



MINNESOTA STATE FAIR

2019 ★ Annual Report

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

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On the cover: 2019 Minnesota State Fair Commemorative Art by Minnesota artist R. J. Kern



Report of the Executive Vice President

"We are all connected. To each other, biologically. To the earth, chemically. To the rest of the universe, atomically." Neill DeGrasse Tyson

"I do believe we're all connected. I do believe in positive energy. I do believe in putting good out into the world. And I do believe in taking care of each other." Harvey Fierstein

Together, these quotes perfectly capture the essence of the Minnesota State Fair.

Yes, as human beings we are all connected in profound ways. We are hard-wired with the fundamental need to connect and share positive and uplifting experiences, and that's the very definition of the fair. In its 166-year history, our State Fair has brought together more than 100 million people, connecting us to each other, connecting us to the earth where our food and fiber are produced, and inspiring us to better our world while celebrating the vast riches of the human spirit.

That's a heavy statement, but it's true. Families beam with smiles and light as they walk through the gate, like they do nowhere else. Millions of people have amazing State Fair stories, and many of them link multiple generations. Countless people say that the State Fair is their Happy Place. The common thread that weaves through every inch of Minnesota's social fabric is a strong sense of ownership in our State Fair. We're connected all right.

The State Fair has been on an unprecedented roll the past decade, culminating with yet another record attendance year in 2019 (details are on the following pages). Last year's numbers are astounding with an unheard-of six record days and total attendance of more than 2.1 million. To better understand the scale and scope of the State Fair's operation, our daily attendance average exceeds the daily average of all four Walt Disney World parks combined. Yes, we're connecting our families, friends and neighbors like nowhere else.

Sometimes we're connected too well. The global pandemic has raised hell with everything everywhere, leading to the cancellation on May 22 of the 2020 State Fair. Everyone in the fair's vast network of agriculturists, vendors, artists, entertainers, competitors, amusement operators, sponsors and the thousands of others who always give their very best has been affected by the pandemic, making it impossible to present the great event that our fair must be.

Even if these pillars of the fair were able to produce a recognizable event, it wouldn't have mattered. Protecting the health of 2 million fair fans is our most important obligation, so cancelling the fair wasn't a difficult decision. It was the only decision.

This is the biggest challenge we've ever faced. Our State Fair ancestors overcame challenges in the past, though, and we will do so again. We owe it to you now, and we owe it to posterity to give you the very best experience possible in a safe environment. By taking the tough road today, we guarantee that the fair's future remains hopeful and bright. In the meantime, your team of State Fair pros is working hard to come back bigger, better, stronger and smarter. We can't wait to reconnect with you at the 2021 Great Minnesota Get-Back-Together when we'll celebrate in true State Fair style. Until then, stay safe, and God bless.



Jerry Hammer
Executive V.P.
Minnesota State Fair
July 10, 2020





State Fair Board of Managers

The State Fair is governed by the Minnesota State Agricultural Society, which is charged exclusively with governance of the State Fair. Society delegates represent all 87 county fairs in Minnesota, along with statewide agriculture, industry and education institutions. At its annual meeting each January, this group of delegates elects a 10-member board of managers to set policy and provide oversight for the fair. Nine members represent the Agricultural Society's nine regional districts and the 10th member (the president) serves at large. Pictured left to right: Joe Scapanski, Wally Wichmann, Dan Grunhvd, Ron Oleheiser, Jeff Hawkins, Joseph Fox, Paul Merkins, D.J. Leary, Gail Johnson, Gordy Toenges.

Joe Scapanski
Sauk Rapids, MN
6th District Manager

Wally Wichmann
Balaton, MN
7th District Manager

Dan Grunhvd
Gary, MN
9th District Manager

Ron Oleheiser
Grand Rapids, MN
8th District Manager

Jeff Hawkins
Inver Grove Heights, MN
2nd District Manager

Joseph Fox
Maplewood, MN
4th District Vice President

Paul Merkins
Stewart, MN
President

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

Gail Johnson
Anoka, MN
3rd District Manager

Gordy Toenges
Alden, MN
1st District Manager

2019 Admission

PRE-FAIR ADMISSION PRICE

- All ages \$12

REGULAR ADMISSION PRICE

- Adults (13-64) \$15
- Seniors (65+) \$13
- Kids (5-12) \$13
- Children (4 and under) FREE

THRIFTY THURSDAY

AUG. 22

- Adults (13-64) \$13
- Seniors (65+) \$10
- Kids (5-12) \$10
- Children (4 and under) FREE

SENIORS DAYS

AUG. 26 & 29

- Seniors (65+) \$10

KIDS DAYS

AUG. 26 & SEPT. 2

- Kids (5-12) \$10
- Children (4 and under) FREE

MILITARY APPRECIATION DAY

AUG. 27

Active military, retired military and veterans receive an admission discount when they purchase a ticket at the gate and present valid documentation of military service: \$10

READ & RIDE DAY

AUG. 28

Public library cardholders who purchased a ticket at the gate:

- Adults (13-64) \$13
- Seniors (65+) \$10
- Kids (5-12) \$10
- Children (4 and under) FREE

BLUE RIBBON BARGAIN BOOK

- \$5

MIGHTY MIDWAY & KIDWAY

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

VEHICLE PARKING

- \$15





Total Attendance: 2,126,551*

THURSDAY, AUG. 22

Thrifty Thursday: 133,326*

High: 75 Low: 60

Precipitation: none

FRIDAY, AUG. 23

Governor's Fire

Prevention Day: 157,224*

High: 77 Low: 58

Precipitation: none

SATURDAY, AUG. 24

4-H Day: 209,105

High: 76 Low: 62

Precipitation: none

SUNDAY, AUG. 25

Minnesota Cooks™

Day: 191,524

High: 75 Low: 61

Precipitation: .01 in.

MONDAY, AUG. 26

Seniors, Kids & MN State

Patrol Day: 96,716

High: 71 Low: 64

Precipitation: .80 in.

TUESDAY, AUG. 27

Military Appreciation

Day: 136,987*

High: 73 Low: 59

Precipitation: trace

WEDNESDAY, AUG. 28

Read & Ride Day: 142,211

High: 74 Low: 57

Precipitation: none

THURSDAY, AUG. 29

Seniors Day: 153,274

High: 76 Low: 57

Precipitation: .01 in.

FRIDAY, AUG. 30

MPR Day: 209,789*

High: 75 Low: 53

Precipitation: none

SATURDAY, AUG. 31

FFA Day: 266,412

High: 72 Low: 58

Precipitation: none

SUNDAY, SEPT. 1

Friends of the Fair

Day: 245,243*

High: 75 Low: 59

Precipitation: .09 in.

MONDAY, SEPT. 2

Kids & Last Chance

Day: 184,740*

High: 76 Low: 63

Precipitation: .30 in.

**New attendance record*

The Expanded North End Neighborhood

THE EXPANDED REDEVELOPMENT OF THE NORTH END FEATURED:

- The North End Event Center, the area's stunning brand-new centerpiece, which houses a 12,000-square-foot state-of-the-art exhibit hall that is the fair-time home to annually changing museum-quality exhibits that fair guests can enjoy free with fair admission. The inaugural exhibit was ANGRY BIRDS UNIVERSE: THE EXHIBITION (see description to the right). During the non-fair time, the event center will be available to rent for special events.
- The Minnesota Corn Fairstalk, a 24-foot-tall art installation celebrating Minnesota agriculture (see description to the right).
- The Minnesota Marquees, three structures on the plaza showcasing iconic, innovative and influential people, institutions and events from our state.
- 6-foot-tall artworks created by prominent Minnesota artist Adam Turman - State Fair mascot Fairchild; Paul Bunyan; Babe the Blue Ox; and Turman's own Hotdish Girl.
- Minnesota-based specialty merchants making their State Fair debut: Brim, which featured the Grilled Sota Sandwich; Friends of the Boundary Waters Wilderness; GoodThings; Handsome Cycles; Homespun Gifts & Décor; Minnesota Distillers Guild; and Summer Lakes Beverage.
- The North End neighborhood, which was also home to: several rotating touring promotional exhibits; Arts A'Fair pop-up performances; activities for Governor's Fire Prevention Day and Minnesota State Patrol Day; Pet Pavilions and Outdoor Demonstration Area; The Hangar food and beverage establishment; guest services such as wheelchair and electric scooter rental, an information booth, State FairWear Gift Shop, Minnesota State Fair Foundation booth, and drop-off/pick-up locations for app-based ride services and Metro Mobility.

ANGRY BIRDS UNIVERSE: THE EXHIBITION IN THE NORTH END EVENT CENTER

ANGRY BIRDS UNIVERSE: THE EXHIBITION, made its Midwest debut as the inaugural exhibit in the North End Event Center. Based on the famous game and characters that took the world by storm, this exhibit gave fair fans of all ages the chance to explore art and science concepts through unique, hands-on interactives. Guests were able to "be the bird" and explore science, technology, engineering, art and math through unique, hands-on interactives: Build and race handheld vehicles; launch larger-than-life Angry Birds with massive slingshots; try their hands in a high-tech design studio; learn about egg sizes, wing span and flight dynamics; and propel down a zip line to knock over enormous foam structures – these were just some of the exhibit's unique activities. This exhibit was free with fair admission.

Angry Birds™ & © 2016 Rovio Entertainment Ltd. and Rovio Animation Ltd. Produced by Imagine Exhibitions.

MINNESOTA CORN FAIRSTALK

Greeting guests as they meandered through the North End, this 24-foot-tall one-of-a-kind art installation celebrated Minnesota agriculture. Giant LED screens displayed fun facts about corn and farming, food and the fair, and were integrated into the design of what became an iconic photo stop for fair visitors. Fair guests were invited to contribute to the video content shown on the screens by using #mnstatefair in their social media posts showing the best parts of their fair day. The Minnesota Corn Fairstalk was named for the Minnesota Corn Growers Association and Minnesota Corn Research & Promotion Council in recognition for their gift to the North End Campaign.





Agriculture, Animals and Competition

GOAT BOOTH

2019 saw a new education stop all about goats. Fair guests could get answers to fascinating questions about the tassels that hang from a goat's neck (they're called wattles), how much milk goats produce, why some goat breeds have such different-looking ears, and more. The Goat Booth was open Aug. 30 – Sept. 2.

AGRICULTURAL AND CREATIVE COMPETITIONS

The Minnesota State Fair's agricultural and creative competitions (including open class, FFA and 4-H) drew more than 42,000 entries in 2019, with more than 16,900 competitors vying for a share of ribbons, trophies and more than \$1.6 million in prize money. Competitions included events for livestock, horses, school projects, dog trials, baked and canned goods, fruit, vegetables, crafts, bee and honey products, fine arts, farm crops, flowers, butter, cheese and more. By the numbers breakdown:

- More than 15,000 entries in livestock and horse competitions
- More than 7,000 entries in agriculture and horticulture competitions
- More than 20,000 entries in all other competitions (fine arts, creative activities, K-12 competition, etc.)

FINE ARTS EXHIBITION

The State Fair's Fine Arts Exhibition featured the largest juried art show in Minnesota. The 2019 People's Choice Award's Adult Choice went to "Prince," a piece that re-purposed magazines and hand-dyed sheet music on board by Toni Dachis of Minneapolis, Minn. Ivan Gilbert of Arden Hills, Minn., won the Kids' Choice Award for his sculpture "Sea Turtle" (pictured above).

CHS MIRACLE OF BIRTH CENTER

The award-winning CHS Miracle of Birth Center welcomed 189 newborn animals: 140 piglets, 13 calves, 34 lambs and two kids (goats).

Contests and Activities

MSF AMATEUR TALENT CONTEST

Nearly 8,000 fans cheered on the best amateur talent in the state at the 47th Annual MSF Amateur Talent Contest Finals, sponsored by JACK'S® Pizza, held Sept. 1, at the Grandstand. Contestants were competing for more than \$20,000 in cash awards and JACK'S® Pizza prize packs. Winners were:

Open Division:

First place: Shawnessy Lau of Rochester, Minn., vocal solo, "Alto's Lament"

Second place: Jacob Taggart of Blaine, Minn., piano solo, "Chopin Etude Opus 10 #4"

Third place: MKDC of Minneapolis, Minn., dance group, "Crown"

Teen Division:

First place: Kathleen Thompson of Rochester, Minn., piano solo, "Fly Me To The Moon"

Second place: Brody Merila of Albertville, Minn., dance solo, "Come Dance With Me"

Third place: Logan Johnsrud of Duluth, Minn., vocal solo, "Try Me"

Preteen Division:

First place: Danica Scofield of Blaine, Minn., piano solo, "Minute Waltz/Sweet Caroline"

Second place: Sofia Morales of Maple Grove, Minn., dance solo, "The Greatest"

Third place: Caleb Abea of Woodbury, Minn., dance solo, "Glory"

MILK RUN

Jeremy Reichenberger of Minneapolis, Minn., and Kim Robinson of Bloomington, Minn., were the overall male and female 5K Milk Run winners with times of 16:22 and 19:02, respectively.



