank records, the Society had short-term investments of \$7,574,243. Of that total, \$6,974,762 was invested in repurchase agreements, \$586,017 was invested in certificates of deposit, and \$13,464 was invested in U.S. Treasury and agency obligations. After adjusting the bank balances for outstanding checks, deposits in transit, and other reconciling items totaling \$515,489, cash and cash equivalents totaled \$7,058,788.

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

Cash Equivalents - Restricted	2010	2009
Building Account	\$ 449	\$ 449
Debt Service Account	1,460,435	1,482,039
Debt Service Reserve Account	873,405	873,405
Construction Account	<u>13,464</u>	<u>13,451</u>
Total Restricted Cash Equivalents	2,347,753	2,369,344
Cash Equivalents - Unrestricted	<u>4,711,035</u>	<u>3,600,340</u>
Total Cash Equivalents	<u>\$7,058,788</u>	<u>\$5,969,684</u>

Restricted cash equivalents represent funds restricted in application by enabling legislation or by revenue bond and note sale covenant requirements.

NOTE 3: PROPERTY, STRUCTURES, UTILITIES & EQUIPMENT

Capital assets are recorded at cost and depreciated using the straight-line method over the useful life of the related asset. Costs of improvements and renovations that add to the original value or materially extend the useful life of the related asset, are capitalized and written off as depreciable over their remaining estimated useful life.

	Beginning Balance 11/01/09	Increases	Decreases	Ending Balance 10/31/10
Capital assets, not being depreciated:				
Land	\$2,503,439			\$2,503,439
Capital assets, being depreciated:				
Land Improvements	71,132,067	2,160,683		73,292,750
Utility Systems	9,729,491	170,356		9,899,847
Personal Property	<u>1,190,451</u>	<u>186,376</u>	<u>(278,623)</u>	<u>1,098,204</u>
Total Capital Assets, being depreciated	82,052,009	2,517,415	(278,623)	84,290,801

Less accumulated depreciation for:

Land				
Improvements	(32,920,215)	(2,060,072)		(34,980,287)
Utility Systems	(5,339,501)	(293,096)		(5,632,597)
Personal Property	(874,062)	(176,826)	278,623	(772,265)
Total accumulated depreciation	(39,133,778)	(2,529,994)	278,623	(41,385,149)
Total capital assets, being depreciated, net	42,918,231	(12,579)		42,905,652
Total capital assets, net	\$45,421,670	\$(12,579)		\$45,409,091

NOTE 4: LONG-TERM OBLIGATIONS

	2010		2009	
	Current	Long-Term	Current	Long-Term
Bond Payable	\$480,000	\$ 7,785,000	\$465,000	\$ 8,265,000
Note Payable	<u>460,000</u>	<u>2,760,000</u>	<u>460,000</u>	<u>3,220,000</u>
	\$940,000	\$10,545,000	\$925,000	\$11,485,000
Net Increase (decrease)	\$ 15,000	\$ (940,000)		

During 2003, the Minnesota State Agricultural Society issued State Fair Revenue Bonds, Series 2003 in the amount of \$11,110,000. Proceeds from this bond series were used to provide funds to make capital improvements and major renovations to the Grandstand structure, to fund the Series 2003 debt service reserve requirement and to pay cost of issuance expenses relating to the bonds. The bonds are special, limited obligations of the Society and are not secured by the full faith and credit of the Society. The bonds are payable solely from the revenues of the Fair. A principal payment is made once each year on September 15, commencing September of 2004. Interest payments are made semi-annually on each March 15 and September 15, commencing March 15, 2004. The bond interest rates are 3.000% to 5.125%. The bonds mature September 15, 2023.

Annual debt service requirements to maturity for the State Fair Revenue Bonds are as follows:

	Principal	Interest
2011	\$ 480,000	\$ 394,418
2012	500,000	375,217
2013	520,000	355,218
2014	545,000	333,117
2015	565,000	308,593
2016-2020	3,270,000	1,108,866
2021-2023	<u>2,385,000</u>	<u>246,804</u>
	<u>\$8,265,000</u>	<u>\$3,122,233</u>

During 2008, the Minnesota State Agricultural Society issued a State Fair Revenue Note, Series 2008 in the amount of \$4,600,000. Proceeds from this note series were used for the reconstruction of the Bazaar Complex and the replacement of the Cattle Barn and Swine Barn roofs. The note is a special, limited obligation of the Society and is not secured by the full faith and credit of the Society. The note is payable solely from the revenues of the Fair. A principal payment is made once each year on September 15, commencing September of 2008. Interest payments are made semi-annually on each March 15 and September 15, commencing September 15, 2008. The note interest rate is fixed at 3.86% and matures September 15, 2017.

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

	Principal	Interest
2011	\$ 460,000	\$ 126,018
2012	460,000	108,312
2013	460,000	90,013
2014	460,000	72,010
2015	460,000	54,008
2016	460,000	36,104
2017	<u>460,000</u>	<u>18,003</u>
	<u>\$3,220,000</u>	<u>\$ 504,468</u>

NOTE 5: SHORT TERM OBLIGATIONS

During fiscal year 2010, the Society renewed a working capital line of credit in the amount of \$1.5 million for possible short-term financing of fair operations. No short-term financing was necessary in fiscal 2010.

Beginning Balance 11/1/09	Loan Advances	Loan Payments	Ending Balance 10/31/10
\$-0-	\$ -	\$ -	\$-0-

NOTE 6: RETIREMENT PLAN

The following pension disclosures are made to comply with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers".

Plan Description

All Society full-time employees must participate and are covered by defined benefit pension plans administered by the Minnesota State Retirement System (MSRS). MSRS administers the State Employees' Retirement Fund (SERF) which is a cost-sharing, multiple-employer retirement plan. The payroll for employees covered by MSRS plans for the year ended October 31, was \$4,422,771 for 2010 and \$4,426,551 for 2009. Total Society payroll was \$8,824,103 for 2010 and \$8,617,856 for 2009. MSRS issues a publicly available financial report that includes financial statement and required supplementary information. That report may be obtained by writing to the MSRS plan administrator at the Minnesota State Retirement System, 60 Empire Drive, Suite 300, Saint Paul, Minnesota 55103-3000.

MSRS provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's average salary from the five highest successive years of covered salary, age and length of service at termination of service. Two methods are used to compute benefits, the Step formula and the Level formula. Under the Step formula, the annual accrual is 1.2 % for the first ten years of service then 1.7% for each year thereafter. The benefit is based on a percentage of a high-five average salary. Under the Level formula, the annual accrual amount is 1.7% for each year of service. For employees hired before July 1, 1989, a full annuity is available when age plus years of service equals 90 for annuities calculated under the Step formula.

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

Funding Policy

Minnesota Statutes, Chapter 352 sets the rate for employee and

employer contributions. Contributions are made to the fund by employees and the Society based on a percentage of gross salaries. The total required contribution rate at the beginning of the fiscal year was 9.50%; the employee and the employer each having a required contribution rate of 4.75%. Effective July 1, 2010, the total required contribution rates increased to 10.00%; 5.00% for both employee and employer. Employer contributions, which equaled the required contributions for the year were \$206,666 for 2010 and \$196,548 for 2009.

Deferred Compensation

All Society full-time employees are eligible to participate in the Minnesota Deferred Compensation Plan for public employees. Deferred compensation is a voluntary plan that allows employees to place a portion of their earnings into a tax deferred investment program for long-term savings to supplement retirement and other benefits. The deferred compensation plan is administered by the Minnesota State Retirement System.

NOTE 7: OTHER POST EMPLOYEE BENEFITS

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 Employee Benefit (OPEB) which are required to be accounted for in accordance with Government Accounting Standards Board Statement No. 45.

Therefore, an actuarial valuation of these benefits was conducted in accordance with GASB 45's alternative measurement method for employers with under 100 plan members. The obligation for this benefit is reflected here and in the financial statements.

Net OPEB obligation	
Annual Required Contribution	\$396,428
Employer Contribution	42,423
Increase in Net OPEB Obligation	354,005
Net OPEB Obligation beginning of year	364,746
Net OPEB Obligation end of year	718,751

Employee eligibility for this benefit is the earlier of age 60 and 20 years of service or the Rule of 90 (only employees hired before July 1, 1989 are eligible for Rule of 90). Results are based on the October 31, 2009 GASB 45 actuarial valuation. Actuarial assumptions include a 4% discount rate, OPEB benefits were calculated under the Projected Unit Credit cost method and the unfunded actuarial accrued liability (\$2,988,572) is amortized as a level dollar amount over 30 years. The Society is currently proceeding on the pay-as-you-go basis for funding.

The following health trend rates were used in the valuation of postretirement benefit costs:

<u>Fiscal Year</u>	<u>Trend Rates</u>
2010	10.00%
2011	9.50%
2012	9.00%
2013	8.50%
2014	8.00%
2015	7.50%
2016	7.00%
2017	6.50%
2018	6.00%
2019	5.50%
2020 & later	5.00%

NOTE 8: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables: Accounts receivable balances for the years ended October 31

	2010	2009
Tickets	\$ 2,034,108	\$ 2,726,918
Activities	221,096	265,583
MSFF Receivable	268,230	289,986
Other	<u>234,050</u>	<u>305,580</u>
Receivables, net	<u>\$ 2,757,484</u>	<u>\$ 3,588,067</u>

Payables: Accounts payable balances for the years ended October 31

	2010	2009
Administration	\$ 271,133	\$ 314,023
Activities	582,928	608,273
Plant Operations	704,324	605,638
Capitalized	56,954	163,412
Other	<u>322,017</u>	<u>504,540</u>
Total Payable	<u>\$ 1,937,356</u>	<u>\$ 2,195,886</u>

NOTE 9: FOUNDATION

The Minnesota State Fair Foundation is a supporting organization of the Minnesota State Agricultural Society. The Foundation is a tax-exempt not-for-profit corporation, established in June 2002 following the passage of enabling legislation signed into law by the governor, and governed by a board of directors. The Foundation was established to secure and provide funding and gifts-in-kind all of a nature acceptable to the Fair to be used in the preservation, restoration and improvement of the Minnesota State Fairgrounds, and to support State Fair educational, agricultural, and scientific programs. The Foundation is supported primarily from public and private contributions, merchandise sales, in-kind contributions and volunteer time.

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

Financial Statement Presentation

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

Unrestricted

Resources over which the Board of Directors has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose.

Temporarily Restricted

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

Permanently Restricted

Those resources subject to a donor imposed restriction that they be maintained permanently by the Foundation. The donors of these resources permitted the Foundation to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or temporarily restricted purposes.

Contributions Receivable

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in the contribution revenue. Conditional pledges are not

included as support until such time as the conditions are substantially met. The Foundation currently does not have conditional pledges.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in the temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities 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 has been determined. Foundation financial statements can be obtained by writing to Minnesota State Fair Foundation, 1265 N. Snelling Avenue, Saint Paul, Minnesota 55108.

NOTE 10: RELATED PARTY TRANSACTIONS

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

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

At the year ended October 31, 2010, the Foundation has \$268,230 of outstanding payables due to the Fair for payroll and other compensation-related expenses. The 2009 year-end outstanding payable balance totaled \$289,987. The Fair contributed payroll expenses of \$149,160 during fiscal 2010 and \$140,776 during fiscal 2009.

The employees of the Fair have made significant contributions of their time to the Foundation's activities. These uncompensated services are included in the agreement between the Fair and the Foundation. Additionally, volunteers have donated time to the Foundation in various capacities. No amounts have been included in the statements for donated services, since the services do not meet established criteria for recognition. These criteria require the donated services create or enhance nonfinancial assets, require specialized skills which would be purchased if not donated, and have an objective basis for measurement.

Grants to the Minnesota State Agricultural Society

During the year ended October 31, 2010, the Foundation granted \$141,460 for expenses related to the Moo Booth exhibit in the Cattle Barn; fair-time educational experiences valued at \$83,087; recognition pavers and benches valued at \$58,099; various structures improvements valued at \$35,713 and other miscellaneous gifts valued at \$34,376, for a total of \$352,735 during fiscal 2010.

During the year ended October 31, 2009, the Foundation granted \$625,000 for expenses incurred for the construction of the new Moo Booth display in the Cattle Barn; improvements to the Warner Coliseum valued at \$211,500; a structure valued at \$52,000; benches and recognition bricks valued at \$36,500, and other miscellaneous gifts valued at \$89,500, for a total of \$1,014,500 during fiscal 2009.

REQUIRED SUPPLEMENTARY INFORMATION

Actuarial Measures of Other Post Employment Benefits Funding Progress

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

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date (1)	2010 (1)	10/31/09
	2009	10/31/09
Actuarial Value of Plan Assets	2010	\$ -
	2009	\$ -
Actuarial Accrued Liability	2010	\$2,988,572
	2009	\$2,988,572
Total Unfunded Actuarial Liability	2010	\$2,988,572
	2009	\$2,988,572
Funded Ratio (2)	2010	0%
	2009	0%
Annual Covered Payroll	2010	\$4,284,124
	2009	\$4,284,124
Ratio of Unfunded Actuarial Liability to Annual Covered Payroll	2010	69.76%
	2009	69.76%

(1) The October 31, 2009, Annual Valuation Report is the most recently issued report available.

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

■ Minnesota State Fair Supporting Schedule – Revenues and Expenses

For the years ended October 31	2010	2009
OPERATING REVENUE		
Ticket sales:		
Carnival	\$ 5,365,996	\$ 5,499,906
Grandstand	3,667,658	2,615,060
Outside gate	14,690,504	14,583,308
Parking	1,192,935	1,232,779
Total ticket sales	24,917,093	23,931,053
Activities:		
Box office	563,289	510,260
Campgrounds	104,632	103,633
Carnival	83,402	85,004
Competition	331,142	271,282
Entertainment	38,370	37,400
Fine Arts	47,580	52,032
Forage	21,199	19,257
4-H Auction	360,389	341,240
Public Safety	11,965	10,187
Sales	7,639,887	6,649,538
Total activities	9,201,855	8,079,833
Other:		
Beef Expo	97,399	96,256
Licensee Utilities	250,216	236,910
Miscellaneous	114,638	59,759
Non-fair events	2,625,658	2,608,836
Sale of bulk milk	8,911	6,412
Sale of market animals	85,224	67,938
Sponsorships	756,350	795,200
Telephone	79,475	87,114
Utility Assessments	313,916	455,982
Total other	4,331,787	4,414,407
Total operating revenue	38,450,735	36,425,293

OPERATING EXPENSES

For the years ended October 31	2010	2009
Administrative:		
Administrative Services	284,412	309,386
Annual meeting	28,257	30,768
Bad debt	519	1,344
Computer	292,875	338,773
Dues and subscriptions	17,968	18,609
Insurance	257,748	244,377
Legal services	116,866	105,064
Legislative audit	67,510	64,915
Managerial services	430,102	409,196
Medical insurance	1,080,375	1,102,345
Paid leave	662,495	647,857
Postage and mailing service	103,829	103,982
Printing and supplies	77,877	86,104
Retirement fund	223,022	211,760
Social security	651,202	638,767
Support Services	118,936	91,202
Telephone	211,500	212,410
Travel expense	74,868	68,079
Unemployment compensation	118,909	65,862
Workers compensation	102,750	80,685
Total administrative	4,922,020	4,831,485
Activities and Support:		
Admissions	175,455	172,582
Advertising	938,760	898,073

Bee culture	10,240	9,744
Beef Expo	73,239	66,893
Box office	262,535	245,830
Campground	57,138	60,778
Carnival	4,041,970	4,120,840
Cattle	154,770	141,543
Christmas trees	6,369	4,840
Competition	536,394	525,700
Creative activities	80,450	76,531
Dairy products	1,747	1,613
Dog trials	2,832	3,027
Education	30,791	28,524
Farm crops	25,094	24,769
Finance	269,067	297,090
Fine arts	37,926	37,873
Flower and agriculture shows	50,404	48,300
Flowers	10,672	10,684
Forage	95,765	71,067
4-H Club	234,754	225,354
Free entertainment	1,287,128	1,141,423
Fruit	23,999	16,555
FFA	87,930	88,999
Gate tickets	276,837	266,311
Goats	5,848	4,877
Goats - Boer	2,383	1,812
Grandstand - concerts	4,208,729	3,075,246
Heritage exhibits	10,862	11,432
Horse and rodeo	188,825	192,068
Llamas	1,957	2,675
Marketing	763,624	670,973
Park & Ride	1,714,056	1,547,743
Parking	188,159	174,687
Poultry	15,288	14,198
Public safety	1,222,619	1,342,267
Sales	1,120,220	1,033,604
Sanitation	941,494	922,072
Senior citizens	7,569	11,036
Sheep	8,105	7,608
Swine	16,972	16,392
Ticket audit	7,221	7,708
Ticket promotion	324,535	279,067
Trams	35,114	35,000
Transportation	27,812	27,242
Vegetables	7,576	8,113
Total activities and support	19,591,234	17,970,763