HIGH SCHOOL MARCHING BAND COMPETITION

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

New Entertainment, Exhibits and Elements

THE SIOUX CHEF® PRESENTED THE INDIGENOUS FOOD LAB AT DAN PATCH PARK

The fair celebrated the richness, beauty and diversity of Minnesota's indigenous foods and culture in a special daylong program on Sunday, Sept. 1, at Dan Patch Park. Throughout the day, indigenous chefs demonstrated native foods from North America and shared the history, cultural significance, culinary and medicinal uses, and preservation techniques of an array of ingredients and dishes. Winner of a prestigious James Beard Award, Chef Sean Sherman presented a cooking demonstration and discussed the foundations of the Indigenous Food Systems. Also taking center stage was traditional drumming, singing and dancing that showcased the cultural artistry of Minnesota tribes. The program also featured NATIFS (North American Traditional Indigenous Food Systems), a nonprofit organization focused on education and access to Native foods, and introduced the Indigenous Food Lab, a culinary training center coming to the Twin Cities in 2020. This program was presented with the support of the Minnesota State Fair Foundation.

BEST AWARDS

The State Fair's 2019 Best Awards recognized outstanding vendors, attractions and commercial exhibits. Winners were:

- Adam Turman Gallery
- Arnold Amusements, operator of the Scooter, a Midway ride
- Batten Industries Nellie's Laundry - Green Heat
- Fair Ride Entertainment, operator of the Wave Swinger, a Kidway ride
- Glitter Glamper
- Juanita's Fajitas
- Midwest Concessions, operator of the Break a Bottle Game
- Northland Ford Dealers
- Northwood Industries
- Que Viet Concessions
- Sisters Heritage
- Summer Lakes Beverage

GIANT SLIDE TURNED 50

The iconic five-story Giant Slide celebrated its 50th anniversary. Since its opening, an estimated 9 million fair guests have ridden this landmark attraction. The fair industry's widely-acclaimed living legend Fred Pittroff built the Giant Slide in 1969, and he continues to operate it with his family.



MINNESOTA HEALING GARDEN

Dozens of plants known for their healing and therapeutic properties filled the beautifully designed State Fair Healing Garden located on the south side of the 4-H Building. In 2019, Phase 1 of the garden included educational signage amidst the waterfalls and gazebo pointing out each plant and explaining its medicinal uses. Fair guests were inspired to integrate the healing power of plants into their health regimen.

CATTLE BARN UPDATE

On March 12, 2019, a section of the Cattle Barn sustained damage when the southeast corner of the roof collapsed into the building due to sliding snow load. Repair work began immediately and included reconstructing the brick work, roofing, stalling, pipes, wiring and other internal features of the barn that were damaged. The Cattle Barn was in operational order for the run of the fair. The Cattle Barn was completed in 1920 and covers 117,450 square feet.

2019 MINNESOTA STATE FAIR COMMEMORATIVE ART BY R. J. KERN

The 2019 Commemorative Art (*see below*) was the 16th in a series of artwork created annually for the Great Minnesota Get-Together. Photographer R. J. Kern's interpretation shares the unique experience of how animals are chosen as "Supreme Champions" – the best of the best – and how this tradition honors the past and inspires the present. His final photograph pays homage to this legacy, highlights the spirit of competition, and includes the top male and female supreme champion pairings from the 2018 State Fair.





Awards and Accolades

HALL OF FAME

Retired State Fair attorney Kent Harbison is the newest member of the Minnesota State Fair Hall of Fame. The fair's Hall of Fame was founded in 1966 to recognize individuals whose outstanding service has had a lasting impact on the Great Minnesota Get-Together. It is the State Fair's highest honor. Harbison served as the fair's attorney from 1976 until his retirement in 2017. His greatest and most lasting contribution to fairs, festivals and all public space everywhere throughout the nation was his 1981 victory before the United States Supreme Court in a landmark free speech and freedom of religion case. The Supreme Court's decision, which he argued on behalf of the Minnesota State Fair, affirms the authority of fairs and public space managers to assign vendor locations while not permitting roaming vendors. This case continues to be cited in law school constitutional law text books today.

Harbison is a native of Ohio. He received his Juris Doctorate law degree from New York's Cornell law school, and he joined the Minnesota Attorney General's office in the 1970s as a prosecutor in the criminal division, followed by service as Solicitor General until 1983 when he joined the Fredrikson & Byron law firm in Minneapolis. He chaired the firm's litigation department and was a member of the legal personnel and pro bono committees. He was named Minnesota's top health law attorney by Law and Politics magazine in 2005, and he received the Pro Bono Attorney of the Year Award from his firm in 2006.

HONORARY LIFE MEMBER

The Minnesota State Fair annually elects one individual for honorary life membership in the Minnesota State Agricultural Society. Retiring Board President Paul Merkins, of Stewart, Minn., is this year's honoree. Merkins has served on the State Fair board of managers since 2009 and has been president since 2018. He has also served in various roles for the McLeod County Fair since 1975 and is a crop farmer near Stewart, Minn. He has served on the board of the Minnesota State Poultry Association since 1996 where he is currently the president and serves as Lynn Township Board Chairman and Vice Chairman of the McLeod County Planning Advisory Commission. He was awarded the 2015 Minnesota Federation of County Fairs' District 2 Fair Person of the Year, the 2016 International Association of Fairs and Expositions' Heritage Award for outstanding community service and the 2017 Hutchinson Area Chamber of Commerce Ag Person of the Year.

PRINCESS KAY

Amy Kylo of Byron, Minn., representing Olmsted County, was crowned the 66th Princess Kay of the Milky Way and will serve as the official goodwill ambassador for nearly 3,000 Minnesota dairy farm families in 2020.

DOUGLAS K. BALDWIN AWARD

The Douglas K. Baldwin Award for FFA livestock show participation and leadership went to Madeline Patterson, Kenyon, Minn. (Kenyon-Wanamingo FFA Chapter).

HONORARY AMERICAN FFA DEGREE

For his outstanding contributions to agriculture education, Minnesota State Fair Deputy General Manager Mark Goodrich was presented with the Honorary American FFA Degree during the 92nd National FFA Convention & Expo in November, 2019. Mark has provided life-changing experiences for tens of thousands of FFA members during his lifetime of service to the State Fair, and is most deserving of FFA's highest honor.

2019 MSF MVP WINNERS

Five Minnesota State Fair employees were awarded the MSF All-Star MVP Award for exceeding expectations and providing outstanding service. Winners for 2019 were: Kevin Donovan (Admissions), Maria Hayden (Marketing), Tianna May (Public Safety), Lori Shoberg (Admissions) and Tom Tousignant (Public Safety Sub Station).

OUTSTANDING SENIOR CITIZENS

The 2019 Outstanding Senior Citizen Awards were presented to Judy Popp-Anderson of Freeborn County and Lowell Johnson of Crow Wing County. A ceremony was held at the Leinie Lodge Bandshell on Thursday, Aug. 29, to honor 60 seniors representing 33 Minnesota counties. This year's ceremony was sponsored by Humana.



Minnesota State Fair Scholarships



IN 2019
\$20,000
AWARDED IN
NEW SCHOLARSHIPS

NEARLY
\$500,000
AWARDED
SINCE 1994

NEARLY
500
STUDENTS AWARDED
SINCE 1994

Minnesota State Fair Scholarships were established in 1994 to help further the educational endeavors of young adults from greater Minnesota. Up to 20 scholarships of \$1,000 each are made available to youth enrolled in agriculture programs with participation in the current year's Minnesota State Fair. The following individuals were the 2019 recipients:

- Emily Benrud, Goodhue
- Jay Dicke, Goodhue
- Lauralee Eaton, Pine Island
- Kelsey Erf, Oakdale
- Ryan Hansen, Freeborn
- Alexandra Hanson Roe, Grey Eagle
- Anica Herrera, Cologne
- Levi Kermes, Hayward
- Hannah Kruse, Ellsworth
- Emily Leonard, Norwood Young America
- Paige Madison, Rushmore
- Joseph Moran, Forest Lake
- Gigi Otten, Hayward
- Lukas Pierson, Butterfield
- Sydney Poquette, Wanamingo
- Megan Schultz, Fountain
- Nicholas Seitzer, St. Peter
- Gunnar Starks, Pine Island
- Cara Teigum, Madelia
- Justin Thomforde, Goodhue

50 Year Awards

Eight 50 Year awards were presented to individuals who have actively participated in the Minnesota State Fair for at least a half-century. The recipients were:

- Kathleen (Schneider) Block, Forest Lake - Concessionaire
- Dr. Curtis Norenberg, Roseville - FFA Staff
- Kent Thiesse, Lake Crystal - 4-H Staff
- Delvin Durheim, Long Prairie - Livestock Exhibitor
- The Pittroff Family, Newport Beach, Calif. - Concessionaire
- Jerry Woldorsky, Minneapolis - Concessionaire
- Kiwanis Malt Shop, Shoreview - Concessionaire
- Linda Paulsen, Hackensack - Crop Art Exhibitor

Fun Facts



FOOD

500 food offerings were available at the Minnesota State Fair, including seven new food vendors, 31 new foods and 53 new specialty brews and beverages.



RIDES & GAMES

More than 60 rides thrilled fair guests at Mighty Midway and Kidway, including three new rides.



COMPETITION & AGRICULTURE

There were more than 42,000 competition and agriculture entries this year at the fair.



ENTERTAINMENT & ATTRACTIONS

115,427 people attended the Grandstand Concert Series, while 120,000 fair guests visited the ANGRY BIRDS UNIVERSE: THE EXHIBITION in the new North End Event Center.



2019 LARGEST BOAR

Exhibited by Greg Schley and Friends of Dodge Center, Minn. The boar was named Charlie, 4 years old and weighed 1,180 pounds.



2019 LARGEST PUMPKIN

Exhibited by Adam Johnson of Foley, Minn., the pumpkin weighed 971.5 pounds.



TICKETS

Tickets for the 2019 fair were purchased by people from all 50 states, Washington D.C., Puerto Rico, seven Canadian provinces and nearly 30 countries from all over the world.



SOCIAL MEDIA IMPRESSIONS FROM AUG. 22-SEPT. 2, 2019

- 92,122,493 impressions on Facebook
- 2,800,000 impressions on Twitter
- 7,316,946 impressions on Instagram
- More than 676,000 followers between platforms



CENTURY FARM PROGRAM

The Century Farm recognition program, sponsored by the Minnesota State Fair and the Minnesota Farm Bureau, recognizes farms that have been in continuous ownership by a family for 100 years or more. In 2019, 136 farms were recognized and since 1976, there have been 10,872 total.

100 Years Ago...

- World War I exhibits were on display including tanks, tractors and artillery.
- Two greenhouses were constructed, adding the capability for extensive floral displays and landscaping.
- Small wooden livestock barns were removed to make room for the Cattle Barn.
- Sit-down lunches and church dining halls provided standard fair fare.
- Music, vaudeville acts, auto polo, auto racing, horse racing and the nightly fireworks spectacular featuring World War I "Battle of Chateau Thierry" were featured at the Grandstand.

HOOTIE & THE BLOWFISH

GROUP THERAPY TOUR



Grandstand Attendance

Thursday, Aug. 22

HOOTIE & THE BLOWFISH: Group Therapy Tour with special guest BARENAKED LADIES

7:30 p.m. • \$90, \$76, \$51 • Attendance: 13,147 (sold out)



Friday, Aug. 23

WHY DON'T WE with special guests MAX, EBEN AND TAYLOR GREY

7:30 p.m. • \$38, \$28 • Attendance: 5,505

Saturday, Aug. 24

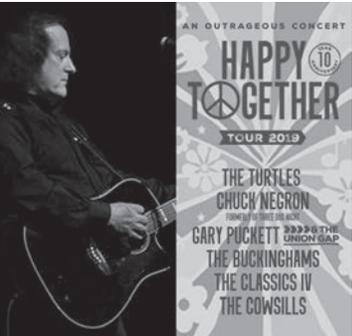
DIERKS BENTLEY with special guest CAYLEE HAMMACK

7:30 p.m. • \$75, \$65, \$50 • Attendance: 12,931 (sold out)

Sunday, Aug. 25

TRACE ADKINS & CLINT BLACK with special guest TERRI CLARK: HITS. HATS. HISTORY. TOUR

7 p.m. • \$41, \$31 • Attendance: 6,512



Monday, Aug. 26

TOMMY JAMES AND THE SHONDELLS and HAPPY TOGETHER TOUR 2019

7 p.m. • \$31 • Attendance: 7,502

Tuesday, Aug. 27

"WEIRD AL" YANKOVIC Strings Attached Tour

7:30 p.m. • \$31 • Attendance: 13,170 (sold out)



Wednesday, Aug. 28

DARYL HALL & JOHN OATES with special guest G. LOVE & SPECIAL SAUCE

7:30 p.m. • \$67, \$57 • Attendance: 13,177 (sold out)

Thursday, Aug. 29

LOGIC with special guest PROF

7:30 p.m. • \$55, \$43 • Attendance: 6,362



Friday, Aug. 30

LIONEL RICHIE with special guest LAUREN JAUREGUI

7:30 p.m. • \$67, \$57 • Attendance: 12,632 (sold out)

Saturday, Aug. 31

THE CURRENT'S MUSIC ON-A-STICK featuring BRANDI CARLILE with special guests MAVIS STAPLES and SAVANNAH CONLEY

6:30 p.m. • \$76, \$66, \$51 • Attendance: 13,137 (sold out)



Sunday, Sept. 1

47TH ANNUAL MINNESOTA STATE FAIR AMATEUR TALENT CONTEST FINALS

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

Monday, Sept. 2

ZZ TOP - 50TH ANNIVERSARY TOUR with special guest CHEAP TRICK

7 p.m. • \$49, \$39 • Attendance: 11,352

Free at the Leinie Lodge Bandshell Tonight!



AUG. 22 & 23 • BELINDA CARLISLE



AUG. 24 & 25 • HERMAN'S HERMITS
STARRING PETER NOONE



AUG. 26 & 27 • LONESTAR



AUG. 28 & 29
ONE NIGHT OF QUEEN
PERFORMED BY GARY
MULLEN & THE WORKS



AUG. 30 & 31 • TONY! TONI! TONÉ!



SEPT. 1 & 2 • DESSA

More Free Stage Entertainment

LEINIE LODGE BANDSHELL

- Aug. 22 – 31: MSF Amateur Talent Contest Semifinals
- Aug. 22 & 23: Dawson Hollow, Mac McAnally, Chubby Carrier and the Bayou Swamp Band
- Aug. 24 & 25: Chad Przybylski and his Polka Rhythms, The Quebe Sisters, Brandon Lay
- Aug. 26 & 27: The 34th Infantry Division "Red Bull" Band, AC Jones, The War and Treaty
- Aug. 28 & 29: Mollie B & Squeezebox, Tonic Sol-fa, Colt Ford
- Aug. 30 & 31: Jaida Dreyer, Bill Kirchen and Redd Volkaert, Lucky Chops
- Sept. 1 & 2: Matt's Family Jam, The Peterson Brothers, The BB King Blues Band Featuring "The Voice" Michael Lee, The Sound Exchange

FAMILY FAIR STAGE AT BALDWIN PARK

- Aug. 22 – 30: MSF County Fair Talent Contest Semifinals
- Aug. 22 – Sept. 2: Sean Emery, Break-Shop Bump'n
- Aug. 22 & 23: Greg Frisbee
- Aug. 24 & 25: The Chipper Experience
- Aug. 26 & 27: Kenny Ahern
- Aug. 28 & 29: Babaloo Music & Fun
- Aug. 30 & 31: Alléz-OOPS!, MSF County Fair Talent Contest Finals
- Sept. 1 & 2: The Dollypops, Six Appeal

RAMBERG MUSIC CAFE

- Aug. 22 & 23: The Fairlanes, Steve Noonan
- Aug. 24 & 25: Tony Cuchetti, Rich Lewis Band
- Aug. 26 & 27: Jim Berner's Music Legends, Vicky Emerson
- Aug. 28 & 29: Big Bob Scoggin, Tim Patrick and his Blue Eyes Band
- Aug. 30 & 31: Honky-Tonk Jump, The Christopher David Hanson Band
- Sept. 1 & 2: Bill & Kate Isles, Jolly Zuks

INTERNATIONAL BAZAAR STAGE

- Aug. 22 & 23: Cheremosh Ukrainian Dance Ensemble, Intoxicats
- Aug. 24 & 25: Papa Shalita, Native Pride Dancers
- Aug. 26 & 27: Chuck Thiel & His Jolly Ramblers, Blue Book Band
- Aug. 28 & 29: Dirty Shorts Brass Band, Grupo Mio
- Aug. 30 & 31: Atahualpa, Patrick Adams
- Sept. 1 & 2: VocalEssence Singers Of This Age, Tom Mason and the Blue Buccaneers

BAZAAR AFTER DARK

- Aug. 22 & 23: Westside Band
- Aug. 24 & 25: MFELLAZ
- Aug. 26 & 27: Kat Perkins
- Aug. 28 & 29: iLLism
- Aug. 30 & 31: Malamanya
- Sept. 1 & 2: Free Fallin – A Tribute to Tom Petty

SHELL'S STAGE AT SCHILLING AMPHITHEATER

- Aug. 22 – Sept. 2: MNHS presents History On-A-Schtick
- Aug. 22 & 23: Sarah Morris, Joyann Parker, Mentalist Noah Sonie
- Aug. 24 & 25: The Minnesota State Fiddle Contest, Sawyer's Dream, Hit Ticket
- Aug. 26 & 27: USAF Band of Mid-America Starlifter, Six Mile Grove, Fantastick Patrick
- Aug. 28 & 29: Fab 6: A Beatles Tribute, Pushing Chain, The Kate Escape
- Aug. 30 & 31: Minnesota Americana-Roots Music Contests, Craig Clark Band, John Bush
- Sept. 1 & 2: Craig Ebel & DyVersaCo, The Galactic Cowboy Orchestra, Alléz-OOPS!

WEST END AT SUNSET

- Aug. 22 & 23: Nooky Jones
- Aug. 24 & 25: Early Eyes
- Aug. 26 & 27: Aby Wolf
- Aug. 28 & 29: Pert Near Sandstone
- Aug. 30 & 31: First Avenue Goes To The Fair
- Sept. 1 & 2: Jaedyn James & The Hunger

3RD LAIR SKATEPARK AT ADVENTURE PARK

- Aug. 22 – Sept. 2: 3rd Lair SkatePark at Adventure Park

THE NORTH WOODS

- Aug. 22 – Sept. 2: All-Star Stunt Dogs Splash, Timberworks Lumberjack Show

Thank You to Our Sponsors

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Financial Highlights

The information provided below highlights significant activities as of October 31, 2019 and 2018, illustrating the Society's statement of revenue and expenses and changes in net position.

2019	YEARS ENDED OCTOBER 31	2018
\$61,776,608	OPERATING REVENUE	\$55,756,131
\$56,086,510	OPERATING EXPENSES	\$47,636,754
\$5,690,098	NET OPERATING INCOME	\$8,119,377
\$6,396,473	CHANGE IN NET POSITION	\$9,202,306



The October 31, 2019 and 2018 financial information presented above is derived from our audited financial statements and does not include the notes that are integral to a full presentation of our financial position. The complete audited financial statements can be found on the following pages.



PRINCIPALS

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

INDEPENDENT AUDITOR’S REPORT

To the Board of Managers and Management
Minnesota State Agricultural Society

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2019, and the related notes to the financial statements, which collectively comprise the Society’s basic financial statements as listed in the table of contents.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR’S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation), a discretely presented component unit whose statements reflect total assets and expenses of \$3,796,174 and \$2,026,837, respectively, as of and for the year ended October 31, 2019. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion on the basic financial statements, insofar as it relates to the amounts included for this organization as a component unit of the Society, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

(continued)

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

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

OPINIONS

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the enterprise fund and the discretely presented component unit of the Society as of October 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report letter, and the required supplementary information (RSI), which follows the notes to basic financial statements, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Society's basic financial statements. The general information, financial highlights, Supporting Schedule – Revenues and Expenses, and meeting minutes, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The financial highlights and Supporting Schedule – Revenues and Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The general information and meeting minutes have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(continued)

Prior Year Comparative Information

We have previously audited the Society's 2018 financial statements and we, with reliance on other auditors, expressed unmodified audit opinions on the respective financial statements of the enterprise fund and the discretely presented component unit in our report dated April 15, 2019. In our opinion, based on our audit and the report of the other auditor, the partial comparative information presented herein as of and for the year ended October 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020 on our consideration of the Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
March 27, 2020

MINNESOTA STATE FAIR

■ MANAGEMENT DISCUSSION AND ANALYSIS

The Minnesota State Agricultural Society produces the annual Minnesota State Fair and manages the State Fairgrounds. The Society is a quasi-state agency, and operates with no public subsidy of any kind, for any purpose. The costs to produce the annual State Fair and all capital and maintenance improvements to the historic State Fairgrounds are financed with revenue earned by the Society and State Fair Foundation donations. Following is an analysis of the Society's financial activities and performance during the fiscal years ended October 31, 2019 and 2018, 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 2019 and 2018 are presented as a component unit of the Society.

■ OVERVIEW OF THE FINANCIAL STATEMENTS

The Society's financial statements are accounted for as an enterprise fund, which operates in a manner similar to a private business enterprise. The Statement of Net Position outlines the Society's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Additionally, this statement includes detailed discussion of capital assets – namely, the State Fairgrounds and its facilities. Next, income and expenses for the year are presented in the Statement of Revenue, Expenses and Changes in Net Position; this statement serves to determine if the Society has earned an acceptable level of operating income. Finally, the Statement of Cash Flows provides information on cash receipts and payments generated from operations, as well as finance and investment activities that occurred during the year.

■ NET POSITION

The Condensed Statement of Net Position provides a quick look at the Society's overall financial position. Net position increased to \$69.0 million during fiscal 2019. This increase of \$6.4 million was the result of an increase in net operating income.

Approximately 99.5 percent of the Society's net position - \$68.6 million - represents the Society's continual investment in capital assets (building, equipment and infrastructure) that are absolutely essential to the Society's ability to present the annual exposition and conduct a busy schedule of non-fair events year-round.

■ INCOME AND EXPENSE

The State Fair realized an increase in net position of \$6.4 million in 2019, based upon gross revenues of \$63.2 million and gross expenses of \$56.8 million. State Fair income is earned primarily from three sources: ticket sales, licensing of commercial exhibit space and the rental of fair facilities for non-fair events. In a typical year, ticket sales represent two-thirds of the State Fair's gross annual income. In 2019, the ticket sales total of \$40.1 million was earned chiefly through sales of outside gate and parking tickets (\$25.9 million), Mighty Midway and Kidway tickets (\$8.7 million) and Grandstand tickets (\$5.5 million).

As with most business enterprises, expenses are very diverse. The State Fair provides extensive services to fair visitors that include police protection, sanitation, Park & Ride bus service, guest services and parking (\$6.6 million). Other expenses include Grandstand and free entertainment (\$8.6 million), fairgrounds plant operations and maintenance (\$11.1 million) and depreciation of State Fair facilities (\$4.0 million).

On March 12, 2019, after a prolonged period of snow and rain, a portion of the Cattle Barn roof collapsed due to shifting snow loads. Total incident related accrued expenses of \$2,205,492 were incurred through October 31, 2019. Estimates of additional storm related damage expenses in fiscal 2020 will increase the total sum related expenses to approximately \$3.3 million. Insurance recovery reimbursement proceeds are expected to offset storm damage expenses. In our financial statements, these storm damage expenses were reported net of estimated insurance recoveries. As a result, a \$2,180,492 receivable was recorded to offset 2019 incident related accrued expenses.

The change in pension accounting decreased the net position due to the required recognition of the Society's portion of the overall unfunded pension liability of the MSRS. As a result of this required pension reporting, and fluctuations in the stock market, the Society recognized an additional \$325,000 in pension expense in the current year. In the previous year, pension expense decreased \$3.8 million.

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

■ CAPITAL ASSETS (THE STATE FAIRGROUNDS)

The State Fair's capital assets consist of: 123 fair-owned structures, land and improvements to the land, personal property and infrastructure including an intricate network of electricity, communications, gas, water and sewer distribution systems.