Premiums:

Bee culture	3,594	3,822
Beef expo	20,496	20,402
Cattle	104,182	107,995
Christmas trees	2,825	2,645
Creative activities	15,227	15,047
Dairy products	1,125	1,125
Dog trials	1,110	1,110
Education	11,820	11,899
Farm crops	17,602	16,494
Fine arts	15,975	10,900
Fine arts sales	47,580	52,032
Flowers	2,812	2,377
4-H Auction	343,289	340,340
4-H Club	90,042	72,858
Fruit	2,246	2,333
FFA	79,903	82,373
Goats - Dairy	15,784	15,274
Goats - Boer	1,414	694

Horse	142,065	92,185
Llama	4,730	3,410
Poultry	9,619	10,099
Rural youth scholarships	20,000	20,000
Sale of bulk milk	5,638	6,412
Sale of market animals	89,683	67,948
Sheep	34,785	35,499
Swine	35,025	38,205
Talent contest	13,620	14,620
Vegetables	4,641	4,825
Total premiums	1,136,832	1,052,923
Other:		
Miscellaneous	145,167	61,083
Non-fair events	1,375,338	1,428,430
Veterinarian service	44,921	49,955
Total other	1,565,426	1,539,468
Plant operations:		
Architectural and engineering	194,113	107,213
Fire and police service	269,491	267,954
Fuel, oil and gasoline	97,343	85,449
Greenhouse	210,803	199,954
Operations	522,314	519,056
Property tax and assessments	8,319	8,233
Salaries and contract services	1,164,420	1,309,739
Set-up and take-down	1,531,017	1,577,021
Signs	72,990	75,283
Supplies	79,727	89,239
Utilities	414,251	522,049
Water and sewer	173,291	213,801
Total plant operations	4,738,079	4,974,991
Plant maintenance:		
Electric system	292,544	436,744
Fence and fixtures	25,168	97,878
Gas system	4,868	-
Land	137,855	197,950
Personal property	239,043	220,576
Sewer system	25,902	17,625
Streets and sidewalks	368,126	378,978
Structures	1,361,483	1,171,087
Vehicles	190,945	185,095
Water system	124,741	30,961
Total plant maintenance	2,770,675	2,736,894
Depreciation:		
Electric system	145,323	141,399
Fence and fixtures	55,507	44,178
Gas system	627	627
Land improvement	78,226	78,434
Personal property	176,826	181,744
Sewer system	138,750	138,750
Streets & sidewalks	51,307	51,307
Structures	1,875,033	1,823,751
Water system	8,396	17,666
Total depreciation	2,529,995	2,477,856
TOTAL OPERATING EXPENSE	37,254,261	35,584,380
Net operating revenue	1,196,474	840,913
NON-OPERATING INCOME (EXPENSES)		
Interest revenue	86,979	120,286
Grant revenue	352,735	1,014,533
Interest expense	(552,406)	(588,020)
CHANGE IN NET ASSETS (DEFICIT)	\$ 1,083,782	\$ 1,387,712



OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

FINANCIAL AUDIT DIVISION REPORT

State Agricultural Society

Financial Statement Audit

Two Years Ended October 31, 2010

June 30, 2011

Report 11-18

FINANCIAL AUDIT DIVISION

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June 30, 2011

Representative Michael Beard, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Denny Baker, President
State Agricultural Society Board of Managers

Members of the State Agricultural Society

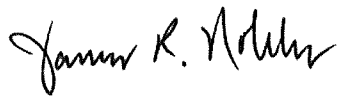
Mr. Jerry Hammer, Executive Vice President
State Agricultural Society

In auditing the State Agricultural Society's basic financial statements for the two years ended October 31, 2010, we considered internal controls over financial reporting. We also tested compliance with significant legal provisions impacting the basic financial statements. We did not identify any instances of noncompliance with legal provisions material to the financial statements. However, given the limited nature of our audit work, we do not express an overall opinion on the effectiveness of the State Agricultural Society's internal controls or compliance. In addition, our work may not have identified all significant control deficiencies or instances of noncompliance with legal requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. This report meets the audit standard requirements of the American Institute of Certified Public Accountants and the Government Accountability Office to communicate internal control matters identified in a financial statement audit. The audit was conducted by Jim Riebe, CPA, (Audit Manager), Carl Otto, CPA, (Audit Coordinator), assisted by auditors Blake Schwagel, Cynthia Gaertner, and Sandra Thole.

A deficiency in internal controls 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 controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal controls that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the State Agricultural Society's management and the Legislative Audit Commission and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which was released as a public document on June 30, 2011.



James R. Nobles
Legislative Auditor



Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

End of Fieldwork: April 22, 2011

Report Signed On: June 28, 2011

Report Summary

Conclusion

The State Agricultural Society's financial statements for the two years ended October 31, 2010, were fairly presented in all material respects. We did not identify any instances of noncompliance with legal provisions material to the financial statements or any deficiencies in internal controls that we considered to be material weaknesses.¹

The society resolved two prior audit findings by 1) consistently performing an independent review of payroll transactions, and 2) preparing a written contract for towing services and establishing a formal policy for service contracts.²

Audit Scope and Objectives

We audited the State Agricultural Society's basic financial statements for the two years ended October 31, 2010, and reviewed controls over financial operations and compliance with finance-related legal provisions. We also determined the status of the prior audit findings.

¹ A material weakness is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected on a timely basis.

² Minnesota Office of the Legislative Auditor, Financial Audit Division Report 10-19, *State Agricultural Society Financial Statement Audit, Two Years Ended October 31, 2009*, issued June 10, 2010.

**MINNESOTA STATE AGRICULTURAL SOCIETY
ANNUAL MEETING
January 15-16-17, 2010
Sheraton Bloomington Hotel, Bloomington**

The 151st 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 Friday Jan. 15 at the Sheraton Bloomington Hotel in Bloomington, Minn.

**MEETING OF THE BOARD OF MANAGERS
10:15 a.m. Friday Jan. 15, 2010**

Members present: Bob Lake, president; Joe Fox, vice president; D.J. Leary, vice president; Denny Baker; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also present: Jim Sinclair; Renee Pearson; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Mary Pittelko; Pam Mix; Pam Simon; Dennis Larson; Carol Doyle; Sean Casey; Chris Leach; Wally LeVesseur; Brienna Schuette; Tiffany Lindbeck; Nikki Hines; Bill McGrann; Sarah Psick; Joe Bagnoli.

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

Mr. Hammer presented an update on the U.S. fair industry, followed by a review of income and expense reports for fiscal '09. Mr. Jacobson and Mr. Hammer provided detailed information on sources of revenue and expense, '09 cash flow and a review of proposed capital improvements, maintenance and operating budgets for 2010. Finally, Mr. Hammer presented several income scenarios based on adjustments to various revenue sources.

State Fair counselors Bill McGrann, Sarah Psick and Joe Bagnoli reported on the upcoming session of the Minnesota legislature and issues that may affect the fair.

Following discussion, the meeting adjourned at 11:59 a.m. on a motion by Mr. Baker, seconded by Mr. Fox and carried (Aye-8; Nay-0).

**MEETING OF THE SALES COMMITTEE
2:30 p.m. Friday Jan. 15, 2010**

Members present: Joe Fox, chairman; D.J. Leary; Denny Baker; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Bob Lake, ex officio; Jerry Hammer, ex officio; Jim Sinclair, ex officio; Dennis Larson, ex officio; Pam Simon, ex officio.

Also present: Brian Hudalla; Renee Pearson; Marshall Jacobson; Cheryl Huber; Mary Miller; Mary Pittelko; Sean Casey; Chris Leach; Brienna Schuette; Wally LeVesseur; Pam Mix; Nikki Hines; Carol Doyle; Tiffany Lindbeck.

Chairman Fox called the meeting to order at 2:46 p.m.

Mr. Sinclair and Mr. Larson reviewed the report of sales revenue for '09, originally presented to the board at their Nov. 13, 2009, meeting. The report was approved as presented on a motion by Mr. Baker, seconded by Mr. Paulson and carried (Aye-7; Nay-0).

Mr. Hammer presented the following proposed food and beverage percentage fees and footage rates for the '10 fair:

Food and non-alcoholic beverage percentage:
12.5 percent to 15 percent

Front footage rates:
Concessions - \$100 per foot to \$105 per foot
Commercial exhibits - \$85 per foot to \$90 per foot
Institutional exhibits - \$60 per foot to \$70 per foot
Ag & industrial exhibits - \$10 per foot to \$30 per foot*

* As attrition occurs, new exhibitors will be licensed at standard exhibit and concession rates.

After discussion, the percentage fees and footage rates were approved as presented on a motion by Mr. Baker, seconded by Mr. Oleheiser and carried (Aye-7; Nay-0).

Mr. Sinclair presented the following list of attractions for the '10 fair along with proposed percentage of revenue license fees:

CONCESSIONAIRE	ATTRACTION	2009%	2010%
Big Adventures, Inc.	Turbo Bungy	25%	25%

D.M.C., Inc.	Skyride	25%	25%
Fun Adventures, Inc.	Rock Climbing Wall	25%	25%
Giant Ride, Inc.	Giant Slide	30%	30%
Grandstand Artist Merchandise Sales	Artist CD's/DVD's Other Merchandise	10% 20%	10% 20%
Hot Shot Thrill Rides	Sling Shot	25%	25%
K & M Recreation, Inc.	Haunted House	30%	30%
KMB Performance, Inc.	Go Carts	25%	25%
Mighty Midway and Kidway (Approved at 11/14/08) Mtg.)	Kidway Rides and Shows Midway Rides and Shows Games of Skill	43% 41% 23%	43% 41% 23%
River Raft Ride, Inc.	Raft Ride & Pirate Tag	22.5%	25%
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%
Ye Old Mill Amusements, Inc.	Canal Boat Ride	25%	25%

Underlined attractions are located in Adventure Park

The percentage fees above represent the fees payable to the Minnesota State Fair on receipts from ticket sales associated with operation of the preceding attractions. Percentages are applied as follows; state sales tax (7.125%) is deducted from gross receipts and reconciliation between the Minnesota State Fair and concessionaires is made on the net of tax balance.

After discussion, the attractions and percentage fees were approved as presented on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-7; Nay-0).

Mr. Sinclair presented the following list of recommended ticket prices for ticketed attractions:

CONCESSIONAIRE	ATTRACTION	2010 TICKET PRICE(S)
Big Adventures, Inc.	Turbo Bungy	\$5.00
D.M.C., Inc.	Skyride	\$3.00 one-way \$5.00 round trip
Fun Adventures, Inc.	Rock Climbing Wall	\$5.00
Giant Ride, Inc.	Giant Slide	\$2.00
Hot Shot Thrill Rides, Inc.	Sling Shot	\$25.00
K & M Recreation, Inc.	Haunted House	\$3.50 \$3.00 on Thurs., Aug. 26 (Thrifty Thursday); Mon., Aug. 30 (Seniors/Kids Day) and Mon., Sept. 6 (Kids/Last Chance Day)
KMB Performance, Inc.	Go Carts	\$6.00 for Driver \$4.00 for Passenger
Mighty Midway and Kidway	Rides, Shows and Games of Skill	\$.75 single \$20.00 for 30 tickets (\$.667 per) \$30.00 for 50 tickets (\$.600 per) \$10.00 for 20 tickets (\$.500 per)
River Raft Ride, Inc.	Raft Ride Pirate Tag	\$3.50 \$2.50
Skyfair, Inc.	SkyGlider	\$3.00 one way \$5.00 round trip
Skyscraper Two, Ltd.	Skyscraper	\$25.00
Spineless Wonders	Butterfly House	\$3.00

Tinsley Amusements, Inc.	Carousel	\$2.00
Ventnor Place, Inc.	Space Tower	\$3.00
Ye Old Mill Amusements, Inc.	Canal Boat Ride	\$3.00 **

** = Save \$.50 from opening until noon on Thurs., 8/26 (Thrifty Thursday), Mon., 8/30 (Seniors & Kids Day), Thurs., 9/2 (Seniors Day) and Mon., Labor Day, 9/6 (Kids and Last Chance Day)

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

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

Mr. Larson presented the following list of concessionaires recommended for beer and wine sales during the '10 State Fair:

Andrus Concessions, Inc. (Robert and Joseph Andrus)	Block 42	Arcade Building, Spaces 11-15 Brewed Malt Beverages
Ballpark Café, Inc. (Daniel and David Theisen)	Block 35	Crossroads, Space G, outside court Brewed Malt Beverages
Tres-C, Inc. dba Café Caribe (Joel and Mary Chesin)	Block 42	Arcade Building, Spaces 1-10 Brewed Malt Beverages
Chicago Dogs, Inc. (Bruce and Anne Chesin)	Block 35	Crossroads, Space L, east Brewed Malt Beverages
Coasters, Inc. (Paul and Diana Hohenwald)	Block 42	Arcade Building, Spaces 23-32 Brewed Malt Beverages
Werner's Frontier, Inc. (Richard C. Werner)	Block 42	Arcade Building, Spaces 16-22 Brewed Malt Beverages
Baxters BBQ, Inc. dba Famous Dave's (Randy Jernberg)	Block 28	Building 289A Brewed Malt Beverages
Giggles' Campfire Grill (Timothy Weiss)	Block 19	Lots 1 and 2 Brewed Malt Beverages
H.M.H. of Saint Paul, Inc. dba International Grill (Henry and Ellen Hanten)	Block 47	Bazaar, Space A Brewed Malt Beverages
Hildebrand Concessions, Inc. (Janice Hildebrand)	Block 28	Grandstand Seating Area Brewed Malt Beverages
Kirschner's Beer Stube (Robert J. Kirschner)	Block 45 Block 34	Ag-Hort Building - Space H Bandshell Brewed Malt Beverages
Lancer Management Services, Inc. (Glenn Baron)	Block 50	Coliseum, Spaces 113/159, 200/250, 212/213 & 268 Brewed Malt Beverages
Mintahoe, Inc. (Kelvin Lee)	Block 45	Agriculture/Horticulture Building Hall. Minnesota Produced Wine Only
Midway Men's Club (Albert Petschl)	Block 30	Lot S Brewed Malt Beverages
MJ Financial Group, Inc. dba Ragin Cajun (Marjorie Ann Jacob)	Block 35	Crossroads, Space H, west Brewed Malt Beverages
T. W. Concessions (Jerry Woldorsky)	Block 27	Heritage Square, Space Q Brewed Malt Beverages
Three Amigos, Inc. dba Tejas (Wayne Kostroski and Mark Haugen)	Block 35	Crossroads, Space K, north Brewed Malt Beverages
French Creperie (Marc & Tracy Vezies)	Block 36	1711 Carnes Ave Minnesota Produced Wine

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

Ms. Simon presented the following list of vendors recommended for multiple-site commercial exhibit and concessions for licensing at the '10 State Fair:

CONCESSION-EXHIBIT NAME	DESCRIPTION	SITES
Cenaiko Enterprises, Inc.	Chamios, Shami Mops, E-Z Can Openers	2
Compmark I Corporation	Space Pix Computer Portrait Products	2
Delrick Enterprises	Apples & Beverages	2
Edward and Sally Nuebel	Fish & Chips-Nut Products	2
Gary Crutchfield Concessions	Cheese on a Stick	2
Gary Larson	Popcorn, Caramel Corn & Caramel Apples	2
George Funk-Moon Beam Coffee	Leather Crafts-Coffee	2
Giant Ride, Inc.	Giant Slide-Cheese on a Stick	2
Holly's Hobby	Hand Crafts	2
Icee USA Corp.	Icee Frozen Beverages	2
James Cocker	Root Beer Barrel	2
James & Ethel Peters	Hot Dogs-Polish Sausage	2
Jerry Woldorsky	Buffalo Burgers and Beer	2
Larry Abdo-Gopher State Ice Co.	Pocket pies-Ice (Ice-wholesale permit only)	2
MRK - Marquette Financial Group	Financial Services	2
Mark Andrew	French Fries-S'Mores	2
Midwest Dairy Association	Ice Cream, Milk and Dairy Foods	2
Minn. Honey Producers	Honey, Honey Ice Cream & Candy	2
Minne-Kabob Foods	Kabobs	2
National Service Company	Jewelry Cleaner	2
Netterfield's Lemonade & Popcorn	Popcorn, Caramel Corn, Sausage, Corn Dogs, Burgers	2
Nomar, Inc.	Hokey Sweepers, Dusters, Brooms & Massage Pillows	2
Orange Treet Sales	Orange Treat Drink-Smooth- ies & Dairy Bar	2
Groscurth Concessions	Corn Dogs and Beverages	2
Tina Isaac	Sandwiches-Coffee	2
Wozniak Concessions, Inc.	French Fries	2
Gregofy J. Tetrault	Ice Cream, Sno Cones, Caramel Apples, Beverages	3
John Tysseling	Fried Mushrooms-Turkey Drumsticks-Apple Fritters	3
Kathy Yahr	Cotton Candy	3
Leah H. O'Neil	Hot Dogs on a Stick	3
Lynn Davis	Ice Cream, Sno Cones, Caramel Apples, Beverages	3
Maxine W. Davis	Ice Cream, Sno Cones, Caramel Apples, Baked Potatoes	3
Robert Crocker	Root Beer	3
Wee Dazzle	Novelties, Souvenirs & Toys	3
Eugene R. LaVaque	Sno Cones	4

Hannasch, Inc.	Sno Cones	4
James Hartley	Cotton Candy	4
Schroder Concessions, Inc.	Popcorn, Caramel Corn, Caramel Apples, Cheese Curds	4
Syndicate Sales Corp.	Vegetable Cutters, Knives, Salsa Maker, PVA Mops	4
Lancer Management Services, Inc.	Food, Beverages & Beer (Coliseum)	4
Hildebrand Concessions, Inc.	Food, Beverages & Beer (Grandstand)	5
Coca Cola	Coca Cola Soft Drinks & Merchandise	5
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

After discussion, the multiple site commercial exhibits and concession licensees were approved on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-7; Nay-0).