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

In 2019, the State Fair invested \$16.5 million in capital improvements. Projects included \$15.7 million for the construction and landscaping of the North End Event Center; and \$200,000 for improvements to the fairgrounds electrical system.

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

■ LONG-TERM LIABILITIES

During 2019, the Society issued a \$10.0 million revenue note to assist with the construction of the North End Event Center. Scheduled debt payments on notes in the current year reduced the Society's outstanding note payable balance by \$2.4 million during the year ended October 31, 2019. Additional information on long-term debt can be found in note 4 of the accompanying financial statements.

■ STATE FAIR FOUNDATION

Please refer to Note 9 in the accompanying financial statements for information on the Minnesota State Fair Foundation and for information on how Foundation financial statements can be obtained.

■ FACTORS BEARING ON THE SOCIETY'S FUTURE

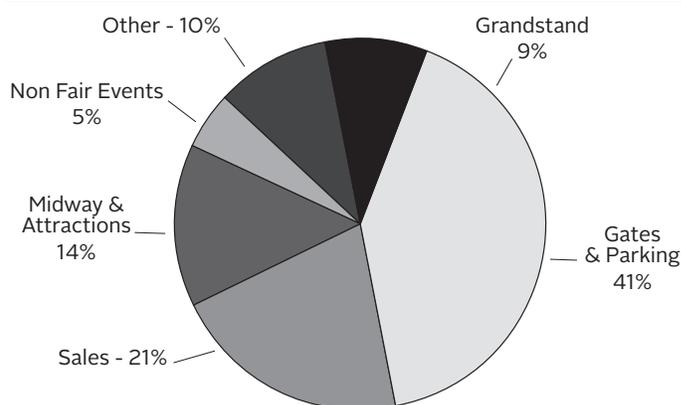
As a result of the spread of the Novel Coronavirus (COVID-19) pandemic, the spring non-fair events that were scheduled to take place on the fairgrounds were canceled, which will negatively impact our income. Other financial impact could occur, though the potential impact is unknown at this time.

The Society reports the investments of the Minnesota State Fair Foundation at fair value based on standards described in Note 9. The COVID-19 pandemic has caused significant volatility in economic conditions, including substantial reductions in the quoted active-market prices of some investments. A potential negative impact could be seen if sustained economic downturn hampers the Foundation's ability to hold such investments to maturity as planned, thus limiting future granting to the Society. The potential future impact of these conditions on the fair value of the Foundation's investment portfolio is not determinable at this time.

REVENUE, EXPENSE AND CHANGES IN NET POSITION		
	2019	2018
Revenue		
Ticket sales	\$40,065,718	\$35,258,478
Activities	15,995,600	14,731,276
Other	5,715,290	5,766,377
Non-operating revenue		
Investment income	130,325	18,439
Grant revenue	1,001,250	1,464,580
Gain on sale of capital asset	307,067	12,651
Total revenue	63,215,250	57,251,801
Expense		
Activities, support and administrative	37,389,841	29,463,004
General operations	19,428,936	18,586,491
Total expense	56,818,777	48,049,495
Change in net position	6,396,473	9,202,306
Beginning net position	62,598,080	53,395,774
Ending net position	\$68,994,553	\$62,598,080

CONDENSED STATEMENT OF NET POSITION		
	2019	2018
Current & other assets	\$ 16,714,418	\$ 14,372,825
Capital assets	86,049,705	73,632,970
Total assets	102,764,123	88,005,795
Deferred outflows of resources	5,263,121	9,404,575
Notes payable	17,280,000	9,658,000
Other liabilities	11,348,284	10,846,182
Total liabilities	28,628,284	20,504,182
Deferred inflows of resources	10,404,407	14,308,108
Net investment in capital assets	68,645,537	64,057,880
Restricted	3,031,237	2,604,182
Unrestricted	(2,682,221)	(4,063,982)
Total net position	\$ 68,994,553	\$ 62,598,080

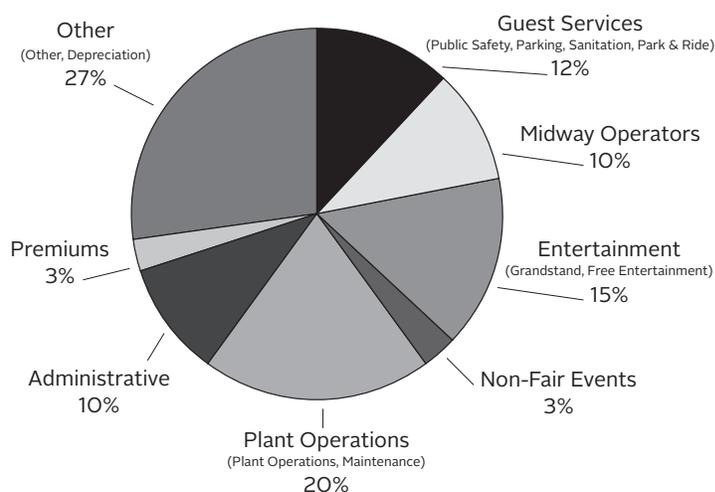
■ 2019 INCOME (\$63.2 million)



■ 2019 Income (in millions)

- Sales - \$13.5
- Gates - \$25.9 (Gates, Parking)
- Midway & Attractions - \$8.7 (Midway, MSF Attractions)
- Other - \$6.5 (Beef Expo, Other)
- Non-Fair Events - \$3.1
- Grandstand - \$5.5

■ 2019 EXPENSE (\$56.8 million)



■ 2019 Expense (in millions)

- Guest Services - \$6.6 (Guest Services, Public Safety, Parking, Sanitation, Park & Ride)
- Midway Operators - \$5.7 (Midway Operators, Adventure Park Payout)
- Entertainment - \$8.6 (Grandstand, Free Entertainment)
- Non-Fair Events - \$1.7
- Plant Operations - \$11.1 (Plant Operations, Maintenance)
- Administrative - \$6.3
- Premiums - \$1.6
- Other - \$15.2 (Other, Depreciation)

■ MINNESOTA STATE FAIR STATEMENT OF NET POSITION

As of October 31

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 10,140,485	\$ 10,680,253
Cash and cash equivalents - restricted	3,031,237	2,604,182
Accounts receivable	3,334,134	806,786
Prepaid expenses	<u>208,562</u>	<u>281,604</u>
Total current assets	\$ 16,714,418	\$ 14,372,825
Non-current assets:		
Capital assets, not being depreciated	\$ 2,799,432	\$ 3,685,097
Capital assets, net of related depreciation	<u>83,250,273</u>	<u>69,947,873</u>
Total non-current assets	\$ 86,049,705	\$ 73,632,970
Total assets	\$ 102,764,123	\$ 88,005,795
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding of debt	\$ 150,868	\$ 201,158
Pension plan deferments - MSRS	4,940,784	9,027,424
Other post employment benefit deferments	<u>171,469</u>	<u>175,993</u>
Total deferred outflows of resources	\$ 5,263,121	\$ 9,404,575
Total assets and deferred outflows of resources	\$ 108,027,244	\$ 97,410,370
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 3,720,620	\$ 3,389,873
Accrued salaries	455,357	417,689
Unearned revenue	292,046	406,735
Note interest payable	78,258	38,342
Capital lease - current	88,938	34,609
Note payable - current	2,389,000	2,302,000
Compensated absences - current	<u>491,668</u>	<u>447,434</u>
Total current liabilities	\$ 7,515,887	\$ 7,036,682
Noncurrent liabilities:		
Capital lease	\$ 186,098	\$ 83,639
Note payable	14,891,000	7,356,000
Compensated absences	396,882	434,891
Other post employment benefit liability	2,571,482	2,668,968
Net pension liability - MSRS	<u>3,066,935</u>	<u>2,924,002</u>
Total non-current liabilities	\$ 21,112,397	\$ 13,467,500
Total liabilities	\$ 28,628,284	\$ 20,504,182
DEFERRED INFLOWS OF RESOURCES		
Pension plan deferments - MSRS	\$ 10,404,407	\$ 14,308,108
Total liabilities and deferred inflows of resources	\$ 39,032,691	\$ 34,812,290
NET POSITION		
Net investment in capital assets	\$ 68,645,537	\$ 64,057,880
Restricted for:		
Debt service	3,030,787	2,603,732
Capital improvements	450	450
Unrestricted	<u>(2,682,221)</u>	<u>(4,063,982)</u>
Total net position	\$ 68,994,553	\$ 62,598,080
Total liabilities, deferred inflows of resources, and net position	\$ 108,027,244	\$ 97,410,370

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

■ MINNESOTA STATE FAIR FOUNDATION STATEMENT OF FINANCIAL POSITION

As of October 31

ASSETS

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Cash and cash equivalents	\$ 1,571,931	\$ 781,211	\$ 2,353,142	\$ 1,238,686	\$ 480,551	\$ 1,719,237
Investments	-	1,159,763	1,159,763	-	942,474	942,474
Contributions receivable, net	-	264,835	264,835	-	266,313	266,313
Prepaid expenses and other assets	11,375	-	11,375	5,602	-	5,602
Merchandise inventory	6,271	-	6,271	5,003	-	5,003
Property and equipment, net of accumulated depreciation of \$6,025 and \$7,466, respectively	788	-	788	891	-	891
Total assets	<u>\$ 1,590,365</u>	<u>\$ 2,205,809</u>	<u>\$ 3,796,174</u>	<u>\$ 1,250,182</u>	<u>\$ 1,689,338</u>	<u>\$ 2,939,520</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 5,854	\$ -	\$ 5,854	\$ 5,054	\$ -	\$ 5,054
Accrued expenses	46,876	-	46,876	31,214	-	31,214
Payables due to the Minnesota State Agricultural Society	56,040	-	56,040	59,684	-	59,684
Total liabilities	108,770	-	108,770	95,952	-	95,952

Net assets

Without donor restriction:						
Undesignated	1,406,057	-	1,406,057	1,089,541	-	1,089,541
Board-designated for fine arts	75,538	-	75,538	64,689	-	64,689
Total without donor restriction net assets	1,481,595	-	1,481,595	1,154,230	-	1,154,230
With donor restrictions	-	2,205,809	2,205,809	-	1,689,338	1,689,338
Total net assets	1,481,595	2,205,809	3,687,404	1,154,230	1,689,338	2,843,568
Total liabilities and net assets	<u>\$ 1,590,365</u>	<u>\$ 2,205,809</u>	<u>\$ 3,796,174</u>	<u>\$ 1,250,182</u>	<u>\$ 1,689,338</u>	<u>\$ 2,939,520</u>

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

■ MINNESOTA STATE FAIR STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

For the years ended October 31

	2019	2018
OPERATING REVENUES		
Ticket sales	\$ 40,065,718	\$ 35,258,478
Activities	15,995,600	14,731,276
Other	<u>5,715,290</u>	<u>5,766,377</u>
Total operating revenues	\$ 61,776,608	\$ 55,756,131
OPERATING EXPENSES		
Administrative	\$ 6,334,983	\$ 2,346,030
Activities and support	31,054,858	27,116,974
Premiums	1,678,584	1,645,526
Plant operations	7,430,785	7,300,753
Plant maintenance	3,674,243	3,736,925
Other	1,863,620	1,896,600
Depreciation	<u>4,049,437</u>	<u>3,593,946</u>
Total operating expenses	\$ 56,086,510	\$ 47,636,754
Operating income	\$ 5,690,098	\$ 8,119,377
NON-OPERATING REVENUES (EXPENSES)		
Investment income	\$ 130,325	\$ 18,439
Grant revenue	1,001,250	1,464,580
Gain on sale of capital asset	307,067	12,651
Interest expense	<u>(732,267)</u>	<u>(412,741)</u>
Total non-operating revenues (expenses)	\$ 706,375	\$ 1,082,929
Change in net position	\$ 6,396,473	\$ 9,202,306
Net position, beginning of the year	<u>62,598,080</u>	<u>53,395,774</u>
Net position, end of year	<u>\$ 68,994,553</u>	<u>\$ 62,598,080</u>