Mr. Sinclair presented a historical report on multiple-site exhibitors and concessionaires. Information only; no action taken.

The sales committee meeting was adjourned at 3:28 p.m. on a motion by Mr. Paulson, seconded by Mr. Baker and carried (Aye-7; Nay-0).

**MEETING OF THE BOARD OF MANAGERS
3:45 p.m. Friday Jan. 15, 2010**

Members Present: Bob Lake, president; Joe Fox, vice president; D.J. Leary, vice president; Denny Baker; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Sharon Wessel; Jerry Hammer, secretary.

Also Present: Kent Harbison, counselor.

President Lake called the meeting to order at 3:41 p.m. and declared the meeting in executive session.

The executive session was concluded and the meeting adjourned at 4:40 p.m.

**MEETING OF THE PLANNING COMMITTEE
10:15 a.m. Saturday Jan. 16, 2010**

Present: Sharon Wessel, chairman; Joe Fox; D.J. Leary; Denny Baker; Jim Foss; Paul Merkins; Ron Oleheiser; Al Paulson; Bob Lake, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Jim Sinclair, ex officio.

Also present: Renee Pearson; Marshall Jacobson; Mary Miller; Mark Goodrich; Dennis Larson; Pam Simon; Steve Grans; Michelle Butler; Sean Casey; Chris Leach; Myron Clasemann; Brienna Schuette; Susan Lynskey; Chris Schaeppi.

Chairman Wessel called the meeting to order at 10:15 a.m.

Mr. Hammer presented a study showing an economic impact of \$40 million in the Twin Cities during the past three years resulting from the State Fair's ongoing capital improvements and maintenance to the State Fairgrounds. Information only; no action taken.

Mr. Hudalla reviewed the budget for capital improvements and maintenance projects approved for '09 and offered a report on the costs of projects completed during the year. Information only; no action taken.

Mr. Hudalla provided a detailed report of recommended improvements and maintenance projects for '10 totaling \$5.4 million. Following is a summary of the complete project list, including projects previously approved at the Nov. 13, 2009, meeting of the board:

2010 MAINTENANCE & IMPROVEMENT BUDGET SUMMARY

A. Structure Improvements:	<u>\$2,180,000</u>
B. Land Improvements:	
BI. Fencing & Fixtures	<u>180,000</u>
BII. Land	<u>0</u>
BIII. Sewer System	<u>0</u>
BIV. Streets & Sidewalks	<u>0</u>
BV. Water Distribution System	<u>0</u>
BVI. Gas Distribution System	<u>0</u>
BVII. Land Purchases	<u>0</u>

TOTAL Land Improvements \$180,000

C. Personal Property \$215,100

D. Electric Plant: \$94,000

TOTAL Improvements \$2,669,100

E. Structure Maintenance: \$1,190,200

F. Land Maintenance:

 FI. Fencing & Fixtures 81,000

 FII. Land 162,500

 FIII. Sewer System 41,100

 FIV. Streets & Sidewalks 339,500

 FV. Water Distribution System 126,100

 FVI. Gas Distribution System 2,500

TOTAL Land Maintenance \$752,700

G. Personal Property Maintenance: \$262,300

H. Vehicle Maintenance: \$208,000

I. Electric Plant Maintenance: \$357,100

TOTAL Maintenance \$2,770,300

TOTAL Maintenance & Improvements \$5,439,400

Following review and discussion, Mr. Baker moved, Mr. Fox seconded and motion carried that the '10 improvements and maintenance budget be approved by the committee as presented and recommended to the full board for approval (Aye-7; Nay-0). Included in the motion was staff authority to adjust, shift, add or cancel specific line items as appropriate to accommodate changes that occur throughout the budget year.

The meeting of the planning committee was adjourned at 11:25 a.m. on a motion by Mr. Fox, seconded by Mr. Baker and carried (Aye-7; Nay-0).

**SOCIETY DISTRICT CAUCUSES
1:45 p.m. Saturday Jan. 16, 2010**

Society delegates from the second, sixth, seventh and eighth regional districts met in caucus to certify nominees for election to the Society's board of managers during the Society's general business session on Sunday Jan. 17. Selected were Paul Merkins of Stewart (second district), Joe Scapanski of Sauk Rapids (sixth district), Wally Wichmann of Balaton (seventh district) and Ron Oleheiser of Grand Rapids (eighth district).

**GENERAL BUSINESS SESSION OF THE SOCIETY
8 a.m. Sunday Jan. 17, 2010**

Minnesota State Agricultural Society delegates, staff and friends of the Society met for breakfast and convened in general session at 8:28 a.m. when President Lake opened the meeting and asked Secretary Jerry Hammer for his report.

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

President Lake called for a report of the resolutions committee. Committee member Jim Sadler of Anoka County presented the following resolutions for consideration by the Society:

1. Resolved, that the Minnesota State Agricultural Society express its gratitude to the 1,790,497 visitors who attended the 2009 Minnesota State Fair, making it the best attended fair in history, and we acknowledge that the fair's existence depends on the loyalty of those visitors.

2. Resolved, that the State Fair is Minnesota's favorite tradition and most beloved event, and an institution of great economic benefit that provides more than \$187 million in statewide economic impact and upwards of 5,600 jobs every year.

3. Resolved, that the Minnesota State Fair confirms its mission to present the finest exposition in North America by educating and involving guests while providing a world-class showcase that is innovative, entertaining and fun. Let it be further resolved, that the Society honors the traditions deeply rooted in attending and contributing to this educational and culturally rich event, and in doing so pledges to showcase Minnesota's finest agriculture; present an unparalleled forum for knowledge and ideas; offer exceptional value; create unique experiences; provide outstanding customer service; and make the event accessible to all.

4. Resolved, that the ongoing success of the fair is achieved through the dedication and efforts of many people, and the Society is extremely grateful to all who contributed to the success of the 2009 Great Minnesota Get-Together, including staff, volunteers, the board of managers, exhibitors, vendors,

entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of FFA and 4-H.

5. Resolved, that the Society appreciates the benefits it realizes from affiliations and strong relationships with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association and Midwest Showmen's Association.

6. Resolved, the Minnesota State Fair is an essential part of our state's social fabric, uniting country and city for more than 150 years at one of the most beloved events in the world, and

Whereas, the State Fair brilliantly fulfills its mission by providing unparalleled educational opportunity and a world-famous forum for knowledge and ideas for all citizens, worthy of its title as the Great Minnesota Get-Together, and

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

Whereas, the flexible learning proposal resolution adopted by 25 Minnesota school districts would allow schools to open prior to Labor Day contrary to State Law upheld time after time by the State Legislature, and

Whereas, this particular proposal would deprive tens of thousands of Minnesotans of the opportunity to attend the Great Minnesota Get-Together on school days, and

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

Whereas, the early school openings that would be permitted by the flexible learning proposal would have a significant negative impact on Minnesota's tourism, hospitality and resort industries and a major loss of the revenue they provide to the state in its uphill struggle to produce a balanced budget.

Now Therefore Be It Resolved, that the membership of the Minnesota State Agricultural Society strongly urges that the flexible learning proposal be denied, and that current State Law requiring Minnesota's schools to open no earlier than the traditional end of summer on Labor Day be supported, ensuring that children and families from throughout the state can fully participate in the historic, educational and culturally rich Minnesota State Fair.

7. Resolved, we recognize with great regret the loss of Society members and State Fair friends in the last year including: Gene Gerth, State Fair board of managers - 6th District; Charlie Irish, concessionaire; Lee Roy Johnson, former concessionaire; Ray Komischke, long-time State Fair Orchestra conductor; Joan Krieger, competition participant and 50-Year Award winner; George Lorenz, sheep exhibitor and 50-Year Award recipient; Refugio "Coke" Mendez, long-time concessionaire; Bob Peterson, State Fair Police officer; Brutus Schwirtz, Grandstand production manager; Mike Wilken, State Fair Police officer; Joe Yahr, former concessionaire; and Tom Zarden, concessionaire.

8. Resolved, that the Society extend its thanks and sincere appreciation to all who contributed to the success of its 151st annual meeting.

The resolutions were adopted as read.

President Lake called for a report of the credentials committee by Dan Dolan of Washington County. The committee report was presented as follows and adopted as read:

All credentials have been found to be in order with the following exceptions:

Minnesota Farmers Union was not received to the Secretary of State by 12/20/09.

Minnesota Fruit & Vegetable Growers Association was not received to the Secretary of State by 12/20/09.

Minnesota Turkey Growers Association was not received to the Secretary of State by 12/20/09.

Following the committee reports, President Lake conducted an election for the office of president of the Society for a term of one year. Denny Baker of Spicer was elected and assumed the chair.

President Baker then proceeded to conduct elections as follows: Bob Lake was elected to honorary life membership in the Society; D.J. Leary of Minneapolis was elected to a two-year term as fifth district vice president; Paul Merkins of

Stewart was re-elected to a three-year term as second district manager; Joe Scapanski of Sauk Rapids was elected to serve the one-year balance of an unexpired three-year term as sixth district manager; Wally Wichmann of Balaton was elected to serve the two-year balance of a three-year term as seventh district manager; and Ron Oleheiser was re-elected to a three-year term as eighth district manager.

There being no further business, President Baker declared the 151st meeting of the State Agricultural Society adjourned.

MEETING OF THE BOARD OF MANAGERS 10:30 a.m. Sunday Jan. 17, 2010

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

Also present: Jim Sinclair; Renee Pearson; Brian Hudalla; Marshall Jacobson; Cheryl Huber; Mary Miller; Mark Goodrich; Michelle Butler; Marie LeFebvre; Gail Anderson; Steve Grans; Pam Simon; Dennis Larson; Carol Doyle; Mary Pittelko; Wally LeVesseur; Pam Mix; Theresa Weinfurter; Susan Lynskey; Kay Cady; Lindsay Dickson.

President Baker called the meeting to order at 10:51 a.m. and welcomed new board members.

Ms. Huber administered oaths of office to newly-elected board members as follows: Denny Baker of Spicer, president (one-year term); D.J. Leary of Minneapolis, vice president (two-year term); Paul Merkins of Stewart, second district manager (three-year term); Joe Scapanski of Sauk Rapids, sixth district manager (one-year balance of unexpired three-year term); Wally Wichmann of Balaton, seventh district manager (two-year balance of unexpired three-year term); Ron Oleheiser of Grand Rapids, eighth district manager (three-year term).

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

Minutes of the board meeting conducted Nov. 13, 2009, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Nov. 13, 2009, through Jan. 15, 2010, were approved on a motion by Ms. Wessel, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Mr. Jacobson presented the financial statement for Dec. 31, 2009, as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY Month Ending December 31, 2009

OPERATING ACCOUNT ACTIVITY:

Cash Balance-Nov. 30, 2009		\$3,972,700
Add: Cash Deposits	\$232,589	
Less: Payroll Ending Dec. 11	(183,526)	
Payroll Ending Dec. 24	(197,502)	
Cash Disbursements	(738,824)	(887,263)
Cash Balance-Dec. 31, 2009		\$3,085,437

BUILDING FUND ACTIVITY:

Balance-Nov. 30, 2009		\$449
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Dec. 31, 2009		\$449

CONSTRUCTION FUND ACTIVITY:

Balance-Nov. 30, 2009		\$13,451
Add: Interest Earned		
Balance-Dec. 31, 2009		\$13,451

CASH BALANCES FOR MONTH ENDING DECEMBER 31:

	2008	2009
General Fund	\$55,701	\$3,085,437
Petty Cash	5,600	5,600
Money Market Account	2,446,562	-
Building Fund	447	449
Construction Fund	13,373	13,451
Total Cash Balances	\$2,521,683	\$3,104,937

After discussion, the financial statement was approved on a motion by Mr. Fox,

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

Mr. Jacobson presented recommendations for the Society's designated depository, signature authorization and security funds transfer as follows:

Bremer Bank was designated as the depository for the Society's operating account, payroll account and premium fund account with the following signatory authority: Operating account – Gerald Hammer, Marshall Jacobson and Renee Pearson (any combination of two signatures) with "Hammer/Jacobson" signature imprint authorized for operating account; Regular and fair-period payroll account - Gerald Hammer or Renee Pearson (one signature) with "Hammer" signature imprint authorized for payroll funds; Premium account - Gerald Hammer or V. James Sinclair (one signature) with "Hammer" signature imprint authorized for premium account; Security fund transfer resolution - Gerald Hammer or Marshall Jacobson. After discussion, the preceding was approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

The following standing committee appointments for 2010 were reviewed by President Baker:

Finance Committee - Oleheiser, chairman; Foss; Fox; Paulson; Wessel; Scapanski; Baker, ex officio; Hammer, ex officio; Jacobson, ex officio.

Governmental Affairs Committee - Merkins, chairman; Foss; Leary; Oleheiser; Paulson; Wichmann; Baker, ex officio; Hammer, ex officio; Pearson, ex officio; Hudalla, ex officio.

Honors Committee - Leary, chairman (two years); Blakey (one year); Fox (one year); Frost (one year); Pearson (two years); Baker, ex officio; Hammer, ex officio.

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

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

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

Public Affairs Committee - Fox, chairman; Foss; Leary; Merkins; Paulson; Scapanski; Baker, ex officio; Hammer, ex officio; Pearson, ex officio.

Rules & Premium List Committee - Foss, chairman; Fox; Oleheiser; Paulson; Wessel; Wichmann; Baker, ex officio; Hammer, ex officio; Goodrich, ex officio; Butler, ex officio; LeFebvre, ex officio.

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

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

President Baker presented the following board liaison and department superintendent appointments for 2010:

Administration - Oleheiser

Employment Office - Wessel (Rita Witting, superintendent)
Seniors - Leary (Marge Krueger, superintendent)

Competition - Wessel

Bee Culture – Merkins (Winnie Johnson, superintendent)
Beef Cattle - Wichmann (Chuck Schwartau, superintendent)
Christmas Trees - Merkins (Greg Ustruck, superintendent)
Creative Activities - Leary (Curt Pederson, superintendent)
Dairy Cattle - Scapanski (Larry Tande, superintendent)
Dairy & Boer Goats - Wessel (Kevin LeVoir & Heidi Greniger, superintendents)
Dairy Products – Scapanski (Gene Watnaas, superintendent)
Dog Trials - Oleheiser (JoAnna Yund, superintendent)
Education - Fox (Florence Newton, superintendent)
English Horses – Foss (Gary Florke, superintendent)
Farm Crops - Merkins (Ron Kelsey, superintendent)
Fine Arts - Leary (Bob Meyer, superintendent)
Flowers - Merkins (Phyllis Andrews, superintendent)
4-H - Paulson (Brad Rugg, superintendent)

Fruits - Merkins (Louis Quast, superintendent)
FFA - Wessel (Duane Hutton, superintendent)
Llamas - Wichmann (Jen Rouillard, superintendent)
Milking Parlor - Paulson (Doris Mold, superintendent)
Miracle of Birth Center - Wessel (Jim Ertl, superintendent)
Poultry - Paulson (John Thomforde, superintendent)
Sheep - Foss (Jo Bernard, superintendent)
Swine - Leary (Jerry Hawton, superintendent)
Vegetables - Merkins (Phil Klint, superintendent)
Western Horses - Foss (Gloria Enger, superintendent)

Entertainment - Fox

Grandstand Production - Foss
Heritage Exhibits - Wichmann (Jan Bankey, superintendent)

Finance - Fox

Fair-time Payroll - Paulson (Jenny Marshall, superintendent)
Ticket Audit - Leary (Dick Reinhardt, superintendent)
Ticket Sales - Fox (Ken Wagner, superintendent)

Marketing - Oleheiser

Operations - Fox

Admissions - Paulson (Dave Woodis, superintendent)
Park & Ride - Scapanski (Dick Anderson, superintendent)
Parking - Scapanski (Jim Benz, superintendent)
Public Safety - Oleheiser (Art Blakey, superintendent)
Sanitation - Oleheiser (Brad Vier, superintendent)

Sales - Foss

Attraction Ticket Takers - Wichmann (Jerri Longlet &
Richard Carlson, co-supts.)