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

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

For the Years Ended October 31

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	\$ 440,882	\$ 1,652,862	\$ 2,093,744	\$ 325,841	\$ 1,530,298	\$ 1,856,139
Support from the Minnesota State Agricultural Society	149,979	-	149,979	213,690	-	213,690
In-kind contributions	60,247	-	60,247	283,342	-	283,342
Special events, net of direct benefits of \$40,926 and \$33,399, respectively	106,155	-	106,155	101,880	-	101,880
Interest and dividends	511	-	511	7,583	-	7,583
Realized and unrealized gains (losses) on investments	25,313	130,635	155,948	3,190	(6,393)	(3,203)
Net assets released from restrictions	<u>1,267,026</u>	<u>(1,267,026)</u>	<u>-</u>	<u>1,375,547</u>	<u>(1,375,547)</u>	<u>-</u>
Total	2,050,113	516,471	2,566,584	2,311,073	148,358	2,459,431
Merchandise sales and commissions	396,045	-	396,045	381,553	-	381,553
Less: cost of goods sold	<u>(91,956)</u>	<u>-</u>	<u>(91,956)</u>	<u>(117,272)</u>	<u>-</u>	<u>(117,272)</u>
Net merchandise sales and commissions	<u>304,089</u>	<u>-</u>	<u>304,089</u>	<u>264,281</u>	<u>-</u>	<u>264,281</u>
Total revenues	2,354,202	516,471	2,870,673	2,575,354	148,358	2,723,712
EXPENSES						
Program	\$ 1,220,753	-	1,220,753	1,675,533	-	1,675,533
Management and administrative expense	282,483	-	282,483	331,156	-	331,156
Fundraising expenses	<u>523,601</u>	<u>-</u>	<u>523,601</u>	<u>491,766</u>	<u>-</u>	<u>491,766</u>
Total expenses	2,026,837	-	2,026,837	2,498,455	-	2,498,455
CHANGE IN NET ASSETS	327,365	516,471	843,836	76,899	148,358	225,257
Net assets - beginning	<u>1,154,230</u>	<u>1,689,338</u>	<u>2,843,568</u>	<u>1,077,331</u>	<u>1,540,980</u>	<u>2,618,311</u>
NET ASSETS ENDING	\$ 1,481,595	\$ 2,205,809	\$ 3,687,404	\$ 1,154,230	\$ 1,689,338	\$ 2,843,568

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

■ MINNESOTA STATE FAIR STATEMENT OF CASH FLOWS

For the years ended October 31

	2019	2018
Cash flow from operating activities		
Cash received from operations		
Ticket sales	\$ 40,065,358	\$ 35,258,478
Activities	15,809,996	14,807,040
Other	3,259,217	5,701,846
Cash payment for operating expenses		
To suppliers for goods or services	(38,206,087)	(36,558,668)
To employees for services	<u>(11,728,858)</u>	<u>(10,833,868)</u>
Net cash provided by operating activities	<u>\$ 9,199,626</u>	<u>\$ 8,374,828</u>
Cash flow from capital and related financing activities		
Payments for acquisition and construction of capital assets	\$ (17,830,786)	\$ (9,164,449)
Principal payments on revenue note	(2,378,000)	(2,229,000)
Principal payments on capital lease	(83,397)	(34,610)
Interest payments on revenue note	(642,061)	(371,290)
Proceeds from issuance of revenue notes	10,000,000	-
Proceeds from sale of capital asset	310,392	12,651
Proceeds from issuance of capital lease	<u>240,185</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	\$ (10,383,667)	\$ (11,786,698)
Cash flow from non-capital financing activities		
Grant revenue	<u>941,003</u>	<u>1,181,238</u>
Cash flow from investing activities		
Interest earnings	<u>130,325</u>	<u>18,439</u>
Net increase (decrease) in cash and cash equivalents	(112,713)	(2,212,193)
Cash and cash equivalents, beginning of year	<u>13,284,435</u>	<u>15,496,628</u>
Cash and cash equivalents, end of year	<u>\$ 13,171,722</u>	<u>\$ 13,284,435</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 5,690,098	\$ 8,119,377
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	4,049,437	3,593,946
Other non-operating revenues and cash expenses	60,247	283,342
Changes in assets, deferred outflows, liabilities and deferred inflows		
Assets: (increase) decrease		
Accounts receivable	(2,527,348)	323,783
Prepaid expenses	73,042	(124,748)
Deferred outflows of resources: (increase) decrease		
Pension plan deferments - MSRS	4,086,640	4,181,637
Other post employment benefit deferments	4,524	(175,993)
Liabilities: increase (decrease)		
Accounts payable	1,692,036	153,889
Accrued salaries	37,668	48,719
Compensated absences	6,225	10,338
Unearned revenue	(114,689)	(312,550)
Other post-employment benefit obligations	(97,486)	228,070
Net pension liability - MSRS	142,933	(12,801,962)
Deferred inflows of resources: increase (decrease)	<u>(3,903,701)</u>	<u>4,846,980</u>
Total adjustments	<u>\$ 3,509,528</u>	<u>\$ 255,451</u>
Net cash provided by operating activities	<u>\$ 9,199,626</u>	<u>\$ 8,374,828</u>

Supplemental disclosure of non-cash transactions

For fiscal year 2019 and 2018, accounts payable included capitalized expenses of \$169,832 and \$1,531,121 respectively. For fiscal year 2019 and 2018, the Society received in-kind contributions totaling \$60,247 and \$283,342 respectively.

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

■ FOOTNOTES

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The Minnesota State Agricultural Society (dba Minnesota State Fair) is charged with the conduct of the annual State Fair and the management of the State Fairgrounds, as outlined by Chapter 37 of Minnesota Statutes. The financial activities of the Society are accounted for as an enterprise fund which operates in a manner similar to a private business enterprise. Accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Society's accounting practices conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the time of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

This report includes the Minnesota State Fair Foundation financial statements. Although a legally separate organization, the Foundation is considered a component unit of the Society given its resources entirely, or almost entirely benefit the Society, the Society is entitled to these resources, and the resources are significant to the Society's operations. The Foundation is presented as a discretely presented component unit in these financial statements.

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's information in the Society's financial reporting entity for these differences.

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

For purposes of the Statement of Cash Flows, the Society considers all highly liquid debt instruments with an original maturity from the time of purchase by the Society of three months or less to be cash equivalents.

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

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

Costs of newly acquired assets are capitalized at historical cost and written off as depreciation charges over their estimated useful lives. Costs of improvements and renovations that add to the original value or materially extend the useful life to the related asset are capitalized and written off as depreciable over their estimated useful life. Purchases over \$5,000 with an estimated useful life exceeding one year are capitalized. Interest incurred during construction of capital assets is included in the value of the assets. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. Depreciation is computed by the straight-line method. Land and construction in progress are not depreciated. The provision for depreciation is calculated based on the following lives:

Land improvements:

Fence & fixtures	20 years
Land improvements.....	20 to 30 years

Structures	20 to 50 years
Utility systems:	
Electrical system.....	30 years
Gas distribution system.....	30 years
Sewer system.....	20 years
Water distribution system.....	20 to 50 years
Personal property	5 to 10 years

In addition to assets, Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The Society has two items that qualify for reporting in this category. The first item is the deferred charge on refunding of debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item, deferred outflows of resources related to pensions and other post employment benefit plans, is reported in the Statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, the difference between projected and actual earnings on pension plan investments, changes in proportion and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

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

Compensated absences consist of employee vacation and sick leave benefits. These benefits are determined based on a formula with a maximum number of hours accumulated and are payable upon death, termination, or retirement. All compensated absences expected to be paid on termination of employment are accrued when incurred.

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

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

The Society is exposed to various risks of loss related to the theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers compensation for which the Society carries insurance. Settled claims have not exceeded coverage in any of the past

three fiscal years. There were no significant reductions in the Society's insurance coverage in fiscal year 2019.

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

1. Net investment in capital assets - consists of capital assets, net of accumulated depreciation and any outstanding debt that is attributable to the purchase, construction or improvement of those assets.
2. Restricted net position - consists of net position (funds) that are reported separately due to restrictions in place required by debt obligations or enabling legislation that mandate how these funds are applied by the Society. These assets are for debt service payments and capital improvements.
3. Unrestricted net position - consists of all other assets that do not meet the criteria of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the Society's policy to use restricted resources first, then unrestricted resources as they are needed.

The Statement of Net Position and Statement of Revenue, Expenses and Changes in Net Position include prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended October 31, 2018 from which the summarized information was derived. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

NOTE 2: CASH & CASH EQUIVALENTS

The Society's cash balance is invested in deposit accounts in accordance with Minnesota Statute 37. Minnesota State Statute Section 118A.03 requires that deposits by municipalities, including public corporations, be secured by depository insurance, or a combination of depository insurance and collateral security. The statute further requires that total collateral computed at its fair market value be at least 10 percent more than the amount on deposit in excess of any uninsured portion at the close of the business day. On October 31, 2019, the Society had a bank balance of \$14,352,850. After adjusting the bank balance for outstanding checks, deposits in transit, and other reconciling items, the carrying value of deposits totaled \$13,171,722. At October 31, 2019, all deposits were fully covered by federal depository insurance, surety bonds, or collateral held by the Society's agent in the Society's name.

Cash and Cash Equivalents of the Minnesota State Agricultural Society for the year ended October 31, 2019 were:

Cash equivalents - restricted	
Building account	\$ 450
Debt service account	<u>3,030,787</u>
Total restricted cash equivalents	3,031,237
Cash equivalents - unrestricted	<u>10,140,485</u>
Total cash equivalents	<u>\$13,171,722</u>

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

NOTE 3: PROPERTY, STRUCTURES, UTILITIES & EQUIPMENT

	Beginning Balance 11/01/18	Increases	Decreases	Ending Balance 10/31/19
Capital assets, not being depreciated:				
Land	\$ 2,802,757	\$ -	\$ (3,325)	\$ 2,799,432
Construction in progress	<u>882,340</u>	<u>-</u>	<u>(882,340)</u>	<u>-</u>

Total capital assets, not being depreciated	3,685,097	-	(885,665)	2,799,432
Capital assets, being depreciated:				
Land improvements	115,059,250	16,554,702	-	131,613,952
Utility systems	17,356,087	281,505	-	17,637,592
Personal property	<u>2,362,973</u>	<u>515,630</u>	<u>-</u>	<u>2,878,603</u>
Total capital assets, being depreciated	134,778,310	17,351,837	-	152,130,147
Less accumulated depreciation for:				
Land improvements	(54,058,073)	(3,300,023)	-	(57,358,096)
Utility systems	(8,842,998)	(490,230)	-	(9,333,228)
Personal property	<u>(1,929,366)</u>	<u>(259,184)</u>	<u>-</u>	<u>(2,188,550)</u>
Total accumulated depreciation	<u>(64,830,437)</u>	<u>(4,049,437)</u>	<u>-</u>	<u>(68,879,874)</u>
Total capital assets, being depreciated, net	<u>69,947,873</u>	<u>13,302,400</u>	<u>-</u>	<u>83,250,273</u>
Total capital assets, net	<u>\$ 73,632,970</u>	<u>\$13,302,400</u>	<u>\$ (885,665)</u>	<u>\$ 86,049,705</u>

NOTE 4: LONG-TERM LIABILITIES

	Balance 11/01/18	Additions	Deletions	Balance 10/31/19	Due Within One Year
Refunding revenue note	\$ 2,907,000	\$ -	\$ (699,000)	\$ 2,208,000	\$ 718,000
Revenue note series 2013	6,751,000	-	(1,603,000)	5,148,000	1,658,000
Revenue note series 2018	-	10,000,000	(76,000)	9,924,000	13,000
Capital Lease	<u>118,248</u>	<u>240,185</u>	<u>(83,397)</u>	<u>275,036</u>	<u>88,938</u>
Total long-term liabilities	<u>\$ 9,776,248</u>	<u>\$10,240,185</u>	<u>\$ (2,461,397)</u>	<u>\$ 17,555,036</u>	<u>\$ 2,477,938</u>

The Refunding Revenue Note was issued to finance the retirement (refunding) of prior bond issues. The Note is a special, limited liability obligation of the Society and is not secured by the full faith and credit of the Society. The note is payable solely from the revenues of the State Fair. Operating revenues at October 31, 2019 were \$61,776,608 which exceeds the amount required for payment of principal and interest in 2020. The interest rate is 2.53% and matures September 15, 2022. As of October 31, 2019, \$3,105,000 of defeased revenue bond debt is outstanding.

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

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

	Principal	Interest
2020	\$ 718,000	\$ 55,862
2021	735,000	37,697
2022	<u>755,000</u>	<u>19,102</u>
	<u>\$ 2,208,000</u>	<u>\$ 112,661</u>

The Revenue Note, Series 2013 was issued to assist in financing the construction of the West End Market. This note is a special, limited liability obligation of the Society and is not secured by the full faith and credit of the Society. The note is payable solely from the revenues of the State Fair. Operating revenues at October 31, 2019 were \$61,776,608

which exceeds the amount required for payment of principal and interest in 2020. The Series 2013 revenue note principal amount at original issue was \$9,600,000 with an interest rate of 3.38% and matures September 15, 2022.

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

	Principal	Interest
2020	\$ 1,658,000	\$ 174,002
2021	1,715,000	117,962
2022	<u>1,775,000</u>	<u>59,995</u>
	<u>\$ 5,148,000</u>	<u>\$ 351,959</u>

The Revenue Note, Series 2018 was issued to assist in financing the construction of the North End Events Center. This note is a special, limited liability obligation of the Society and is not secured by the full faith and credit of the Society. The note is payable solely from the revenues of the State Fair. Operating revenues at October 31, 2019 were \$61,776,608 which exceeds the amount required for payment of principal and interest in 2020. The Series 2018 revenue note principal amount was \$10,000,000 with an interest rate of 4.05% and matures September 15, 2027.

Annual debt service requirements to maturity for the State Fair Revenue Note, Series 2018 is as follows:

	Principal	Interest
2020	\$ 13,000	\$ 401,922
2021	13,000	401,396
2022	14,000	400,869
2023	1,822,000	400,302
2024	1,897,000	326,511
2025	1,974,000	249,683
2026	2,054,000	169,735
2027	<u>2,137,000</u>	<u>86,548</u>
	<u>\$ 9,924,000</u>	<u>\$ 2,436,966</u>

Capital leases:

The Society entered into an interest free capital lease agreement to finance the acquisition of a multi-media printer for the sign shop. The total financed through this capital lease was \$173,047, with a maturity in April 2022. As of October 31, 2019, this asset had a capitalized value of \$173,047 with accumulated depreciation of \$103,828.

	Principal
2020	\$ 34,609
2021	34,609
2022	<u>14,421</u>
	<u>\$ 83,639</u>

The Society entered into an interest free capital lease agreement to finance the acquisition of two wheeled loaders. The total financed through this capital lease was \$159,336, with a maturity in May 2023. As of October 31, 2019, this asset had a capitalized value of \$159,336 with accumulated depreciation of \$31,867.

	Principal
2020	\$ 35,408
2021	35,408
2022	35,408
2023	<u>20,654</u>
	<u>\$ 126,879</u>

The Society entered into a capital lease agreement to finance the acquisition of three skid steers. The total financed through this capital lease was \$80,849 with an interest rate of 6.3% per annum and a maturity in November 2023. As of October 31, 2019, this asset had a

capitalized value of \$80,849 with accumulated depreciation of \$16,170.

	Principal	Interest
2020	\$ 18,921	\$ 755
2021	14,361	1,980
2022	14,484	1,554
2023	15,423	615
2024	<u>1,329</u>	<u>7</u>
	<u>\$ 64,518</u>	<u>\$ 4,911</u>

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

Compensated Absences:

	Balance 11/01/18	Additions	Retirements	Balance 10/31/19	Due within one year
Severance benefits payable	\$ 470,096	\$ 48,917	\$ (71,213)	\$ 447,800	\$ 50,918
Vacation benefits payable	<u>412,229</u>	<u>498,447</u>	<u>(469,926)</u>	<u>440,750</u>	<u>440,750</u>
	<u>\$ 882,325</u>	<u>\$ 547,364</u>	<u>\$ (541,139)</u>	<u>\$ 888,550</u>	<u>\$ 491,668</u>

NOTE 5: SHORT TERM OBLIGATIONS

During fiscal year 2019, the Society renewed a working capital line of credit in the amount of \$1.5 million, with a maturity date of June 30, 2020, for possible short-term financing of fair operations. The interest rate is the prime interest rate, with a minimum rate of 4.5%. No short-term financing was necessary in fiscal 2019.

NOTE 6: RETIREMENT PENSION PLAN

Plan Description

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

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

Benefits Provided

MSRS provides retirement, disability, and death benefits through the State Employees Retirement Fund. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefits are based on a member's age, years and months of service, and the highest average salary for any sixty successive months of available service at termination of service. Benefit increases are provided to benefit recipients each January, and are related to the funded ratio of the plan. Benefit recipients receive annual 1.0 percent benefit increases. Annual benefit increases will change to 1.5 percent per year beginning January 1, 2024. Retirees who have been receiving a benefit for at least

12 full months as of June 30 of the calendar year immediately before the post-retirement benefit increase adjustment will receive the full increase. Members receiving benefits for at least one month, but less than 12 full months, will receive a pro rata increase.

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

Contributions

Minnesota Statutes Chapter 352 sets the rates for employer and employee contributions. Eligible General Plan members and participating employers were required to contribute 5.75 percent and 5.875 percent, respectively, of the annual covered salary through the pay period ending July 12, 2019. The rate increased to 6.0 percent for members and 6.25 percent for participating employers for subsequent pay periods in fiscal 2019. The Society's contribution to the General Plan for the fiscal year ending October 31, 2019 was \$402,455. These contributions were equal to the contractually required contributions for each year as set by state statute. Due to a change in the eligibility of one class of employees, the Society paid both the employee and employer contributions retroactively to the date of eligibility for this class of employees, in the amount of \$39,661. Additionally, the Society paid \$3,717 in interest related to these contributions.

Actuarial Assumptions

The Society's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 generational mortality tables for males or females, as appropriate, with adjustments to match fund experience. Benefit increases for retirees were established in state statutes and no assumptions are required.

Actuarial assumptions used in the June 30, 2019 valuation were based on the last experience study, dated June 30, 2015, a review of inflation and investment return assumptions dated September 11, 2017, and a recent asset liability study obtained by the SBI.

The long-term expected rate of return on pension plan investments is 7.50 percent. During fiscal year 2016, the SBI hired an outside consultant to perform a thorough asset and liability study. Based on the study, the SBI staff proposed an update to the asset allocation, which yields a lower nominal expected return. As a result of this study, and keeping in mind the national trend towards lower investment rate assumptions, the MSRS Board of Directors approved the use of a 7.50 percent long-term expected rate of return assumption for the fiscal year 2019 actuarial valuations.

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

produce a geometric, expected long-term rate of return as summarized in the following table:

Asset class	Target allocation	SBI's long-term expected real rate of return (geometric mean)
Domestic equity	36%	5.10%
International equity	17%	5.30%
Fixed income	20%	0.75%
Private Markets	25%	5.90%
Cash	2%	0.00%

All MSRS defined benefit funds use a long-term expected rate of return assumption of 7.50 percent, and a municipal bond rate of 3.13 percent, as published by the Fidelity Index in June 2019. The projection of cash flows used to determine the single discount rates assumes that plan member and employer contributions will be made at the current statutory contribution rates. For the State Employees Fund, the fiduciary net position was projected to be available to make all future benefit payments of current plan members through fiscal year 2019. Therefore, the discount rate is the long-term expected rate of return on pension plan investments, which was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 7.5 percent, the same single discount rate that was used in fiscal year 2018.

Net Pension Liability

At October 31, 2019, the Society reported a liability of \$3,066,935 for its proportionate share of MSRS' net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Society's proportion of the net pension liability was based on the Society's contributions received by MSRS during the measurement period July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2019, the Society's proportion was 0.218 percent.

Pension Liability Sensitivity

The following represents the Society's proportionate share of the net pension liability calculated using the discount rate disclosed in the discount rate section above, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% decrease in discount rate (6.5%)	Discount rate (7.5%)	1% increase in discount rate (8.5%)
Society's proportionate share of the net pension liability	\$7,143,165	\$3,066,935	(\$316,778)

Pension Plan Fiduciary Net Position

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

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

For the year ended October 31, 2019, the Society recognized pension expense of \$764,363. At October 31, 2019, the Society reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 92,972	\$ 10,638
Changes of assumptions	\$ 4,321,333	\$ 9,609,281
Net difference between projected and actual earnings on investments	-	\$ 749,048

Changes in proportion and differences between actual contributions and proportionate share of contributions	\$ 367,997	\$ 35,440
Contributions paid to MSRS subsequent to the measurement date	\$ 158,482	-
Total	\$ 4,940,784	\$ 10,404,407

Amounts reported as deferred outflows of resources related to pensions resulting from Society contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended October 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended October 31	Pension expense amount
2020	\$ 364,267
2021	(\$4,166,382)
2022	(\$1,903,535)
2023	\$83,545

Deferred Compensation

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

NOTE 7: OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS

Plan Description

The Society provides retirees, who meet certain defined requirements, payments for a portion of medical insurance premiums until they reach the age of 65. This type of benefit is classified as an Other Post Employment Benefit (OPEB), a single-employer defined benefit plan administered by the Society. The plan does not issue a publicly available financial report.

All retirees of the Society upon retirement have the option under state law to continue their medical insurance coverage through the Society. For certain employees, the Society pays a portion of the premium. Employee eligibility for this benefit is the earlier of age 60 and 20 years of service or the Rule of 90 (only employees hired before July 1, 1989 are eligible for the Rule of 90). Retirees not eligible for this Society paid premium benefits must pay the full Society premium rate for their coverage.

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

Funding Policy

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

Membership

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

Retirees and beneficiaries receiving benefits 5

Active plan members	75
Total members	80

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study with valuation and measurement dates as of October 31, 2018, using the alternative measurement method, using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified:

Discount rate	3.94%
20-year municipal bonds	3.94%
Inflation rate	2.75%
Healthcare trend rate	6.90% grading to 4.4% through 2075
Dental trend rate	4%

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.94 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The Society discount rate used on the prior measurement date was 3.49 percent.

Changes in the Total OPEB Liability

	Total OPEB liability
Beginning balance	\$2,668,968
Changes for the year	
Service cost	179,393
Interest	96,337
Changes of assumptions	(197,223)
Benefit payments	(175,993)
Total net changes	(97,486)
Ending Balance	<u>\$2,571,482</u>

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

The following presents the total OPEB liability of the Society, as well as what the Society's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% decrease in discount rate	Discount rate	1% increase in discount rate
OPEB discount rate	2.94%	3.94%	4.94%
Total OPEB liability	\$2,785,574	\$2,571,482	\$2,375,418

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

	1% decrease in healthcare trend rates	Healthcare trend rates	1% increase in healthcare trend rates
Healthcare trend rate	5.9% decreasing to 3.4% through 2075	6.9% decreasing to 4.4% through 2075	7.9% decreasing to 5.4% through 2075
Dental trend rate	3.00%	4.00%	5.00%
Total OPEB Liability	\$2,285,023	\$2,571,482	\$2,913,511

OPEB Expense and Related Deferred Outflows and Deferred Inflows of Resources

The Society recognized OPEB expense of \$78,507 in the current year, and at year-end reported the following deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Society's contributions subsequent to the measurement date	\$ 171,469	\$ -

NOTE 8: DISAGGREGATION OF RECEIVABLE & PAYABLE BALANCES

Receivables: Accounts receivable balances for the year ended October 31, 2019 were:

Tickets	\$ 4,680
Activities	627,554
Other	<u>2,701,900</u>
Total receivables	<u>\$ 3,334,134</u>

Payables: Accounts payable balances for the year ended October 31, 2019 were:

Administration	\$ 147,147
Activities	1,567,017
Plant operations	1,412,394
Capitalized	169,832
Other	<u>424,230</u>
Total payables	<u>\$ 3,720,620</u>

NOTE 9: FOUNDATION

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

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

Financial Statement Presentation

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

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

With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a

restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions Receivable

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in the contribution revenue. An allowance for doubtful contributions receivable of \$16,000 was recorded as of October 31, 2019.

Contributions receivable at October 31, 2019 represent the present value of receivables due. Present value is determined using discount rates ranging from 1.24% to 2.98%. The expected collection periods of the contributions receivable at October 31, 2019 are as follows:

<u>Year ending October 31</u>	<u>Amount</u>
2020	\$ 180,950
2021	76,475
2022	21,050
2023	<u>10,000</u>
Total	\$288,475
Less: unamortized discount	7,640
Less: allowance for doubtful pledges	<u>16,000</u>
Total	<u>\$264,835</u>

Revenue Recognition

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

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

Unconditional contribution pledges are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are substantially met. Gifts and bequests are recognized when it has been determined that there is a legal right to the gift or bequest and the actual amount to be received has been determined.