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

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

OPERATIONS COMMITTEE MEETING

Present: Sharon Wessel, chairman; Jim Foss; Joe Fox; D.J. Leary; Paul Merkins; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio.

Chairman Wessel called the meeting to order.

Mr. Hammer presented the following gate admission policy for the '10 State Fair for consideration:

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

The gate admission policy was adopted as presented on a motion by Mr. Foss, seconded by Mr. Fox 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. Fox, seconded by Mr. Merkins and carried (Aye-4; Nay-1 (Leary)).

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

PUBLIC AFFAIRS COMMITTEE MEETING

Present: Joe Fox, chairman; Jim Foss; D.J. Leary; Paul Merkins; Al Paulson; Joe Scapanski; Denny Baker, ex officio; Jerry Hammer, ex officio; Renee Pearson, ex officio.

Chairman Fox called the meeting to order.

Ms. Pearson presented advertising and marketing budgets for '10. After discussion, the budgets were approved on a motion by Mr. Paulson, seconded by Mr. Merkins and carried (Aye-5; Nay-0).

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

RULES & PREMIUM LIST COMMITTEE MEETING

Present: Jim Foss, chairman; Joe Fox; Ron Oleheiser; Al Paulson; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio;

Mark Goodrich, ex officio; Michelle Butler, ex officio; Marie LeFebvre, ex officio.

Chairman Foss called the meeting to order.

After discussion, 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 2010 budget on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-5; Nay-0).

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

FINANCE COMMITTEE MEETING

Present: Ron Oleheiser, chairman; Jim Foss; Joe Fox; Al Paulson; Joe Scapanski; Sharon Wessel; Denny Baker, ex officio; Jerry Hammer, ex officio; Marshall Jacobson, ex officio.

Chairman Oleheiser called the meeting to order.

Mr. Hammer presented the improvements, maintenance and operating budgets that were reviewed and approved by the planning committee Jan. 16. After further discussion, the budgets were approved by the finance committee on a motion by Mr. Fox, seconded by Mr. Foss and carried (Aye-5; Nay-0).

Mr. Jacobson reviewed activity of Grandstand renovation and livestock roof replacement bond accounts. Information only; no action taken.

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

President Baker reconvened the meeting of the full board.

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

Proposed outside gate admission fees for the 2010 State Fair were presented by Mr. Hammer as follows:

Adults (13-64)	\$11
Seniors (65 and over)	\$9
Children (5-12)	\$8
Kids under 5	Free
Seniors & Kids Days promotions	\$6
Thrifty Thursday Adults & Seniors	\$9
Thrifty Thursday Children	\$6
Tuesday promotion (13 & over)	\$9
All-ages pre-fair discount	\$9

After discussion, the admission fee schedule for the '10 fair was approved as presented on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Mr. Hudalla reviewed the Society's current agreements with five building trades contractors providing a variety of services. After discussion, a three-year contract for plumbing and heating services was approved for McQuillan Brothers Plumbing on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Ms. Schuette reviewed the meeting of the Society's life member advisory committee conducted earlier that morning. Information only; no action taken.

Ms. Pearson reported on the status of Grandstand entertainment bookings for the '10 State Fair. Information only; no action required.

The proposal to allow early school openings in 25 southwest Minnesota school districts was discussed. On a motion by Mr. Paulson, seconded by Mr. Fox and carried, Mr. Hammer was authorized to forward a copy of the Society resolution passed earlier that morning in support of the post-Labor Day school statute to county fairs located in those school districts (Aye-9; Nay-0).

The meeting was adjourned at noon on a motion by Mr. Foss, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES Jan. 18 through Feb. 28, 2010

January

20 - The State Fair employee safety committee met at Libby Conference Center.

21 - State Fair Chief of Police Art Blakey was crowned the St. Paul Winter Carnival's King Boreas Rex LXXIV.

22 - The St. Paul Winter Carnival snow sculpting competition was held at the Kidway lot.

23-28 - Sinclair attended and spoke at the annual convention of the Western Fairs Association in Reno, Nev.

25-30 - Anderson attended the International Ticketing Association's annual conference and board meeting in Toronto, Ontario.

27 - The Minnesota Safety Council conducted a defensive driving class for 53 staff members at Libby Conference Center. Hammer conducted a board member orientation session with Joe Scapanski and Wally Wichmann.

30-31 - Hammer attended the annual meeting of the Mid-West Fairs Association and the South Florida Fair in West Palm Beach, Fla.

February

1-3 - Pearson attended a meeting of the International Entertainment Buyers Association board in Nashville, Tenn.

2 - Twenty staff members attended a first aid and CPR training session presented by the Minnesota Safety Council.

4 - Goodrich, Butler, LeFebvre and Pooch met with State Fair veterinarians regarding services at the Beef Expo.

5 - Sinclair, Hudalla and Leach met with Rob Jacobs and Mark Olson of PRT Partners, LLC, to discuss their proposal for a personal rapid transit test track at the State Fairgrounds.

7 - The Frigid 5 K race, presented by the Sporting Life, was held at the Warner Coliseum and various roadways around the fairgrounds.

9 - The federally-mandated Right To Know training program for full-time staff was conducted at the Libby Conference Center. Hammer participated in an orientation session for new State Fair Foundation board members at the J.V. Bailey House.

10 - A presentation on the State Fair's deferred compensation program was held for full-time staff at the Libby Conference Center.

11 - Sinclair and Larson met with Gregg Knight, David Finger and Jeff Watson to discuss operations of their Preferred Pickle concession. Butler and fine arts superintendent Bob Meyers met with representatives of the Minneapolis College of Art & Design to discuss possible partnerships to produce fine arts programs.

13 - Donnelly attended the Minnesota Limousin Association annual meeting in Glencoe.

16 - Sinclair, Simon, Goodrich and Melstrom met with representatives of Lester Building Systems to discuss livestock stalling and judging facilities.

16-19 - Hudalla, Casey and Clasemann attended the IAFE Spring Maintenance Seminar hosted by the Tulsa State Fair in Tulsa, Okla.

24 - A meeting of full-time staff was held at the Libby Conference Center.

25 - President Baker and Huber met with staff of the Sheraton Bloomington Hotel to review the 2010 annual meeting of the Society and to discuss the needs for the 2011 meeting. Board member Foss and Hammer participated in meetings of the State Fair Foundation's development and finance committees met at the J.V. Bailey House.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD 9 a.m. Friday March 1, 2010 Libby Conference Center, State Fairgrounds

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

Also present: Karen Frost; Jim Sinclair; Renee Pearson; Brian Hudalla; Marshall Jacobson; Mark Goodrich; Mary Miller; Michelle Butler; Dennis Larson; Pam Simon; Carol Doyle; Dani Vavreck; Brianna Schuette; Brooke Dillon; Theresa Weinfurter; Tiffany Lindbeck; Susan Lynskey; Lindsay Dickson.

President Baker called the meeting to order at 9 a.m.

Minutes from the Society board meetings, committee meetings and general business sessions conducted Jan. 15 through 17, 2010, were approved on a

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

Minutes covering interim activities from Jan. 18 through Feb. 28 were approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Mr. Jacobson presented the February 2010 financial statement as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending February, 2010**

OPERATING ACCOUNT ACTIVITY:

Cash Balance-Jan. 31, 2010		\$2,335,173
Add: Cash Deposits	\$102,429	
Less: Payroll Ending Feb. 5	(181,863)	
Payroll Ending Feb. 19	(182,772)	
Cash Disbursements	(448,856)	(711,062)
Cash Balance-Feb. 28, 2010		\$1,624,111

BUILDING FUND ACTIVITY:

Balance-Jan. 31, 2010		\$449
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Feb. 28, 2010		\$449

CONSTRUCTION FUND ACTIVITY:

Balance-Jan. 31, 2010		\$13,456
Add: Interest Earned		-
Balance-Feb. 28, 2010		\$13,456

CASH BALANCES FOR MONTH ENDING FEBRUARY 28:

	2009	2010
General Fund	\$17,540	\$1,624,111
Petty Cash	15,600	20,600
Money Market Account	1,070,382	-
Building Fund	448	449
Construction Fund	13,409	13,456
Total Cash Balances	\$1,117,379	\$1,658,616

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

Mr. Hammer and senior staff reviewed the organizational chart for the board and described in detail the functions of the fair's various full-time departments. Information only; no action taken.

Mr. Hammer provided an update of issues at the state legislature that affect the State Fair. After discussion, the board adopted the following resolution on a motion by Ms. Wessel, seconded by Mr. Merkins and carried (Aye-9; Nay-0):

**MINNESOTA STATE AGRICULTURAL SOCIETY
Resolution - March 1, 2010**

Whereas, the Minnesota State Fair is one of the largest and most beloved events in the world and an essential part of our state's social fabric that provides unparalleled educational opportunity for all citizens to earn its title as the Great Minnesota Get-Together, and

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

Whereas, despite being voted down in the Legislature year after year, legislation has once again been introduced to allow schools to open prior to Labor Day, and

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

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

Whereas, Minnesota and this great nation continue to be buried by the worst economic disaster since the Great Depression more than 75 years ago, and

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

Whereas, keeping the present law preventing school from starting before Labor Day costs taxpayers nothing, while a change in law allowing schools to open early would have a significant negative impact on Minnesota's tourism, hospitality and resort industries and a major loss of the revenue they provide to the state in its uphill struggle to fund education and produce a balanced budget.

Now Therefore Be It Resolved, that the board of managers of the Minnesota State Agricultural Society strongly urges all state lawmakers to support the State Law that requires Minnesota's schools to open no earlier than the traditional end of summer on Labor Day, ensuring that children and families from throughout the state can fully participate in the historic, educational and culturally rich Minnesota State Fair.

Mr. Sinclair provided an update of activities in the sales division, including background on St. Bernard's dining hall at 1626 Dan Patch Ave., and the decision of St. Bernard's Parish of St. Paul to discontinue their concession operation at the State Fair. On a motion by Ms. Wessel, seconded by Mr. Fox and carried, the Society will offer to purchase the concession structure from St. Bernard's for the appraised value of \$108,000 and re-sell the structure to a new owner-operator to be selected by staff through a request-for-proposal process (Aye-8; Nay-1 (Leary)).

Mr. Goodrich updated the board on activities within the competition division for the upcoming fair. Information only; no action taken.

Ms. Pearson reported on the changing landscape in live entertainment ticket sales and bookings, and the marketing plan for the '10 State Fair. After discussion, the board approved the following promotion on a motion by Mr. Foss, seconded by Mr. Paulson and carried (Aye-9; Nay-0):

Read & Ride Day, Wednesday Sept. 1 - A gate discount promotion for the day offering \$9 admission for adults (13 through 64), \$6 admission for children (5-12) and \$6 admission for seniors (65 and over) who present a valid library card at the gate, plus discounts and other promotions throughout the day for all fair guests on Mighty Midway and Kidway rides and games.

Ms. Lindbeck reviewed the 2010 schedule of more than 110 non-fair events scheduled for the State Fairgrounds. Information only; no action taken.

Mr. Hudalla and Mr. Goodrich provided an update on improvements and maintenance projects currently underway. Information only; no action taken.

A review of State Fair Foundation activities was provided by Ms. Dickson and Mr. Foss. Information only; no action taken.

President Baker reviewed a meeting that he and Ms. Huber had with staff of the Sheraton Bloomington Hotel regarding the Society's annual meeting at the facility.

The meeting was called into executive session at 11:35 a.m. on a motion by Mr. Foss, seconded by Mr. Paulson and carried (Aye-9; Nay-0). President Baker declared the executive session and board meeting adjourned at 12:10 p.m.

**MINNESOTA STATE AGRICULTURAL SOCIETY
MINUTES OF INTERIM ACTIVITIES
March 1 through May 20, 2010**

March

5 - Sinclair and Larson met with Dan and George Wozniak to discuss their concession operation at the fair.

11 - Pearson, Schuette and McGough met with representatives of Titan to discuss bus side advertising.

12-14 - The Minnesota Deer Classic & Outdoor Expo was held at the Warner Coliseum.

15 - Hammer spoke at a meeting of the Cumberland Kiwanis Club in Cumberland, Wis.

18 - McGough attended a meeting of the Governor's Council on Fire Prevention to discuss State Fair activities.

20-21 - The Minnesota Weapons Collectors Association presented their annual winter show at the Warner Coliseum.

22-24 - Simon, Butler, Weinfurter, Lynskey, Leach, Barnett and Fournier, along with board members Baker, Foss, Oleheiser, Paulson, Scapanski, Wessel and Wichmann, attended the IAFE Zone 4 spring meeting in Grand Forks, N.D.

23 - McGough met with representatives of Minnesota STEM education (Science, Technology, Engineering and Math) to discuss activities at the upcoming fair.

27-28 - The Gopher State Timing Association Rod & Custom Spectacular auto show was held at the Warner Coliseum.

29 - Sinclair, Goodrich, Vavreck and Simon met with representatives of Lester Building Systems to discuss their State Fair exhibit and their interest in livestock area construction projects.

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

April

1 - Pearson, Anderson and LeVesseur discussed information technology related to ticket sales with Ticketmaster.

5 - McGough met with Dave Bessler of KS95 Radio to discuss State Fair activities.

6 - Sinclair, Jacobson and Vavreck met with representatives of American Express to discuss sponsorship opportunities at the '10 fair. Grans and McGough met with representatives of Metro Transit, the Metropolitan Valley Transit Authority and Southwest Transit to discuss bus operations for the upcoming fair.

7 - Schuette spoke to students at Como Park High School regarding State Fair entertainment and marketing.

8 - Huber participated in a vendor show presented by the Minnesota Employers Recreation & Services Council. The first of four media training sessions, presented by Mathe Communications, were held; participants in the sessions included Blakey, Sinclair, Pearson, Hudalla, Goodrich, Simon, Larson, Schuette, Butler, LeFebvre, Leach, Grans, Dillon, Donnelly, Dickson and Mold.

8-11 - The St. Paul Osman Temple Shrine Circus was presented at the Warner Coliseum.

12 - McGough had meetings with Minnesota Public Radio and City Pages to discuss advertising and promotions.

13 - Goldstein met with representatives of Pounce internet provider service to discuss features for the State Fair's web site.

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

15 - Baker, Foss, Hammer, Goodrich and Donnelly met with the executive committee of the Minnesota Livestock Breeders Association.

16-18 - The Super Golf Sale, presented by Blue Star Productions, was conducted at the Dairy Building. Munchkin Market's Children's Consignment Sale was held at the Merchandise Mart.

16-19 - Hammer, Sinclair, Pearson, Hudalla and Huber attended the IAFE spring management conference in Richmond, Va.

17-18 - Prime Promotions Antique Spectacular & Flea Market was held at the Grandstand and Infield. The Minnesota Weapons Collectors Spring Show & Sale was presented at the Education Building. The Minneapolis - St. Paul Spring Military Relics Show was conducted at the Progress Center.

19 - Vavreck and Schuette met with representatives of Kemps dairy products to discuss sponsorship and promotions.

19-20 - Anderson attended a meeting of the International Ticketing Association in New York, N.Y.

20 - Blood-borne pathogen training was presented to staff at the Libby Conference Center.

21 - Huber, Miller and Sertich attended a seminar on employment law presented by the law firm of Gray Plant Mooty. Schuette and McGough met with representatives of KS95 Radio to discuss station activities at the '10 fair.

22 - Pearson met with I.A.T.S.E. stagehands union representatives to discuss pay scales for the upcoming fair.

23 - Sinclair and Simon met with representatives of the Chinatown Minnesota concession to discuss a move to the Food Building. The first of four training sessions on employment hiring and payroll procedures were presented to State

Fair department superintendents by Mix and Sertich; other sessions were held May 6 and 7.

23-24 - The Active Living Bike Expo was held at the Education Building.

23-25 - The Minnesota Horse Expo was presented at the Warner Coliseum and livestock complex.

25 - The First Fifty Auto Club's Parts Sale & Swap Meet was conducted on the north parking lots.

26 - Schuette, McGough and Dillon met with representatives of Clear Channel Radio to discuss activities of their stations at the upcoming fair. Schuette and McGough met with representatives of KARE-TV to discuss their activities at this year's fair.

27 - Anderson attended a hearing of the Minnesota House of Representatives commerce committee regarding legislation dealing with event ticket sales. Hudalla, Leach and Pittelko met with the St. Paul Fire Department to discuss operations along with the ongoing agreement for public safety services. Miller and Mix attended a presentation on long-term care insurance.

29 - Fox and Hammer participated in a meeting of the State Fair Foundation's strategic planning committee at the J. V. Bailey House. Butler and Simon visited an agriculture photo exhibit at the University of Minnesota's Bell Museum, and discussed the possibility of incorporating the photos into new agriculture display in the Agriculture-Horticulture Building.

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

May

1 - The St. Paul Craftstravaganza, presented by Andy and Jenna Krueger, was held at the Fine Arts Center.

1-2 - The Living Green Expo was presented at the Grandstand and surrounding plaza.

2 - The Northland Toy, Doll & Advertising Show was held at the Progress Center. Gopher State Buick's Spring Extravaganza & Swap Meet was presented on Machinery Hill.

3 - Leadership training sessions were attended by middle management staff.

4 - Sinclair, Simon, Casey and Leach met with representatives of Short Elliot Hendrickson Inc. and the University of Minnesota to discuss a possible joint project to operate an anaerobic digester at the U's St. Paul campus. Anderson, Grans and McGough attended a meeting with Metro Transit to discuss transit operations and promotions for the '10 fair.

6 - Hammer participated in a meeting of the State Fair Foundation's development committee at the J.V. Bailey House.

6-9 - The FASH Saddlebred Horse Show was presented at the Warner Coliseum and livestock complex.

7-9 - The Friends School of Minnesota Plant Sale was conducted at the Grandstand.

8 - The Spring Model Railroad Show & Sale was held at the Education Building. MidAmerica Auctions held their 22nd Annual Minnesota Motorcycle Auction at the Progress Center.

10 - Butler and Weinfurter conducted a conference call with representatives of the Western Washington Fair in Puyallup to assist them with development of a youth advisory committee.

10-14 - Police departments from throughout the region conducted the first of several training sessions on the midway lot.

11 - Hammer, Sinclair and Leach attended the 10th Anniversary Celebration of the Roseville Visitors Association, where the State Fair received an award as Attraction of the Year. Goldstein evaluated student web sites as part of the Hennepin Technical College web design program. Dillon, McGough and Schuette met with representatives of MyTalk 107 Radio and ESPN AM 1500 Radio to their activities at the upcoming fair. Mix attended a meeting of the Ramsey County Job Security Employers Committee.

12 - Sinclair, Casey, Schuette and Dillon met with representatives of KMSP-TV to discuss an alternative site option for their State Fair exhibit and to review station activities for the '10 State Fair. Goldstein met with Pounce internet services to discuss web site features.

12-15 - The YMCA of Greater St. Paul's Spring Garage Sale was conducted at

the Merchandise Mart.

13 - Foss and Hammer participated in a meeting of the State Fair Foundation's Finance Committee at the J.V. Bailey House.

14 - "Wheel of Fortune" TV game show showcased a prize package featuring the Minnesota State Fair.

14-16 - Art On A Line, presented by the North Star Watercolor Society, was held at the Fine Arts Center.

15-16 - The MCBA Springcon Comic Book Convention was conducted at the Grandstand. The Rubber Stamp and Scrapbook Expo was presented at the Progress Center.

19 - The State Fair employee safety committee met at the Libby Conference Center.

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE SALES COMMITTEE & GOVERNING BOARD
9 a.m. Friday May 21, 2010
Ruttger's Bay Lake Lodge, Deerwood Minn.**

MEETING OF THE SALES COMMITTEE

Members present: Jim Foss, chairman; Joe Fox; D. J. Leary; Paul Merkins; Ron Oleheiser; Al Paulson; Joe Scapanski; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio.

Also present: Cheryl Huber.

Chairman Foss called the meeting to order at 9:07 a.m.

After discussion, the sale of the former St. Bernard's Dining Hall concession at 1626 Dan Patch Ave. to O'Gara's Bar & Grill dba O'Gara's At The Fair was approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

On a motion by Mr. Fox, seconded by Ms. Wessel and carried, the Chinatown Minnesota concession structures at 1314 Nelson St. were purchased for \$30,000 (Aye-8; Nay-0).

A license to sell beer during the 2010 State Fair was approved for O'Gara's At The Fair on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

Dino's Gyros was granted a license to sell beer at the 2010 State Fair on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-8; Nay-0).

Hot Shot Thrill Rides was approved to present their Maxxx Super Flyyy attraction at Adventure Park for a ticket price of \$15 and a percentage fee payment of 25 percent net of 7.125 state sales tax on a motion by Mr. Scapanski, seconded by Mr. Paulson and carried (Aye-8; Nay-1).

A request to adjust 2010 ticket prices for the River Raft Ride and Pirate Tag attractions to \$4 and \$3 respectively was reviewed and approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-8; Nay-0). Ticket prices of \$3.50 for the River Raft Ride and \$2.50 for Pirate Tag had been approved in at the January 2010 meeting of the board.

A request to adjust 2010 the ticket price for the Haunted House attraction from \$3.50 to \$4.50 was reviewed. The current \$3.50 price was approved during the January 2010 meeting of the board. After discussion, a 50-cent adjustment to \$4 per ticket was approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-7; Nay-1 (Leary)).

A request by Demas Enterprises Inc. for a reduction in the standard Mighty Midway percentage fee of 41 percent to 25 percent for his Rock-It attraction due to the level of investment in the ride was denied on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

A request by S.J. Entertainment Inc. for a reduction in the standard midway percentage fee of 41 percent to 25 percent for the Wind Storm Roller Coaster was presented, based on logistical costs associated with set-up and take-down, plus the level of investment in the ride. After discussion, a reduction to 30 percent for the five-year financing period was approved on a motion by Mr. Merkins, seconded by Ms. Wessel and carried (Aye-7; Nay-1 (Leary)).

Mr. Hammer presented a list of rides and games for the Mighty Midway and Kidway at the 2010 State Fair. Information only; no action required.

The sales committee meeting adjourned at 10:20 a.m. on a motion by Mr. Paulson, seconded by Mr. Fox and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Cheryl Huber.

President Baker called the meeting to order at 10:27 a.m.

Minutes from the board meeting conducted March 1, 2010, were reviewed and approved on a motion by Mr. Foss, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period March 1 through May 20 were approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

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

Mr. Hammer presented the finance statement for April as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending April 30, 2010**

GENERAL FUND ACTIVITY:

Cash Balance-Mar. 31, 2010		\$528,300
Add: Cash Deposits	\$2,473,234	
Less: Payroll Ending Apr. 2, 2010	(207,367)	
Payroll Ending Apr. 16, 2010	(237,658)	
Payroll Ending Apr. 30, 2010		
Cash Disbursements	(1,054,084)	756,071
Cash Balance-Apr. 30, 2010		\$1,284,371

BUILDING FUND ACTIVITY:

Balance-Mar. 31, 2010		\$449
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Apr. 30, 2010		\$449

CONSTRUCTION FUND ACTIVITY:

Balance-Mar. 31, 2010		\$13,418
Add: Interest Earned		7
Balance-Apr. 30, 2010		\$13,425

CASH BALANCES FOR MONTH ENDING APRIL 30:

	2009	2010
Operating Account	\$528,300	\$345,797
Petty Cash	5,600	5,600
Money Market Account	26,200	-
Building Fund	449	449
Construction Fund	13,425	13,457
Total Cash Balances	\$573,974	\$365,303

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

Mr. Hammer presented State Fair Resolution 10-01 authorizing the amendment of the State Fair 2009 Subordinated Indebtedness Note to extend the maturity thereof and authorizing certain other actions. The complete resolution is on file at the Society offices on the State Fairgrounds and the Minnesota State Attorney General's office. The resolution was approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Hammer presented payroll projections for the upcoming fair totaling \$2.3 million for 78 departments. After discussion, the projections were approved on a motion by Ms. Wessel, seconded by Mr. Merkins and carried (Aye-9; Nay-0).

Mr. Hammer presented the following recommendations for full-time job classifications and salary ranges:

Operating Classification (Title: Specialist)

Recommended weekly range: \$520 to \$956 (\$27,040 to \$49,712 yearly)

Intermediate & Professional Classification (Title: Supervisor)

Recommended weekly range: \$700 to \$1,062 (\$36,400 to \$55,224 yearly)

Middle Management Classification * (Title: Manager)

Recommended weekly range: \$880 to \$1,600 (\$45,760 to \$83,200 yearly)

Executive Classification *

(Titles: Director, Controller, Executive Administrator, Deputy GM)
Recommended weekly range: \$1,260 to \$2,196 (\$65,520 to \$114,192 yearly)

* Exempt from overtime

After discussion, the job classifications and salary ranges were approved as presented on a motion by Mr. Oleheiser, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Hammer reviewed the current status of the annual audit of Society accounts by the Office of the Legislative Auditor. Information only; no action required.

Mr. Hammer gave an overview of entertainment scheduled for the '10 fair, and followed with a presentation of the following list of contracts for consideration:

CONTRACTOR	DATES	TERMS	VENUE
American Fireworks Display Co. (Fireworks)	8/26-9/6	\$35,000	Grandstand
P.E.S.O., Inc. (Concert Ushers)	8/26-9/6	Payable upon receipt of invoice \$15.85/hour per person	Grandstand
A.S.I.A., Inc. (Concert Security)	8/26-9/6	Payable upon receipt of invoice \$17.95/hour per person	Grandstand
Premier Global Productions Company, Inc. (Lighting)	8/26-9/6	\$26,500	Grandstand
Mark Anderson (Grandstand Superintendent)	8/26-9/6	\$17,588	Grandstand
Freestyle Productions, Inc. (Video)	8/26-9/6	\$54,947	Grandstand
Premier Global Productions Company, Inc. (Stage/Roof)	8/26-9/6	\$86,000	Grandstand
Eat Your Heart Out Catering	8/26-9/6	\$15,000 advance plus balance of approved invoices	Grandstand
BoDeans, Inc. f/s/o BoDeans	8/26	\$60,000 plus 80% over \$205,000	Grandstand
Big Head Todd and the Monsters Inc. f/s/o Big Head Todd and the Monsters	8/26	\$45,000 flat	Grandstand
By-Tour Inc. f/s/o Rush	8/27	\$450,000 plus 90% over \$550,000	Grandstand
JHT1 Inc. f/s/o Julianne Hough	8/28	\$25,000 flat	Grandstand
Wheedle Touring, Inc. f/s/o Amos Lee	8/29	\$20,000 flat	Grandstand
Seether Touring, Inc. f/s/o Seether	8/30	\$75,000 plus 50% over \$245,000	Grandstand
Hinder Touring Inc. f/s/o Hinder	8/30	\$50,000 plus 30% over \$245,000	Grandstand
Southern Squire, LLC f/s/o Black Stone Cherry	8/30	\$17,500 flat	Grandstand
MercyMe, Inc. f/s/o MercyMe	9/2	\$60,000 plus 80% over \$200,000	Grandstand
Jeremy Camp LLC f/s/o Jeremy Camp	9/3	\$40,000 flat	Grandstand
GAPP 2002, Ltd. f/s/o KISS	9/4	\$550,000 flat	Grandstand
GAPP 2002, Ltd. f/s/o KISS	9/4	\$25,000 production fee	Grandstand
Minnesota Public Radio f/s/o A Prairie Home Companion	9/5	60% of net box office receipts	Grandstand

The Nitty Gritty Dirt Band, Inc.	8/28-8/29	\$50,000 flat	Bandshell Tonight
Maybaby, Inc. f/s/o Roseanne Cash	8/30-8/31	\$52,500 flat	Bandshell Tonight
Family Stone Project, LLC. f/s/o Family Stone	9/3-9/4	\$40,000 flat	Bandshell Tonight
The Lost Trailers, LLC f/s/o The Lost Trailers	9/5-9/6	\$20,000 flat	Bandshell Tonight
Geno Delafosse	8/26-8/27	\$10,000 flat	Bandshell Day
Tonic Sol-fa, Inc.	8/28-8/29	\$7,600 flat	Bandshell Day
George Entrepreneurial Enterprises, Inc. f/s/o Bellagala Big Band	8/30-8/31	\$4,600 flat	Bandshell Day
QSB Entertainment LLC f/s/o Quebe Sisters Band	8/30-8/31	\$8,000 flat	Bandshell Day
Lisa Fuglie d/b/a Monroe Crossing	9/1-9/2	\$5,000 flat	Bandshell Day
Steve Meisner	9/1-9/2	\$3,200 flat	Bandshell Day
Caitlin Crosby	9/3-9/4	\$10,000 flat	Bandshell Day
Jim Lauderdale	9/3-9/4	\$11,000 flat	Bandshell Day
Abalone Dots Touring, Inc. f/s/o Abalone Dots	9/5-9/6	\$10,000 flat	Bandshell Day
Marcoux Corner	9/5-9/6	\$5,000 flat	Bandshell Day
Eddie Blazonczyk's Versatones	9/5-9/6	\$6,000 flat	Bandshell Day
Eric McKee f/s/o Neil Dynamite	8/26-8/27	\$2,000 flat	Bazaar At Night
Sotarico LLC f/s/o Maria Isa	8/28-8/29	\$4,000 flat	Bazaar At Night
Terence J. Walsh f/s/o Belfast Cowboys	8/30-8/31	\$3,000 flat	Bazaar At Night
KOT Enterprises f/s/o Power of 10	9/1-9/2	\$3,000 flat	Bazaar At Night
RBMUSIC Works f/s/o Sisters of Swing In Concert	8/26-8/27	\$3,000 flat	Bazaar Day
John Wright dba New Folk Productions f/s/o Lehto & Wright	8/26-8/27	\$3,500 flat	Bazaar Day
Francis Kofi f/s/o Hayor Bibimma African Dance	8/28-8/29	\$3,000 flat	Bazaar Day
Stevie Ray's Improv Comedy Company	8/28-8/29	\$3,000 flat	Bazaar Day
Bolivar Burga f/s/o Atahualpa	8/30-8/31	\$2,000 flat	Bazaar Day
Daniel A. Newton f/s/o Cafe Accordion Orchestra	8/30-8/31	\$3,000 flat	Bazaar Day
Larry Yazzie f/s/o Native Pride Dancers	9/1-9/2	\$3,500 flat	Bazaar Day
Jack Brass Band	9/1-9/2	\$2,400 flat	Bazaar Day
Pavel Jany dba Ticket to Brasil	9/3-9/4	\$2,500 flat	Bazaar Day
Ejid Mfalingundi f/s/o Innocent	9/3-9/4	\$3,000 flat	Bazaar Day
Donna Pena f/s/o Flor Y Canto	9/5-9/6	\$3,600 flat	Bazaar Day
Eric Buss	8/26-8/27	\$1,800 flat	Family Fair at Baldwin Park
BC Characters, Inc.	8/26-9/6	\$30,360 flat	Family Fair at Baldwin Park

Sean Emery	8/26-9/6	\$11,400 flat	Family Fair at Baldwin Park
William A Hale	8/28-8/29	\$1,800 flat	Family Fair at Baldwin Park
Recycling by Nature, Inc. f/s/o The Bubble Show	8/30-8/31	\$2,100 flat	Family Fair at Baldwin Park
Knock Wood LLC f/s/o James Wedgwood	9/1-9/2	\$1,700 flat	Family Fair at Baldwin Park
Okee Dokee Music LLC	9/3-9/4	\$2,500 flat	Family Fair at Baldwin Park
Kerry Christensen	8/26-8/27	\$2,500 flat	Heritage Square
The Pines Music LLC	8/26-8/27	\$3,000 flat	Heritage Square
Wild Goose Chase Cloggers	8/26-8/27	\$1,500 flat	Heritage Square
Minnesota State Fiddler's Association	8/28-8/29	\$3,175 flat	Heritage Square
Rick Crowder f/s/o Sourdough Slim	8/28-8/29	\$2,500 flat	Heritage Square
Brad Alzen d/b/a The Alzen Family Bluegrass Band	8/30-8/31	\$2,000 flat	Heritage Square
The New North String Band	8/30-8/31	\$1,500 flat	Heritage Square
Past Presentations, LLC (Log Cabin)	8/26-9/6	\$5,900 flat	Heritage Square
Premier Global Production Company, Inc. (Heritage Square Stage)	8/26-9/6	\$6,500	Heritage Square
Elisa Wright f/s/o Galactic Cowboy Orchestra	9/1-9/2	\$2,500 flat	Heritage Square
Dale Dahmen f/s/o Dale Dahmen & The Polka Beats	9/1-9/2	\$1,800 flat	Heritage Square
Dan Israel f/s/o Dan Israel and the Cultivators	9/3-9/4	\$2,000 flat	Heritage Square
Minnesota Bluegrass and Old Time Music Association	9/3-9/4	\$3,175 flat	Heritage Square
Eagle Vision Marketing, Inc. f/s/o Tommy Jennings	9/3-9/4	\$6,000 flat	Heritage Square
Richard Yurkovich f/s/o Richie Yurkovich & Polkarioty	9/5-9/6	\$1,800 flat	Heritage Square
Brian Wicklund f/s/o Brian Wicklund and Ten Penny Nail	9/5-9/6	\$3,000 flat	Heritage Square
Lumberjack Sports International Inc. f/s/o IRONJACK Timber Team	8/26-9/6	\$34,000 flat	North Woods
Ron Schara Enterprises, LLC	8/26-9/6	\$8,000 flat	North Woods
Action Sports of Minnesota dba 3rd Lair Skatepark	8/26-9/6	\$43,000 flat	X-Zone
Joseph J. Schimml	8/26-8/29	\$720 flat	Old Iron Show
Duane Rolstad	8/26-8/29	\$720 flat	Old Iron Show
David Lewerer	8/26-9/4	\$1,200 flat	Old Iron Show
Steve Bauer	8/26-9/6	\$2,700 flat	Old Iron Show
James Birk	8/26-9/6	\$1,440 flat	Old Iron Show
C. John Deschene	8/26-9/6	\$1,200 flat	Old Iron Show
Robert D. Wilson	8/26-9/6	\$1,440 flat	Old Iron Show
Dean Sabinske	8/26-9/6	\$1,440 flat	Old Iron Show
Tri-State Judging Association	8/26-9/5	\$2,100 flat	Parade
Richard Dufault	8/26-9/5	\$2,310 flat	Parade
Jeff Goldsmith	8/26-9/5	\$1,620 flat	Parade