Donated Services

Employees of the Society have made significant contributions of their time to the Foundation's activities. These uncompensated services are included in the agreement between the Society and the Foundation. Additionally, volunteers have donated time to the Foundation in various capacities. For the year ended October 31, 2019, volunteer hours were 3,329. No amounts have been reflected in the statement for donated services, since the services do not meet established criteria for recognition. These criteria require that the donated services create or enhance the nonfinancial assets, require specialized skills which would be purchased if not donated, and have an objective basis for measurement.

Fair Value Measurements

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

If the inputs used to measure the financial instrument fall within different

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

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

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

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

Income Taxes

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

The Foundation follows the accounting standard for uncertainty in income taxes recognized in an entity's financial statements. This standard clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold for the financial statement of tax positions taken, or expected to be taken, on a tax return that are not certain to be realized. The implementation of this standard had no impact on the Foundation's financial statements. The Foundation's tax returns are subject to review and examination by federal authorities.

Investments

The Foundation's investments are comprised of a mutual fund. Investments are stated at fair value. Realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets. Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the volatility of the market with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the future statement of activities and changes in net assets.

Merchandise Inventory

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

Property and Equipment

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

Adoption of Accounting Principle

The Foundation adopted Financial Accounting Standards Board (FASB) ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities for the year ended October 31, 2019. These changes were applied retroactively to ensure comparability with the prior year presented herein. The adoption did not impact the Foundation's financial position as of October 31, 2019 and 2018 or the changes in its net assets or cash flows for the years then ended.

NOTE 10: RELATED PARTY TRANSACTIONS

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

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

At October 31, 2019, the Foundation had outstanding payables due to the Society for payroll and other compensation-related expenses in the amount of \$56,040. The Society contributed payroll expenses of \$100,682 during fiscal 2019.

Grants to the Minnesota State Agricultural Society

During the year ended October 31, 2019, the Foundation granted \$324,325 towards improvements to the North End; Swine Barn improvements valued at \$250,000; Ramberg Music Cafe center improvements valued at \$25,000; West-End Market construction costs valued at \$85,750; fair-time educational enrichment and artistic experiences valued at \$60,410; environmental applications valued at \$37,298; recognition pavers and benches valued at \$142,781, and various other miscellaneous gifts valued at \$75,686, for a grant total of \$1,001,250 during fiscal 2019.

NOTE 11: RISK MANAGEMENT AND ACCOUNTING FOR INSURANCE RECOVERIES

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

State Risk Management Fund

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

On March 12, 2019, after a prolonged period of snow and rain, a portion of the Cattle Barn roof collapsed due to shifting snow loads. Total incident related accrued expenses of \$2,205,492 were incurred through October 31, 2019. Estimates of additional storm related damage expenses in fiscal 2020 will increase the total sum related expenses to approximately \$3.3 million. Insurance recovery reimbursement proceeds are expected to offset storm damage expenses. In our financial statements, these storm damage expenses were reported net of estimated insurance recoveries. As a result, \$2,180,492 receivable was recorded to offset 2019 incident related accrued expenses.

NOTE 12: CONTINGENCIES

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

NOTE 13: SUBSEQUENT EVENTS

As a result of the spread of the Novel Coronavirus (COVID-19) pandemic, the spring non-fair events that were scheduled to take place on the fairgrounds were cancelled, which will negatively impact our income. Other financial impact could occur, though the potential impact is unknown at this time.

The Society reports the investments of the Minnesota State Fair Foundation at fair value based on standards described in Note 9. The COVID – 19 pandemic has caused significant volatility in economic conditions, including substantial reductions in the quoted active-market prices of some investments. A potential negative impact could be seen if sustained economic downturn hampers the Foundation's ability to hold such investments to maturity as planned, thus limiting future granting to the Society. The potential future impact of these conditions on the fair value of the Foundation's investment portfolio is not determinable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Defined Benefit Pension Plans

Schedule of Society's Proportionate Share of Net Pension Liability
State Employees Retirement Fund

Minnesota State Retirement System:

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

Defined Benefit Pension Plans

Schedule of Society Contributions - State Employees Retirement Fund

Minnesota State Retirement System:

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

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

Note 2: For both of these tables, the Society fiscal year-end date is October 31, and the MSRS fiscal year-end date (measurement date) is June 30.

Note 3: 2016 changes in actuarial assumptions. Benefit increases for retirees was changed from 2.0 percent every January 1st through 2015 and 2.50 percent thereafter to 2.0 percent per year for all future years. The long-term expected rate of return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 4.17 percent.

Note 4: 2017 changes in actuarial assumptions. The single discount rate was changed from 4.17 percent to 5.42 percent.

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Other Post-Employment Benefits Plan

Schedule of Changes in the Society's Total OPEB Liability and Related Ratios

Year Ended October 31, 2019

	2019	2018
Total OPEB Liability		
Service cost	\$ 179,393	\$ 175,377
Interest	96,337	88,610
Changes of assumptions	(197,223)	(35,917)
Benefit payments	<u>(175,993)</u>	<u>(105,412)</u>
Net change in total OPEB liability	(97,486)	122,658
Total OPEB liability - beginning of year	<u>2,668,968</u>	<u>2,546,310</u>
Total OPEB liability - end of year	<u>\$ 2,571,482</u>	<u>\$ 2,668,968</u>
Covered payroll	<u>\$ 5,674,182</u>	<u>\$ 5,402,854</u>
Total OPEB liability as a percentage of covered payroll	45.3%	49.4%

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

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

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

Note 4: The discount rate was changed from 3.49 percent to 3.94 percent.

■ MINNESOTA STATE FAIR SUPPORTING SCHEDULE - REVENUES AND EXPENSES

For the years ended October 31

2019

2018

OPERATING REVENUE

Ticket sales:

Carnival	\$ 8,519,916	\$ 7,776,388
MSF attractions	216,512	185,045
Grandstand	5,469,722	4,325,671
Outside gate	24,424,973	21,543,906
Parking	1,434,595	1,427,468

Total ticket sales \$ 40,065,718 \$35,258,478

Activities:

Campground	\$ 134,088	\$ 133,451
Carnival	134,822	136,816
Competition	365,945	350,483
Entertainment	73,978	63,777
Fine arts	64,069	93,563
Forage	153,364	151,562
4-H auction	851,502	783,704
Public safety	7,890	7,452
Sales	13,511,890	12,366,691
Ticket office	698,052	643,777

Total activities \$ 15,995,600 \$14,731,276

Other:

Beef Expo	\$ 144,561	\$ 145,399
Licensee utilities	292,887	297,286
Miscellaneous	59,904	81,622
Non-fair events	3,171,586	3,301,973
Sale of bulk milk	10,560	8,232
Sale of market animals	65,148	55,722
Sponsorships	1,311,285	1,203,506
Telephone	74,867	75,622
Utility assessments	584,492	597,015

Total other \$ 5,715,290 \$ 5,766,377

Total operating revenue \$ 61,776,608 \$ 55,756,131

OPERATING EXPENSES

Administrative:

Administrative services	\$ 643,075	\$ 754,946
Annual meeting	50,799	51,626
Auditing services	56,321	52,325
Computer	535,988	446,110
Dues and subscriptions	21,559	21,421
Insurance	227,505	214,946
Legal services	108,984	112,604
Managerial services	405,804	475,504
Medical insurance	1,033,523	1,171,173
Paid leave	880,016	827,577
Postage and mailing service	95,859	94,699
Printing and supplies	96,311	95,580
Retirement fund	764,363	(3,435,925)
Social security	865,113	807,061
Telephone	225,735	296,391
Travel expense	123,127	136,149
Unemployment compensation	58,735	84,886
Workers compensation	142,166	138,957

Total administrative \$ 6,334,983 \$ 2,346,030

	2019	2018
Activities and Support:		
Admissions	\$ 253,604	\$ 234,417
Advertising	993,621	1,051,547
Bee culture	22,184	20,005
Beef Expo	135,972	147,427
Campground	70,050	63,094
Carnival	6,316,111	5,836,412
MSF attractions	92,779	55,513
Cattle	117,491	134,348
Christmas trees	7,639	7,973
Competition	897,602	819,140
Creative activities	105,467	107,175
Dairy products	1,581	1,592
Dog trials	4,067	3,352
Education programming	903,995	406,458
Farm crops	35,010	31,906
FFA	51,346	49,431
Finance	312,091	294,251
Fine arts	40,266	45,059
Flower and agriculture shows	81,668	64,968
Flowers	13,716	11,889
Forage	229,222	208,245
4-H club	263,788	270,151
Free entertainment	1,988,609	1,833,348
Fruit	15,969	14,612
Gate tickets	270,718	243,906
Goats - Boer	1,949	2,574
Goats - Dairy	6,745	6,048
Grandstand - concerts	6,586,069	4,819,175
Guest services	118,563	57,504
Heritage exhibits	77,420	78,471
Horse and rodeo	251,724	233,748
K-12 competition	43,263	43,226
Llamas	3,850	2,930
Marketing	447,605	467,838
Park & Ride	2,636,962	2,528,043
Parking	190,812	192,643
Poultry	19,676	18,341
Publications	640,358	670,514
Public safety	2,381,690	1,746,375
Sales	1,778,059	1,711,139
Sanitation	1,234,815	1,265,525
Senior citizens & recognition programs	12,496	14,054
Sheep	8,712	7,957
Swine	22,174	23,395
Ticket audit	-	2,328
Ticket office	769,629	681,216
Ticket promotion	506,126	493,421
Trams	45,000	45,947
Transportation	36,408	39,126
Vegetables	10,187	9,217
Total activities and support	\$ 31,054,858	\$ 27,116,974
Premiums:		
Bee culture	\$ 3,261	\$ 3,261
Beef Expo	27,681	28,575
Cattle	110,814	117,912
Christmas trees	2,075	2,825

	2019	2018
Creative activities	17,057	17,490
Dairy products	1,545	1,490
Dog trials	1,000	1,015
K-12 competition	9,004	9,537
Farm crops	13,883	17,392
FFA	83,431	83,979
Fine arts	16,500	16,000
Fine arts sales	64,069	93,563
Flowers	3,541	3,145
4-H auction	851,502	784,104
4-H club	71,200	71,200
Fruit	1,921	2,218
Goats - Boer	1,082	1,249
Goats - Dairy	13,639	12,934
Horse	168,905	170,150
Llama	3,290	2,870
Poultry	6,323	7,345
Rural youth scholarships	20,000	20,000
Sale of bulk milk	10,559	7,391
Sale of market animals	65,135	55,940
Sheep	31,568	32,767
Swine	43,734	45,064
Talent contest	31,175	31,175
Vegetables	4,690	4,935
Total premiums	\$ 1,678,584	\$ 1,645,526
Plant operations:		
Architectural and engineering	\$ 159,252	\$ 337,595
Fire and police service	436,067	376,059
Fuel, oil and gasoline	102,427	119,387
Greenhouse	282,894	261,825
Operations	1,632,851	1,540,692
Property tax and assesments	-	60,985
Salaries and contract services	1,053,254	989,618
Set-up and take-down	1,857,729	1,922,423
Signs	148,767	144,736
Supplies	211,887	269,315
Utilities	1,284,967	1,011,318
Water and sewer	260,690	266,800
Total plant operations	\$ 7,430,785	\$ 7,300,753
Plant maintenance:		
Electric system	\$ 1,085,238	\$ 915,239
Fence and fixtures	198,939	27,697
Gas system	48	-
Land	46,620	482,747
Personal property	352,235	325,624
Sewer system	141,399	45,759
Streets and sidewalks	142,623	115,087
Structures	1,524,415	1,594,084
Vehicles	121,862	206,833
Water system	60,864	23,855
Total plant maintenance	\$ 3,674,243	\$ 3,736,925
Other expenses:		
Miscellaneous	\$ 161,306	\$ 22,868
Non-fair events	1,668,224	1,840,721
Veterinarian service	34,090	33,011
Total other	\$ 1,863,620	\$ 1,896,600

	2019	2018
Depreciation:		
Electric system	\$ 388,029	\$ 381,180
Fence and fixtures	130,775	75,381
Gas system	78	78
Land improvement	428,294	289,525
Personal property	259,184	166,157
Sewer system	78,290	90,151
Streets & sidewalks	114,891	115,230
Structures	2,626,063	2,452,041
Water system	23,833	24,203
Total depreciation	\$ 4,049,437	\$ 3,593,946
TOTAL OPERATING EXPENSES	\$ 56,086,510	\$ 47,636,754
Operating income	\$ 5,690,098	\$ 8,119,377
NON-OPERATING REVENUE (EXPENSES)		
Investment income	\$ 130,325	\$ 18,439
Grant revenue	1,001,250	1,464,580
Gain on sale of capital asset	307,067	12,651
Interest expense	<u>(732,267)</u>	<u>(412,741)</u>
Net non-operating revenue (expenses)	\$ 706,375	\$ 1,082,929
CHANGE IN NET POSITION	<u>\$ 6,396,473</u>	<u>\$ 9,202,306</u>



PRINCIPALS

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

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Managers and Management
Minnesota State Agricultural Society

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the enterprise fund and the discretely presented component unit of the Minnesota State Agricultural Society (dba Minnesota State Fair) (the Society) as of and for the year ended October 31, 2019, and the related notes to the financial statements, which collectively comprise the Society’s basic financial statements, and have issued our report thereon dated March 27, 2020. We did not audit the financial statements of the Minnesota State Fair Foundation (the Foundation) as of and for the year ended October 31, 2019. Our report includes a reference to other auditors who audited the financial statements of this entity, as described in our report on the Society’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

(continued)

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

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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
March 27, 2020

**MINNESOTA STATE AGRICULTURAL SOCIETY
ANNUAL MEETING**

January 17-18-19-20, 2019

DoubleTree by Hilton Hotel, Bloomington

The 160th annual meeting of the Society, held in conjunction with the annual conventions of the Minnesota Federation of County Fairs and the Midwest Showmen's Association, opened Thursday, Jan. 17, at the DoubleTree Hotel in Bloomington, Minn.