Sedra Bisotdeau	9/5	\$450 flat	Talent Contest
Liv Redpath	9/5	\$50 flat	Talent Contest
Julius Andrews IV	9/5	\$50 flat	Talent Contest
Rick Recker	8/29	\$350 flat	Milk Run
Dan Sparkman	8/29	\$50 flat	Milk Run
Robert Bingham f/s/o Bingham & Thorne	8/26-8/27	\$1,200 flat	Ramberg
James Newkirk f/s/o Singleton Street	8/26-8/27	\$1,200 flat	Ramberg
Soren Oleson f/s/o Sloughgrass	8/28-8/29	\$1,000 flat	Ramberg
Ernest James Torok f/s/o Pig's Eye Jass Band	8/28-8/29	\$1,200 flat	Ramberg
Patrick J. Gallivan f/s/o Gallivanter's	8/30-8/31	\$600 flat	Ramberg
Rodney S. Cerar f/s/o Rod Cerar Orchestra	8/30-8/31	\$1,100 flat	Ramberg
James P. Berner	9/1-9/2	\$800 flat	Ramberg
Joel Olson f/s/o Whistlepigs	9/1-9/2	\$1,500 flat	Ramberg
Charles Thief f/s/o Chuck Thiel & The Jolly Ramblers	9/3-9/4	\$1,400 flat	Ramberg
Glen Hanson	9/3-9/4	\$1,400 flat	Ramberg
James Shannon	9/5-9/6	\$400 flat	Ramberg
Bill Koncar	9/5-9/6	\$1,000 flat	Ramberg
Rock-It The Robot, Inc	8/26-9/6	\$11,400 flat	Misc Attractions
West Texas Productions, Inc. f/s/o ShenaniGuns!	8/26-9/6	\$30,000 flat	Misc Attractions

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

The following board-hosted functions during the fair were approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0): Minnesota Federation of County Fairs board lunch, Friday Aug. 27; Society Hall of Fame and Life Members lunch, Sunday Aug. 29; and Minnesota Livestock Breeders Association breakfast, Thursday Sept. 2.

The following parking fees for the 2010 State Fair were approved on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-9; Nay-0): Vehicles - \$11 or a \$9 advance gate admission ticket; motorcycles - \$5.

Mr. Foss and Mr. Hammer presented an update on State Fair Foundation activities. Information only.

The meeting adjourned at 11:59 a.m. on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES May 20 through Aug. 26, 2010

May

21 - Social Media Breakfast of Minneapolis and St. Paul presented a program at the Progress Center.

21 - June 6 - The Major Appliance Liquidation Event was held at the Education Building.

22 - Mid-America's Spring Classic Car Auction was presented at the Grandstand.

26 - Hammer and Jacobson met with staff of the Office of the Legislative Auditor for an audit exit conference.

28-31 - The Minnesota American Quarter Horse Association Corporate Challenge was presented at the Warner Coliseum and livestock facilities.

June

2 - A staff training session on electrical safety was held at the Libby Conference Center.

3 - Baker, Goodrich and Donnelly toured State Fair livestock facilities with board members of the Minnesota Livestock Breeders. Blood-borne pathogen training for staff was held at the Libby Conference Center.

4 - Sinclair and McGough met with Rob Goldberg of 96 NOW Radio to discuss a broadcast site and facility.

4-6 - The Great American Gem Show & Sale was held at the Progress Center.

5 - Marketing staff promoted the State Fair at Shoreview Public Library's Summer Readers event.

5-6 - The Minnesota Antique Dealers Show was presented at the Fine Arts Center.

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

7 - Goodrich and LeFebvre attended a 4-H leadership meeting in Minneapolis.

7-10 - The 4-H Youth Leadership Event was held at the 4-H Building and Baldwin Park.

8 - Category 6 Racing Squad conducted a bicycle race on various roadways north of Dan Patch Avenue.

9 - The original artwork for the 2010 State Fair poster, created by Minnesota artist Deborah Voyda Rogers, was formally unveiled at the J.V. Bailey House. Pearson participated in a meeting of International Entertainment Buyers Association in Nashville, Tenn. Mix attended the Fair Hiring Forum at the University of St. Thomas Opus College of Business, and a meeting of the St. Paul Human Resources Association.

9-13 - The Region 10 Arabian Horse Show was held at the Warner Coliseum and livestock facilities.

11 - Goodrich and Butler met with the State Fair horse show barn manager to discuss stalling.

11-12 - The Vintage Motorcycle Show was held at the Progress Center. The South Como lot was used as shuttle parking for the Minnesota State High School League track and field championships.

15 - Category 6 Racing Squad conducted a bicycle race on various roadways north of Dan Patch Avenue. Schuette and Dillon attended WCCO-TV's morning news meeting and met with station representatives.

16 - The first of 11 weekly presentations for State Fair full-time and seasonal staff was held at the Bandshell.

17 - Sinclair and Hines met with David Garrett of Hass and Wilkerson Insurance to discuss midway and attraction insurance.

18-20 - The Minnesota Street Rod Association presented their annual Back To The '50s weekend, utilizing the entire fairgrounds and many exhibit buildings.

22 - Category 6 Racing Squad held a bicycle race on various roadways north of Dan Patch Avenue. Schuette and Dillon met with representatives of KARE 11 TV regarding news coverage of the upcoming fair.

23 - Sinclair met with representatives of KMSP-TV to discuss their new exhibit site. Schuette and Dillon met with representatives of KMSP-TV regarding news coverage of the '10 State Fair.

23-26 - The Tanbark Cavalcade of Roses Horse Show was presented at the Warner Coliseum and livestock facilities.

25 - Schuette offered a presentation to students of the Summer Academy at Highland Elementary School in Columbia Heights.

25-26 - The Twin Cities Book Fair, presented by the Midwest Antiquarian Booksellers Association, was held at the Progress Center. Cat's Pajamas Productions held the Vintage Clothing, Jewelry & Textile Show at the Fine Arts Center.

25-27 - The Star of the North Antique Show, presented by Townsend Promotions, was held at the Education Building.

28-30 - Sinclair represented the IAFE at the Royal Agricultural Society of the Commonwealth Conference in Edinburgh, Scotland, and attended the Royal Highland Show of Scotland.

29 - Category 6 Racing Squad bicycle race was held on the north side of the fairgrounds. Staff were trained on fire extinguisher use and safety.

July

1-4 - The North Star Morgan Americana Horse Show was held at the Warner Coliseum and livestock complex.

3-4 - The south Como parking lots were used by the Twin Cities Hmong Festival, held at Como Park.

7 - Hammer and Pearson gave a presentation to a group of educators participating in the North Metro Carl Perkins Consortium.

9-11 - The Super Golf Sale, presented by Blue Star Promotions, was held at the Education Building.

10 - The Ethiopian Kids Community Summer Mehaber was held at the International Bazaar.

11 - Radio Rey's Mexican Rodeo was presented at the Warner Coliseum.

13 - Mix attended a meeting of the Ramsey County Job Security Employers Committee.

14 - Sinclair, Hudalla, Simon and Leach met with representatives of Short Elliot Hendrickson, Inc., to discuss potential for a waste to energy anaerobic digester facility in cooperation with the University of Minnesota.

14-18 - The American Quarter Horse Association Region 3 Experience Horse Show was held at the Warner Coliseum and livestock facilities.

16 - Hammer participated in a meeting of the State Fair Foundation's development committee at the J.V. Bailey House. Jacobson, Huber, LeVesseur, Hallstead and Sertich attended the first of two h.r. software training sessions.

16-18 - The Car Craft Summer Nationals auto show was held throughout the fairgrounds.

18 - Hammer visited the Ramsey County Fair in Maplewood.

19 - A meeting of the staff safety committee was held at the Libby Conference Center.

20 - Sinclair and McGough met with representatives of Clear Channel to discuss their various radio station activities at the upcoming fair.

23 - Schuette and Dillon attended a meeting of the Social Media Breakfast of Minneapolis and St. Paul in Arden Hills.

24 - The Cops 'n' Rodders Law Enforcement car show was held on Machinery Hill.

28 - Sinclair, Pearson, Goodrich, Larson, LeFebvre and Schuette met with representatives of 4-H and the Minnesota Department of Health at the Libby Conference Center.

28-29 - Apex Performance conducted a Volkswagen Vehicle Training Tour at the Grandstand parking lots.

29 - Sinclair, Simon and McGough met with representatives of Fox Sports Network to discuss site needs and activities at the upcoming fair.

30 - Goodrich and Butler met with State Fair draft horse superintendent and barn manager to discuss stalling.

August

1 - Commercial exhibit setup began for the 2010 State Fair.

2 - Current and former staff along with many friends and associates attended a retirement celebration for Deputy General Manager Karen Frost.

3 - The State Fair Foundation hosted leadership of Twin Cities Chambers of Commerce to a tour of the fairgrounds.

4 - Years of Service Awards were presented at a meeting of full-time staff.

5-8 - The North Central Reining Futurity and Derby Show was held at the Warner Coliseum and livestock facilities.

6-7 - Hammer, Sinclair, Hudalla and Leach visited the Wisconsin State Fair in West Allis.

9 - The State Fair Youth Advisory Team met at Libby Conference Center. Preparations for Midway and Kidway setup began.

11 - Orientation for Care & Assistance staff was held at the Libby Conference Center.

12 - The State Fair Foundation hosted a meeting of the Minnesota State Historical Society's North Star Circle, followed by a tour of the fairgrounds. Hammer met with Falcon Heights' Mayor Peter Lindberg and City Manager

Justin Miller for an update.

14 - State Fair Youth Advisory Team presented their second annual State Fair Sneak A Peak event at the Mall of America. Orientation for guest services staff was held at the Libby Conference Center.

17 - Foss and Hammer participated in a meeting of the State Fair Foundation's finance committee at the J. V. Bailey House. Judging for the Outstanding Senior Citizens program was held at the Libby Conference Center. Huber, Miller, Pittelko and Schuldts participated in a workers' compensation webinar.

19 - More than 550 people, including many fair staff and board members, attended the State Fair Foundation's annual Taste of the Fair fund raising event at the International Bazaar.

21 - The State Fair staff's Around The Fair Committee hosted a pancake breakfast and pre-fair program for full-time and seasonal staff at the 4-H Building.

24 - A preview of the 98th Annual State Fair Fine Arts Exhibition was held at the Fine Arts Center.

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

26 - The 2010 edition of the Great Minnesota Get-Together opened at 6 a.m.

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE GOVERNING BOARD
10 a.m. Friday Aug. 27, 2010
Officer Quarters, State Fairgrounds**

Members present: Denny Baker, president; Joe Fox, vice president; Jim Foss; Paul Merkins; Sharon Wessel; Joe Scapanski; Wally Wichmann; Ron Oleheiser; Al Paulson; Jerry Hammer, secretary.

Also present: Kent Harbison; Sarah Psick; Bill McGrann.

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

Minutes of the Society's board and sales committee meetings conducted May 21, 2010, were reviewed and approved on a motion by Mr. Leary, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period May 22 through Aug. 25 were approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Hammer presented the financial statement for July, 2010, as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending July 31, 2010**

OPERATING ACCOUNT ACTIVITY:

Cash Balance-June 30, 2010		\$1,712,578
Add: Cash Deposits	\$2,448,526	
Less: Payroll Ending July 9	(326,307)	
Payroll Ending July 23	(256,943)	
Cash Disbursements	(1,927,958)	(62,682)
Cash Balance-July 31, 2010		\$1,649,896

BUILDING FUND ACTIVITY:

Balance-June 30, 2010		\$449
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-July 31, 2010		\$449

CONSTRUCTION FUND ACTIVITY:

Balance-June 30, 2010		\$13,458
Add: Interest Earned		
Balance-July 31, 2010		\$13,458

CASH BALANCES FOR MONTH ENDING JULY 31:

	2009	2010
Operating Account	\$1,160,462	\$1,649,896
Petty Cash	18,455	5,600
Building Fund	449	449
Construction Fund	13,443	13,458
Total Cash Balances	\$1,192,809	\$1,669,403

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

Sarah Psick and Bill McGrann reported on the 2010 session of the Minnesota Legislature and legislation affecting the Society. Information only; no action required.

The report of the Office of the Legislative Auditor on the Society's financial activities for 2009 was reviewed and approved on a motion by Mr. Fox, seconded by Mr. Paulson and carried.

The board meeting was recessed for a meeting of the sales committee on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Sales committee chairman Foss called the committee meeting to order.

Mr. Hammer presented the following requests for multiple site concessions:

Icee USA Corp. (two sites to three); third site added on block 13 at X Zone.

Batten Industries (one site to two); second site added in Lower Grandstand.

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

Mr. Hammer presented the following Adventure Park attraction for consideration:

Eurobungy USA Corp.'s Eurobobbles, fee of 25 percent, \$5 ticket price. The percentage fee represents the fee payable to the State Fair on receipts from ticket sales associated with operation of the attraction. Percentages are applied as follows; state sales tax (7.125 percent) is deducted from gross receipts and reconciliation between the State Fair and concessionaire is made on the net of tax balance.

After discussion, the ticket percentage fee and ticket price were approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-8; Nay-0).

The sales committee meeting was adjourned on a motion by Mr. Fox, seconded by Mr. Merkins and carried (Aye-8; Nay-0).

President Baker reconvened the meeting of the board.

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

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

CONTRACTOR	DATES	TERMS	VENUE
Clair Brothers Audio, Inc. (GS Sound)	9/6	\$65,345	Grandstand Production
Road Dog Touring, Inc. f/s/o Tim McGraw	8/28	\$500,000 plus 80% over \$625,000	Grandstand Artist
Phantom 309 Productions, Inc. f/s/o Brandi Carlile	8/29	\$75,000 plus 80% over \$195,000 after \$1.00/ticket sold to Looking Out Foundation	Grandstand Artist
Watson Twins	8/29	\$500	Grandstand Artist
Looking Out Foundation	8/29	\$1.00 per ticket sold	Grandstand Artist
Lion Cub f/s/o Carrie Underwood	8/31	\$500,000 plus 80% over \$615,000	Grandstand Artist
SOS, Inc f/s/o Sons of Sylvia	8/31	\$15,000 flat	Grandstand Artist
Ear Booker Enterprises, Inc f/s/o "Weird Al" Yankovic	9/1	\$60,000 plus 75% over \$160,000	Grandstand Artist
Joel Hanson	9/2	\$2,000 flat	Grandstand Artist

Remedy Music Group f/s/o The Envy	9/4	\$1,000 flat	Grandstand Artist
The Envy, Inc.	9/4	\$200 catering buyout	Grandstand Artist
Dukes of September Rhythm Revue, Inc.	9/6	\$300,000 plus 85% over \$400,000	Grandstand Artist
Funzalow, Inc. f/s/o BOYZ II MEN	8/26-8/27	\$40,000 flat	Bandshell Tonight
Trampled By Turtles	9/1-9/2	\$20,000 flat	Bandshell Tonight
Jeff Allen McManus	8/26-8/27	\$8,000 flat	Bandshell Day
Open Road Records LLC f/s/o Gwen Sebastian	8/26-8/27	\$7,000 flat	Bandshell Day
Cherryholmes LLC f/s/o Cherryholmes	8/28-8/29	\$12,000 flat	Bandshell Day
Jason D. Williams	8/28-8/29	\$12,000 flat	Bandshell Day
David Ball DBA Alcolu Inc	8/30-8/31	\$9,000 flat	Bandshell Day
Haygoods Family Enterprises Inc.	9/1-9/2	\$12,500 flat	Bandshell Day
InPulse	9/3-9/4	\$4,000 flat	Bandshell Day
V & C Griggs, LLC f/s/o Crazy Keys Dueling Pianos	9/5-9/6	\$3,000 flat	Bandshell Day
Douglas Vickers Little f/s/o Charanga Tropical	9/5-9/6	\$4,000 flat	Bazaar Day
Martin Dosh	9/3-9/4	\$6,000 flat	Bazaar at Night
Alison Scott	9/5-9/6	\$3,000 flat	Bazaar at Night
Howard Waistein f/s/o Kidsdance	9/5-9/6	\$2,000 flat	Family Fair at Baldwin Park
David Mariette (Blacksmith)	8/26-8/31	\$2,050 flat	Heritage Square
Roger Abrahamson (Woodturner)	8/26-9/6	\$3,400 flat	Heritage Square
Joel Miller	9/1-9/6	\$2,800 flat	Heritage Square
Romantica Music LLC	8/28-8/29	\$3,500 flat	Heritage Square Evening
Billy McLaughlin	8/30-8/31	\$6,000 flat	Heritage Square Evening
Owen Lee Recordings, LLC f/s/o Martin Zellar	9/1-9/2	\$6,000 flat	Heritage Square Evening
Roma di Luna	9/5-9/6	\$2,000 flat	Heritage Square Evening
Robert L. Lenz	8/26-8/31	\$630 flat	Old Iron Show
William A. Griesbach	8/30-9/2	\$560 flat	Old Iron Show
Duane Jon Stanley	8/30-9/2	\$560 flat	Old Iron Show
Elwyn Juenke	8/30-9/2	\$720 flat	Old Iron Show
James M. Quirk	8/26-9/2	\$900 flat	Old Iron Show
Lorraine Quirk	8/26-9/2	\$900 flat	Old Iron Show
Kenneth Scott	9/3-9/6	\$240 flat	Old Iron Show
Derold V. McDonough	8/26-9/6	\$2,520 flat	Old Iron Show
Delores Nelson	9/3-9/6	\$240 flat	Old Iron Show
Lee Jason Sackett	8/26-9/6	\$6,300 flat	Old Iron Show

Glen William Westphal	8/26-9/6	\$720 flat	Old Iron Show
Christopher J. Chadwick	8/26-9/6	\$720 flat	Old Iron Show
DeVon Lark	8/30-9/6	\$720 flat	Old Iron Show
Luther J. Melby	8/26-9/6	\$1,570 flat	Old Iron Show
Marion Nohner	9/3-9/6	\$240 flat	Old Iron Show
Paul Husby f/s/o St. Anthony Park Community Band	8/27	\$100 flat	Parade
Twin Cities Unicycle Club	8/27	\$400 flat	Parade
Richard Danaher	8/27	\$300 flat	Parade
St. Paul Police Department	8/28	\$250 flat	Parade
Minnesota Pipes and Drums	8/28	\$1,200 flat	Parade
PedalPub Twin Cities, LLC	8/28	\$430 flat	Parade
Barebones Productions	8/26-9/2	\$3,200 flat	Parade
Minnesota "Over-60" Band	9/2	\$400 flat	Parade
Crow River Drumline Association	9/3-9/5	\$2,250 flat	Parade
Jack Brass Band	9/3-9/6	\$3,800 flat	Parade
University of Minnesota	9/4	\$1,500 flat	Parade
Women's Drum Center	9/4-9/5	\$400 flat	Parade
ArtCars of Minnesota, LLC	8/26-9/6	\$600 flat	Parade
Puppet Farm Arts	9/3-9/5	\$900 flat	Parade
Robert G. Summerbell f/s/o Wacky Wheeler	8/26-9/6	\$6,300 flat	Parade
Rodney W. Hart f/s/o Meadowind Miniatures	8/26-9/6	\$6,600	Parade
Ernest James Torok	9/6	\$560 flat	Parade
Susan M. Hirschmugl	8/26-9/6	\$3,900 flat	Parade

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

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

Recipients of the Ben C. Hallberg Rural Youth Scholarships for 2010 were presented by Mr. Hammer:

Jacob Achen of Sauk Centre; Craig Barta of Faribault; Kelsey Bourne of Maynard; Kelsey Brandt of LeSueur; Kathryn Dahl of Luverne; Randene Davis of Glenville; Heidi Enninga of Fulda; Mary Faber of Sherburn; Nancy Faber of Sherburn; Alyssa Finnesgard of Zumbrota; David Hanson of Goodridge; Kaylee Helgeson of Ortonville; Alexander Hohenstein of Lakefield; Blaire Hover of Zumbrota; Brooke Johnson of Spring Grove; Chelsey Johnson of Heron Lake; Joseph Lee of McIntosh; Mark Mitteness of Benson; Kelsey Petit of Plainview and Angela Stevens of Pipestone.

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

Mr. Hammer presented a report on sponsorship activities for 2010 including cash sponsorships totaling \$724,000. After discussion, the report was approved on a motion by Ms. Wessel, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Mr. Hammer provided updates on the opening day of the fair. Information only; no action required.

Out-of-state travel by the board for a visit to the Iowa State Fair was approved on a motion by Mr. Fox, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

The meeting adjourned at 11:29 a.m. on a motion by Mr. Merkins, seconded by

Mr. Fox and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE GOVERNING BOARD
10 a.m. Sunday Sept. 5, 2010
Officers Quarters, State Fairgrounds**

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

Also present: Brian Hudalla; Mark Goodrich; Michelle Butler; Kay Cady; Kent Harbison.

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

Minutes of the Aug. 27, 2010, meeting of the board were reviewed and approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Minutes from the Society's Life Member Advisory Committee meeting of Aug. 29, 2010, were presented as follows by Mr. Hammer:

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE LIFE MEMBER ADVISORY COMMITTEE
11:15 a.m. Sunday Aug. 29, 2010
Officers Quarters, State Fairgrounds**

Members present: Bob Lake, chairman; Lyle Steltz, Clarice Schmidt; Bill Korff; Jim Grass; Vern Prokosch; Howard Recknor; Dick Reinhardt; Don Simons; Duane Smith; Evelyn Hagen; Eileen Roehlke; Rich Keenan.

Also present: Wes Roehlke; Dorothy Morris; Jerry Hammer; Cheryl Huber.

Chairman Lake called the meeting to order at 11:15 a.m.

Ms. Schmidt moved that the committee's meeting minutes from Jan. 17, 2010 meeting be approved. The motion was seconded by Mr. Grass and carried. (Aye-12; Nay-0).

After discussion, Ms. Schmidt moved that long-time State Fair employees and senior managers Karen Frost and Steve Pooch be recommended for induction into the State Fair Hall of Fame. The motion was seconded by Mr. Grass and carried (Aye-12; Nay-0).

Following discussion, Ms. Schmidt moved that Dave Johnson, former State Fair Foundation President and charter member of the Foundation's board, be nominated for Honorary Life Membership in the Society. The motion was seconded by Ms. Roehlke and carried (Aye-12; Nay-0).

Chairman Lake declared the meeting adjourned at 11:40 a.m.

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

Mr. Hammer updated the board on the operations and activities of the '10 State Fair. Information only; no action required.

The board authorized an annual contribution of \$2,000 to the State Fair employees club to provide partial funding for employee club functions and beverages used by employees and visitors on a motion by Mr. Foss, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Hudalla, Mr. Goodrich and Ms. Cady provided an update on the development of a project to build a new Judging Arena. After discussion, the society's board encouraged State Fair and Foundation staff to continue project development on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

It was moved by Mr. Fox, seconded by Ms. Wessel and carried that members of the board and certain staff members designated by the secretary be authorized to attend the International Association of Fairs & Expositions 2010 international convention in Las Vegas, Nev. (Aye-9; Nay-0).

The dates for the 2011 Minnesota State Fair were set for Thursday Aug. 25 through Labor Day, Monday Sept. 5 on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

On a motion by Ms. Wessel, seconded by Mr. Fox and carried, full-time staff were granted a paid holiday on Friday Nov. 12, 2010 (Aye-9; Nay-0).

The next meeting of the board of managers was set for Wednesday Nov. 10,

2010, on a motion by Mr. Foss, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

The following resolution was presented by President Baker, recognizing the service of long-time State Fair employee Karen Leach:

Whereas, For more than 30 years, Karen Leach has played a spectacular part in the success of the Great Minnesota Get-Together, and

Whereas, Millions of Minnesotans have benefited greatly from Karen's significant contributions to the State Fair's entertainment and education programs, and

Whereas, Karen has been an outstanding leader and mentor to countless members of the State Fair family, bringing out their best while developing the fair's future leaders, and

Whereas, The results of Karen's hard work combined with her extraordinary vision have contributed considerably to the fair's reputation as the Greatest Fair In The World, therefore

Be It Resolved that the Minnesota State Agricultural Society's Board of Managers extend their deepest thanks and most sincere appreciation to Karen for her three decades of exemplary service to the Great Minnesota State Fair, and wish her a well-deserved long and happy retirement.

The resolution was adopted as presented on a motion by Mr. Fox and seconded by acclamation (Aye-9; Nay-0).

President Baker declared the meeting adjourned at 11:35 a.m.

**MINNESOTA STATE AGRICULTURAL SOCIETY
MINUTES OF INTERIM ACTIVITIES
Aug. 26 through Nov. 10, 2010**

August

26 - Society President Denny Baker presided over opening ceremonies for the 2010 Great Minnesota Get-Together at the Bandshell.

30 - The State Fair hosted a meeting of the Roseville Rotary Club at the Blue Ribbon Picnic Area.

31 - Sinclair, Simon, Larson and Doyle participated in a meeting of the State Fair commercial exhibitors and concessionaires communications committee.

September

2 - Valborg Clauson of Houston County and Louis Leasure of Isanti County were named Minnesota's Outstanding Senior Citizens during ceremonies conducted at the Bandshell. A ceremony marking the 65th anniversary of VJ Day – the end of World War II – was held at the State Fair Veterans Garden; participants in the ceremony included Deputy Commissioner of Veterans Affairs Gil Acevedes, Bronze Star-winning WW II veteran Bob Hammer, U.S. Marine Corps veteran Jeff Lopez, WW II History Roundtable representatives and the 934th Base Honor Guard. Gail Anderson met with a representative of AudienceView ticket systems.

5 - At a special Grandstand ceremony, five staff members were recognized with State Fair All Star MVP Awards for outstanding performance - Debbie Edman of Employment Services; Eric Haselman of Sanitation; Ashley Houle of Sponsorships; Cindi Krasky of Attraction Ticket Takers; and Dan Owl of Public Safety.

6 - The 2010 edition of the Great Minnesota Get-Together concluded with attendance of 1,776,211 – the second-best attended fair in State Fair history. Visitors included Nicole Bryce of the Royal Easter Show in Sydney, Australia; Bob Williams of the Wisconsin Department of Agriculture & Fairs; Stephanie Baird of the Houston Livestock Show & Rodeo; Curry Roberts of the State Fair of Virginia in Richmond; Rick Frenette of the Wisconsin State Fair in Milwaukee; Gary Slater and 28 staff members of the Iowa State Fair in Des Moines; Renae Korslein of the North Dakota State Fair in Minot; April Mitchell of the Alameda County Fair in Pleasanton, Calif.; Norb Bartosik of the California State Fair in Sacramento; and Jim Tucker, president of the International Association of Fairs & Expositions headquartered in Springfield, Mo.

10-11 - Ramsey County conducted the first of several hazardous waste collections at the South Como parking lot.

11 - The University of Minnesota utilized Grandstand parking lots for Gopher football parking.

14 - Miller and Mix attended a meeting of the Ramsey County Job Security Employers Committee at the St. Paul WorkForce Center.

16 - YPO-WPO leadership network conducted an event for their Twin Cities membership at the Progress Center.

17-18 - Cat's Pajamas Productions presented the Classic Movie & Music Memorabilia Show & Sale at the Fine Arts Center.

17-20 - The Minnesota State 4-H Horse Show was held at the Warner Coliseum and livestock complex.

18 - The TC Model Railroad Club's fall model railroad and hobby sale was conducted at the Education Building. The University of Minnesota utilized Grandstand parking lots for Gopher football parking.

19 - The Antique Motorcycle Club fall swap meet was held at the north parking lots.

22 - The Business After Hours Expo, presented by the St. Paul Area Chamber of Commerce, was held at the Progress Center. The State Fair Employee Safety Committee met at the Libby Conference Center. Schuette spoke to residents at Walker Suites in Edina about State Fair history and the '10 fair.

23-26 - The Western Saddle Club Horse Show was presented at the Warner Coliseum and livestock complex.

24-25 - The Minnesota Classic Car & Vintage Motorcycle Auction was conducted at the Grandstand.

24-26 - The Munchkin Market's fall and winter children's consignment sale was held at the Merchandise Mart.

25 - The St. Paul Ward 4 neighborhood cleanup was held on the north parking lots. The University of Minnesota utilized Grandstand parking lots for Gopher football parking.

25-26 - The Antique Mission Furniture Show was held at the Progress Center. The Minnesota State 4-H Dog Show was held at the 4-H Building and adjacent outside areas.

27 - Sinclair, Simon and Doyle met with representatives of the Minnesota Pollution Control Agency to review Eco Experience operations and activities at the '10 State Fair.

29 - The Metro Area Children's Water Festival was held in the 4-H Building and surrounding outdoor areas.

30 - Huber and Miller attended a session on staff insurance open enrollment for 2011.

October

1-3 - The Fall Arabian Horse Show was presented at the Warner Coliseum and livestock complex.

2 - The St. Paul Junior League's Next-To-New Sale was held at the Dairy Building. The University of Minnesota utilized Grandstand parking lots for Gopher football parking.

2-3 - The Antique Spectacular Show & Flea Market, presented by Prime Promotions, was held at the Grandstand and Infield. The Fall Military Relic Show, presented by the Minneapolis St. Paul Military Relic & Collectors, was held at the Progress Center. The Minnesota Weapons Collectors Fall Show & Sale was held at the Education Building.

2-5 - Dungan and Pearson attended the International Entertainment Buyers Association conference in Nashville, Tenn.; during the conference, Pearson was named secretary of the association.

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

4-8 - Participants in the Habitat for Humanity Jimmy & Rosalynn Carter Work Project utilized the 4-H Building.

5 - Sinclair, Hudalla, Goodrich, Simon, Larson, Doyle, Leach, Schuette, Vavreck, LeFebvre and Hayne met with representatives of the Minnesota Departments of Health and Agriculture regarding '10 State Fair programs and operations.

5-10 - Mid-States Horse Shows' Harvest Horse Show was presented at the Warner Coliseum and livestock complex.

6 - Mix and Miller met with the Minnesota Board on Aging regarding their involvement with the Minnesota Outstanding Seniors program.

7 - Miller, Huber, Mix and Sertich attended the Fredrikson & Byron law firm's

annual employment and labor law seminar.

8-9 - Oktoberfest, presented by HMM of St. Paul, was held at the Progress Center.

9-10 - Half Price Books, Records & Magazines, Inc. presented the Half Price Books Clearance Event at the Grandstand. The Rubber Stamp & Scrapbook Expo was held at the Dairy Building. Gail Anderson participated in an Intix board meeting.

10-13 - Miller and Huber attended the Society for Human Resource Management's Minnesota conference in Duluth.

13-16 - The Camp du Nord & Widjiwagan YMCA Garage Sale was held at the Merchandise Mart.

14 - Hammer met with Dr. Logan Spector of the University of Minnesota to discuss fair-time health care research projects.

15-16 - The Vintage Clothing, Jewelry & Textile Show was held at the Fine Arts Center.

15-17 - The Star of the North Antique Show, presented by Townsend Productions, Inc., was presented at the Education Building.

16 - The Minnesota Comic Book Association's Fallcon Comic Book Convention was presented at the Grandstand.

16-17 - Minnesota Equifest was held at the Warner Coliseum and livestock complex.

16-24 - Como Zoo utilized the South Como parking lot as a park and ride facility for its annual Zoo Boo event.

17 - The Twin Cities Roadsters Swap Meet was held at the north parking lots.

19 - Huber presented the first of two IAFE cyber seminars on human resources to more than 30 fairs throughout North America.

20 - Senior staff participated in the first of several planning sessions for the '11 State Fair.

21 - Families Moving Forward presented the Cardboard Box City fundraising event at Baldwin Park. Hammer participated in a meeting of the State Fair Foundation's finance committee at the J.V. Bailey House.

21-24 - The Minnesota Beef Expo, presented by the Minnesota State Fair, was presented at the Warner Coliseum and livestock complex.

23 - The University of Minnesota utilized Grandstand parking lots for Gopher football parking.

25 - Pearson, Dungan and Weinfurter met with representatives of Allied Audio to recap the '10 State Fair and plan for '11.

26 - Long-time State Fair staff member Betty Schadeck retired after nearly 20 years of service to the Great Minnesota Get-Together. Gail Anderson, Jacobson, Pearson, Sinclair, Hudalla and LeVesseur met with representatives of Etix to discuss State Fair ticketing systems.

27 - Sinclair, Simon and Casey attended the National Recreation and Parks Association trade show at the Minneapolis Convention Center. Pearson, Schuette, Goldstein, Butler, LeVesseur, Dybevik, Huber and Hughes participated in the first round of judging for selecting the 2011 State Fair commemorative art.

28 - Foss and Hammer participated in a learning session and board meeting of the State Fair Foundation at the Libby Conference Center. Gail Anderson met with Tricia Group of Ticketmaster to discuss the '10 State Fair ticket sales operations. Dungan, Weinfurter, Simon and Doyle met with representatives of 3rd Lair Skate Park to recap the '10 State Fair and plan for '11.

29 - Pearson, Schuette, Dillon, McGough and Hughes met with the State Fair advertising coalition regarding the fair's '11 campaign.

30 - The University of Minnesota utilized Grandstand parking lots for Gopher football parking.

30-31 - The Minnesota Weapons Collectors Show & Sale was held at the Warner Coliseum.

November

1 - Hammer, Goodrich, Hudalla, Grans and Lindbeck met with City of St. Paul officials to discuss shuttle parking for Como Park at the State Fairgrounds.

2 - Vavreck met with representatives of MillerCoors to discuss Bandshell sponsorship opportunities for '11. Gail Anderson met with Holly

Radis-McCluskey of the University of Minnesota to discuss the U's ticket operation.

3-5 - Pearson attended the Billboard Touring Conference in New York City.

4 - Sinclair, Hudalla, Grans and Leach met with representatives of the University of Minnesota to discuss extension of an agreement for shared use of parking and transportation facilities.

5-6 - Sinclair attended and addressed the Maryland Association of Agricultural Fairs and Shows in Ocean City, Md.

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

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETINGS OF THE GOVERNING BOARD
AND SALES AND PLANNING COMMITTEES
9 a.m. Wednesday Nov. 10, 2010
Libby Conference Center, State Fairgrounds**

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Pearson; Mark Goodrich; Brian Hudalla; Marshall Jacobson; Gail Anderson; Michelle Butler; Wally LeVesseur; Sean Casey; Chris Leach; Swan Melstrom; Steve Grans; Danyl Vavreck; Theresa Weinfurter; Brienna Schuette; Brooke Dillon; Carol Doyle; Nikki Hines; Susan Lynskey; Kay Cady; Cheryl Huber; Kent Harbison.

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

Mr. Sinclair, Mr. Larson and Ms. Vavreck offered a detailed report on sales division revenue of \$9.2 million for the 2010 State Fair including a breakdown of earnings from attractions, commercial exhibits, food sales, sponsorships and Mighty Midway and Kidway operations. The revenue report will be reviewed by committee members and considered for acceptance at the next meeting of the sales committee, scheduled for January '11.

The sales committee meeting was adjourned at 9:34 a.m. on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

MEETING OF THE PLANNING COMMITTEE

Members present: Al Paulson, chairman; Jim Foss; Joe Fox; D. J. Leary; Paul Merkins; Ron Oleheiser; Joe Scapanski; Sharon Wessel; Wally Wichmann; Denny Baker, ex officio; Jerry Hammer, ex officio; Brian Hudalla, ex officio; Mark Goodrich, ex officio; Sean Casey, ex officio.

Also present: Jim Sinclair; Renee Pearson; Marshall Jacobson; Gail Anderson; Dennis Larson; Michelle Butler; Wally LeVesseur; Chris Leach; Swan Melstrom; Steve Grans; Danyl Vavreck; Theresa Weinfurter; Brienna Schuette; Brooke Dillon; Carol Doyle; Nikki Hines; Susan Lynskey; Kay Cady; Cheryl Huber; Kent Harbison.

Chairman Paulson called the meeting to order at 9:34 a.m.

Mr. Hudalla reported on the status of facilities capital improvements and maintenance projects undertaken during the past year. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented for consideration a list of standard maintenance projects for 2011 totaling \$1.6 million, plus three additional projects and purchases totaling \$81,000. After discussion, the projects were approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-8; Nay-0). The projects will be incorporated into the fair's 2011 capital improvements and maintenance budgets to be reviewed by the planning committee at its next meeting, set for January '11.

The planning committee meeting adjourned at 9:45 a.m. on a motion by Mr. Merkins, seconded by Mr. Foss and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Jim Sinclair; Renee Pearson; Mark Goodrich; Brian Hudalle; Marshall Jacobson; Gail Anderson; Dennis Larson; Sean Casey; Michelle Butler;

Wally LeVesseur; Chris Leach; Swan Melstrom; Steve Grans; Danyl Vavreck; Theresa Weinfurter; Brienna Schuette; Brooke Dillon; Carol Doyle; Nikki Hines; Tiffany Lindbeck; Maria McCullough; Jesse Poppe; Susan Lynskey; Kay Cady; Mary Chung; Lindsay Dickson; Cheryl Huber; Kent Harbison.

President Baker called the meeting to order at 9:54 a.m.

Minutes of the board meeting conducted Sept. 5, 2010, were reviewed and approved on a motion by Ms. Wessel, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Interim minutes covering the period of Aug. 26 through Nov. 10, 2010, were reviewed and approved on a motion by Mr. Fox, seconded by Paulson and carried (Aye-9; Nay-0).

Action taken by the sales and planning committees was considered and approved on a motion by Mr. Foss, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

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

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending October 31, 2010**

GENERAL FUND ACTIVITY:

Cash Balance-Sept. 30, 2010		\$6,159,846
Add: Cash Deposits	\$2,245,589	
Less: Payroll Ending Oct. 1	(215,076)	
Payroll Ending Oct. 15	(217,141)	
Payroll Ending Oct. 29	(204,297)	
Cash Disbursements	(3,083,209)	(1,474,134)
Cash Balance-Oct. 31, 2010		\$4,685,712

BUILDING FUND ACTIVITY:

Balance-Sept. 30, 2010		\$449
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance-Oct. 31, 2010		\$449

CONSTRUCTION FUND ACTIVITY:

Balance-Sept. 30, 2010		\$13,463
Add: Interest Earned		3
Balance-Oct. 31, 2010		\$13,466

CASH BALANCES FOR MONTH ENDING OCTOBER 31:

	2009	2010
General Fund	\$3,584,054	\$4,685,712
Petty Cash	5,600	5,600
Building Fund	449	449
Construction Fund	13,451	13,466
Total Cash Balances	\$3,603,554	\$4,705,227

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

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

Mr. Goodrich presented a report on competitive exhibits of agriculture, education and creative arts at the '10 State Fair featuring more than 14,000 participants. Mr. Goodrich's report was approved on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

Ms. Pearson reported on the '10 fair's entertainment and marketing programs, including a detailed analysis of Grandstand operations that resulted in gross revenue of \$5.3 million and a net operating gain of \$1 million. Ms. Pearson's report was approved on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Ms. Lindbeck reviewed non-fair rental activity during '10 including more than 100 special events, plus a full schedule of Coliseum ice skating events and the fair's vehicle storage program. Ms. Lindbeck's report was approved on a motion by Mr. Paulson, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

Mr. Foss, Ms. Cady and Mr. Hammer reported on activities of the State Fair Foundation including financial information and the Foundation's strategic

plan for '11. Following the report, the following resolution was presented for consideration:

Whereas, the Minnesota State Fair Foundation was established by the Society as a non-profit public charity to assist the State Fair with capital projects and support its educational and scientific programs consistent with the public good, and

Whereas, the Society is committed to support the long-term growth and development of the Foundation for the betterment of the State Fair and, ultimately, to the great benefit of all Minnesotans, therefore be it

Resolved, that funds due the Society from the Foundation on October 31, 2010, will be called due no earlier than November 1, 2011.

On a motion by Mr. Leary, seconded by Mr. Paulson and carried, the resolution was adopted (Aye-9; Nay-0).

The capitalization level for State Fair purchases and facilities projects was raised from \$2,000 to \$5,000 on a motion by Mr. Fox, seconded by Mr. Foss and carried (Aye-9; Nay-0).

Mr. Hammer reported on the upcoming session of the State Legislature. Information only; no action taken.

Ms. Huber provided an update on preparations for the Society's 2011 joint annual meetings with the Minnesota Federation of County Fairs and Midwest Showmen's Association. Information only; no action taken.

President Baker spoke on behalf of the board in thanking State Fair staff for an excellent 2010 State Fair and a successful year. Mr. Scapanski and Mr. Wichmann thanked the board and staff for the courtesies extended to them during their first year on the board.

On a motion by Mr. Leary, seconded by Mr. Oleheiser and carried, the board meeting was recessed at 11:36 a.m. for an executive session (Aye-9; Nay-0). The executive session ended at noon and the board meeting was reconvened on a motion by Mr. Fox, seconded by Ms. Wessel and carried (Aye-9; Nay-0).

The board moved to support Deputy General Manager Jim Sinclair during his upcoming service as 2011 Chairman of the International Association of Fairs & Expositions on a motion by Ms. Wessel, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

The meeting was adjourned at 12:14 p.m. on a motion by Mr. Leary, seconded by Mr. Paulson and carried (Aye-9; Nay-0).

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES Nov. 10, 2010 through Jan. 13, 2011

November

10 - Foss, Paulson, Wessel and Hammer participated in a meeting of the State Fair Foundation's nominating committee at the J.V. Bailey House.

16 - Sinclair, Hudalla, Leach and Casey met with representatives of Short Elliot Hendrickson and the University of Minnesota for an update on a proposal to operate an anaerobic digester at the University's St. Paul campus. Pearson and Schuette attended a Women In Marketing & Communications meeting.

17 - The State Fair employee safety committee met at the Libby Conference Center.

18 - Hammer met with Sarah Psick, Bill McGrann and Joe Bagnoli to discuss the upcoming session of the Minnesota Legislature. Schuette gave a presentation on the State Fair St. Paul Johnson High School's Career Day. Pearson, Anderson, Schuette and McGough met with a representative of Groupon.

19 - Huber presented the second part of an IAFE Cyberseminar on human resources.

28 - Dec. 2 - Hammer, Sinclair, Pearson, Hudalla, Jacobson, Huber, Anderson, Larson, Simon, Butler, Schuette, Weinfurter, Leach, LeVesseur and Lindbeck, along with board members Baker, Fox, Foss, Merkins, Oleheiser, Scapanski, Wessel and Wichmann, attended the International Association of Fairs & Expositions annual convention in Las Vegas, Nev.; Sinclair was elected IAFE Chairman during the convention.

December

2 - Dillon and Hughes attended the Minnesota PRSA Best Practices Conference in Minneapolis.

3 - Goodrich and Donnelly met with the Beef Expo Committee at the State Cattlemen's Convention in Redwood Falls.

9 - Goodrich and Butler met with the Tri-State Task Force to review the fair's 2010 horse shows and discuss plans for the '11 State Fair.

10 - President Baker and Sinclair participated in the Iowa Association of Fairs annual conference in Des Moines.

14 - Senior staff conducted the first of several meetings to discuss State Fair facilities and improvements and maintenance projects for 2011. Sinclair and Simon met with representatives of the Minnesota Department of Veterans Affairs to discuss their exhibit and activities at the fair. Cady, Goodrich and Butler met with the Minnesota Horse Council to discuss the new Judging Arena project.

15 - Sinclair and Simon met with Dan Liberman to discuss his Playland Arcade operations at the fair.

17 - Schuette, Dillon and Weinfurter attended the Social Media Breakfast at the Minneapolis Depot where Schuette served as a panelist.

January

4 - Goodrich and Butler met with representatives of the Western Saddle Clubs Association to discuss State Fair horse shows.

5 - Butler, LeFebvre and LeVesseur participated in a webinar on fine arts judging.

6 - President Baker and Hammer met to discuss the Society's upcoming annual meeting. Sinclair and Larson met with Dan Wozniak to discuss his concession operations at the fair.

11 - Butler and State Fair fine arts superintendent Jim Clark met with representatives of the Minneapolis College of Art & Design to plan for the upcoming 100th anniversary of the State Fair fine arts exhibition. Mix attended a meeting of the Ramsey County Job Security Employers Committee.

12 - Sinclair attended and spoke at the Wisconsin Association of Fairs Convention in Wisconsin Dells. Mix attended a meeting of the St. Paul Human Resources Association.

13 - Huber and representatives of the federation of county fairs and the Midwest Showmen met with Sheraton Bloomington Hotel staff to finalize plans for the 2011 joint convention.

GENERAL BUSINESS SESSION OF THE SOCIETY 8 A.M. SUNDAY JAN. 16, 2011

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

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

Ms. Karen Leach and Mr. Steve Pooch were inducted into the State Fair Hall of Fame.

President Baker called for a report of the credentials committee by Randy Larson of Grant County. The committee report was presented as follows and adopted as read:

All credentials have been found to be in order with the following exceptions:

- Minnesota Farm Bureau did not file with the Secretary of State by 12/20/10.
- Minnesota Horse Breeders did not file with the Secretary of State by 12/20/10.

Honorary Life Member Clarice Schmidt of Sabin on behalf of the Society's Life Member Committee nominated Dave Johnson of Cottage Grove for Life Membership in the Society, and Mr. Johnson was duly elected.

President Baker called for a report of the resolutions committee. Committee member Bob Glomstad of Lac Qui Parle County presented the following resolutions for consideration by the Society:

1. **Resolved**, that the Minnesota State Agricultural Society express its sincere appreciation to the 1,776,211 guests of the 2010 Minnesota State Fair. Their dedication and patronage made it a success by all measures and the second-best attended fair in history.
2. **Resolved**, that we acknowledge that the fair's existence depends on the loyalty of its visitors whose enthusiasm for education and entertainment is unparalleled. Honoring the traditions deeply rooted in attending and

contributing to this culturally rich event, the Society confirms its mission to educate and involve guests by providing a world-class showcase that is innovative, entertaining and fun. Let it be further resolved, that the Society pledges to continue presenting patrons with the finest exposition in North America by providing outstanding customer service, exceptional value and unique experiences.

3. Resolved, that the continued success of the Minnesota State Fair is achieved through the combined efforts of many dedicated people, and that the Society recognizes with profound gratitude all who contributed to the success of the 2010 Great Minnesota Get-Together, including staff, volunteers, the board of managers, exhibitors, vendors, entertainers, sponsors, media, contractors, advertisers, youth and school groups, and members of FFA and 4-H.

4. Resolved, that affiliations with the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association and Midwest Showmen's Association are invaluable in furthering the fair industry regionally and nationally, and that the Society will continue its strong relationships with these and other organizations dedicated to best practices and professional development.

5. Resolved, we acknowledge with sadness the loss of Society members and State Fair friends in the last year including: Matthew Comstock, Eco Experience coordinator for the Minnesota Pollution Control Agency; James P. Crawford, FFA leader; Norman Goodwin, 4-H and FFA leader; Charles F. Hofmann, 50-Year Award recipient and bee and honey judge; James A. Libby, veterinarian and co-founder of the Miracle of Birth; and Mike Miles, past chairman of the State Fair Foundation.

6. Whereas, the Minnesota State Fair is an essential part of our state's social fabric, uniting country and city for more than 150 years at one of the most beloved events in the world, and

Whereas, the State Fair brilliantly fulfills its mission by providing unparalleled educational opportunity and a world-famous forum for knowledge and ideas for all citizens, worthy of its title as the Great Minnesota Get-Together, and

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

Whereas, the flexible learning year proposal approved in 2010 by the state education commissioner for 25 Minnesota school districts allowed schools to open prior to Labor Day contrary to the State Law upheld time after time by the State Legislature, and

Whereas, other school districts are now seeking to circumvent State Law through this same mechanism, and

Whereas, the continued circumvention of State Law would deprive tens of thousands of Minnesotans of the opportunity to attend the Great Minnesota Get-Together on school days denying them the unique opportunity to gain valuable education and life experiences at the State Fair while advancing the fair's historical foundation of agriculture and citizenship through 4-H and FFA, and

Whereas, the early school openings permitted by the flexible learning year would have a significant negative impact on Minnesota's tourism, hospitality and resort industries and a major loss of the revenue they provide to the state in its uphill struggle to produce a balanced budget,

Now therefore be it resolved, that the membership of the Minnesota State Agricultural Society strongly urges that additional flexible learning year proposals designed to circumvent State Law be denied, and that current State Law requiring Minnesota's schools to open no earlier than the traditional end of summer on Labor Day be supported, ensuring that children and families from throughout the state can fully participate in the historic, educational and culturally rich Minnesota State Fair.

7. Resolved, the Society thanks all who helped make the 152nd annual meeting a success.

The committee moves that the resolutions be adopted as presented.

The resolutions were adopted as read.

Vice President Fox assumed the chair to conduct the election for the office of president of the Society for a term of one year. Denny Baker of Spicer was re-elected and re-assumed the chair.

President Baker then proceeded to conduct elections as follows: Joe Fox of Maplewood was elected to a two-year term as fourth district vice president; Jim Foss of Kenyon was re-elected to a three-year term as first district manager; Sharon Wessel of Hamel was re-elected to a three-year term as third district manager; and Joe Scapanski of Sauk Rapids was re-elected to a three-year term as sixth district manager.

There being no further business to be brought before the Society, President Baker declared the 152nd meeting of the State Agricultural Society adjourned.