MEETING OF THE SALES COMMITTEE

5 p.m. Thursday, Jan. 17, 2019

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

Also present: Renee Alexander; Brian Hudalla; Wally LeVesseur; Debbie Edman; Nikki Hines; Brett Ward; Erik Klingner; Carol Doyle; Emily Diedrick; Josie Belde Mell.

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

Mr. Sinclair reviewed the report of '18 State Fair sales revenue, originally distributed at the Nov. 8, 2018, meeting of the board. The report was approved as submitted on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Ms. Hines presented the following fees for percentage attractions at the 2019 State Fair:

CONCESSIONAIRE	ATTRACTION	2018%	2019%
Big Adventures, Inc.	<u>Turbo Bungy</u>	25%	25%
Biggest Wheel LLC	Ferris Wheel	10%	15%
D.M.C., Inc.	Skyride	30%	30%
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	25%	25%
Giant Ride, Inc.	Giant Slide	30%	30%
Grandstand Artist	Artist CDs/DVDs	10%	10%
Merchandise Sales	Other Merchandise	20%	20%
Hot Shot Thrill Rides	<u>Sling Shot</u>	25%	25%
K & M Recreation, Inc.	Haunted House	30%	30%
KMB Performance, Inc.	Go Karts	25%	25%
Krazy Maze LLC	<u>Krazy Maze</u>	25%	25%
Mighty Midway and Kidway	Midway Rides and Shows	41%	41%
	Kidway Rides and Shows	43%	43%
	Games of Skill	23%	23%
River Raft Ride, Inc.	River Raft Ride	25%	25%
Skyfair, Inc.	SkyGlider	30%	30%
Skyscraper Two, Ltd.	<u>Skyscraper</u>	25%	25%
Spineless Wonders	Butterfly House	20%	20%
Tinsley Amusements, Inc.	Carousel	40%	40%
Ventnor Place, Inc.	Space Tower	25%	25%

Attractions underlined are located at Adventure Park

After discussion, the attraction percentages were approved on a motion by Mr. Grunhøvd, seconded by Ms. Johnson and carried (Aye-8; Nay-0). The approved percentage fees represent the fees payable to the State Fair on receipts from ticket sales associated with operation of the preceding attractions. Percentages are applied as follows; state sales tax (7.125%) is deducted from gross receipts and reconciliation between the Minnesota State Fair and concessionaires is made on the net of tax balance.

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

CONCESSIONAIRE	ATTRACTION	2019 TICKET PRICE(S)
Big Adventures, Inc.	<u>Turbo Bungy</u>	\$5
Biggest Wheel LLC	Ferris Wheel	\$5
D.M.C., Inc.	Skyride	\$4.50 one-way \$7 round trip
Fun Adventures, Inc.	<u>Rock Climbing Wall</u>	\$5
Giant Ride, Inc.	Giant Slide	\$2.50
Hot Shot Thrill Rides, Inc.	<u>Sling Shot</u>	\$30 single Early Bird \$25 per rider from opening to 1 p.m.
K & M Recreation, Inc.	Haunted House	\$4
KMB Performance, Inc.	Go Karts	\$7 for Driver \$4 for Passenger
Krazy Maze LLC	<u>Krazy Maze</u>	\$5
Mighty Midway and Kidway	Rides, Shows and Games of Skill (Advance Purchase)	\$1 single
		\$25 for 30 tickets (\$.833 per ticket)
		\$40 for 54 tickets (\$.741 per ticket)
		\$15 for 25 tickets (\$.60 per ticket)
River Raft Ride, Inc.	River Raft Ride	\$5
Skyfair, Inc.	SkyGlider	\$4.50 one-way \$7 round trip
Skyscraper Two, Ltd.	<u>Skyscraper</u>	\$30 single Early Bird \$25 per rider from opening to 1 p.m.
Spineless Wonders	Butterfly House	\$3
Tinsley Amusements, Inc.	Carousel	\$2.50
Ventnor Place, Inc.	Space Tower	\$3

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

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

Ms. Hines presented the following concessionaires recommended for beer and wine licenses at the '19 State Fair:

CONCESSIONAIRE	BLOCK	LOCATION
Andrus Concessions, Inc. (Robert and Joseph Andrus)	Block 42	1774 Carnes Ave., Arcade Bldg. Malt Beverages
Ball Park Cafe, Inc. (Daniel and David Theisen)	Block 35	1312 Underwood St., Crossroads Bldg. Malt Beverages & Cider
Blue Plate Restaurant Company Inc., dba The Blue Barn (Stephanie Shimp, David Burley)	Block 27	1839 W. Dan Patch Ave. Malt Beverages
Tres-C, Inc. dba Cafe Caribe (Joel and Mary Chesin)	Block 42	1770 Carnes Ave., Arcade Bldg. Malt Beverages & Minn. Wine
Chicago Dogs, Inc. (Anne Chesin)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Coasters, Inc. (Paul and Diana Hohenwald)	Block 42	1804 Carnes Ave., Arcade Bldg. Malt Beverages & Minn. Wine

Dino's Gyros (Constantin, Vona and Jason Adamidas)	Block 36	1701 Carnes Ave. Malt Beverages
Werner's Frontier, Inc. (Richard C. Werner)	Block 42	1790 Carnes Ave., Arcade Bldg. Malt Beverages
RC's Barbecue – American Restaurant Inc. (Randy Jernberg and Charlie Torgerson)	Block 28	1801 Dan Patch Ave., Bldg. 289A Malt Beverages
French Creperie (Marc and Tracy Veziés)	Block 36	1711 Carnes Ave. Minnesota-Produced Wine
Giggles' Campfire Grill LLC (Timothy Weiss)	Block 19	1520 Cooper St. Malt Beverages & Minn. Wine
H.M.H. of Saint Paul, Inc. dba Shanghaied Henri's (Henry and Ellen Hanten)	Block 47	1658 Judson Ave., International Bazaar Malt Beverages & Minn. Wine
Hildebrand Concessions, Inc. (Jan Hildebrand)	Block 28	1755 Dan Patch, Bldg. 2865 Malt Beverages & Minn. Wine
CMK Investments dba Leinie Lodge (Robert J. Kirschner)	Block 34	1302 Cooper St., Bandshell Malt Beverages
Lancer Management Services, Inc. (Glenn Baron)	Block 50	1784 Judson Ave., Coliseum Malt Beverages
FireFly Group, Inc. dba LuLu's Public House (Charlie Burrows and Mike Brennan)	Block 27	1839 W. Dan Patch Ave. Malt Beverages
Mancini's al Fresco (Pat and Jane Mancini)	Block 36	1715 Carnes Ave. Malt Beverages & Minn. Wine
Mintahoe, Inc. – MN Farm Wine Assoc. (James McMerty)	Block 44	1271 Underwood St. Minnesota-Produced Wine
Midway Men's Club (Michael Wright)	Block 30	1354 Underwood St. Malt Beverages
MJ Financial Group, Inc. dba Ragin Cajun (Ronald Jacob)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
O'Gara's at The Fair (Daniel and Kris O'Gara)	Block 34	1626 Dan Patch Ave. Malt Beverages & Minn. Wine
Cuisine Concepts dba Tejas (Wayne Kostroski and Mark Haugen)	Block 35	1670 Dan Patch Ave., The Garden Malt Beverages
Lancer Mgmt. - Minn. Craft Brewers Guild (Glenn Baron)	Block 45	1263 Cooper St., Ag-Hort Bldg. Malt Beverages
GSH Food Services, Inc. dba The Hideaway (Brian and Jennie Enloe)	Block 28	1760 Dan Patch Ave., Grandstand Malt Beverages and Minn. Wine
The Hangar Group, LLC dba The Hangar (Nate and Stephanie Janousek)	Block 12	1673 Murphy Avenue Malt Beverages

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

Mr. Ward offered the following list of commercial vendors recommended for multiple-site licenses at the '19 State Fair:

CONCESSION-EXHIBIT	DESCRIPTION	SITES
Batten Industries	Nellie's Laundry Products, Green Heat Packs & Cooley Towels	2
Big Dog Corn Dogs	Corn Dogs, Footlong Hot Dogs & Beverages	2

Butcher Boys	London Broil Sandwiches/Sausages	2
Cenaiko Enterprises, Inc.	Chamois, Shami Mops/ JD's Salsa	2
Delrick Enterprises	Popcorn, Caramel Corn, Caramel Apples & Beverages	2
Gary Crutchfield Concessions	Cheese on a Stick	2
George Funk - Moon Beam Coffee	Leather Goods/Coffee	2
Giant Ride, Inc.	Giant Slide/Cheese on a Stick	2
Groscurth Concessions	Corn Dogs and Beverages	2
Gregory J. Tetrault	Ice Cream, Sno Cones, Caramel Apples & Beverages	2
Gripstic	Gripstick Bag Sealers/Extend Fresh Refrigerator Air Purifiers	2
Holly's Hobby	Seasonal Handcrafts	2
Larry Abdo – Gopher Ice Co.	Big Fat Bacon/Ice (Ice = wholesale permit only)	2
Mark Andrew	French Fries/S'Mores	2
Midwest Dairy Assoc.	Ice Cream, Milk & Dairy Foods	2
Minn. Honey Producers	Honey, Honey Ice Cream & Honey Candy	2
Minne-Kabob Foods	Kabobs	2
Netterfield's Lemonade & Popcorn	Popcorn, Caramel Corn/ Sausage, Corn Dogs, Burgers	2
Orange Treet Sales	Orange Treet Drink & Smoothies/Dairy Bar	2
Stafford Ent.	Microfiber Mops & Cloths/ Therapy Products	2
Starr International	Knife Sharpener/Wine Opener	2
Tina Isaac	Spiral Chips/Coffee & Dessert Sandwiches	2
Wozniak Concessions, Inc.	Fresh Cut French Fries	2
Great Lakes Coca-Cola	Coca-Cola Soft Drinks	3
Icee USA Corp.	Icee Frozen Beverages	3
Kathy Yahr	Cotton Candy	3
Larry Immerman	Cotton Candy	3
Leah H. O'Neil	Hot Dogs on a Stick	3
Lynn Davis	Ice Cream, Sno Cones, Caramel Apples & Beverages	3
Maxine Davis	Ice Cream, Sno Cones & Caramel Apples/Baked Potatoes	3
Crocker Ent.	Root Beer Barrels	4
Lancer Management Services, Inc.	Food, Beverages & Beer (Coliseum)	4
Schroder Concessions, Inc.	Popcorn, Caramel Corn & Caramel Apples/ Cheese Curds/Brats	4
Syndicate Sales Corp.	Vegetable Cutters/ Salsa Makers Knives/Mops/Mixers	4
Wee Dazzle	Novelties, Souvenirs & Toys	4
Dandy Souvenirs	Novelties, Souvenirs & Toys	8

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

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

Non-fair event licenses for alcohol sales were approved for Encore Concessions (Soundset Music Festival May 26) and Chop Liver Craft Beer Fest (St. Paul Beer Fest June 8) on a motion by Mr. Leary, seconded by Mr. Scapanski and carried (Aye-8; Nay-0).

The sales committee meeting adjourned at 5:39 p.m. on a motion by Mr. Toenges, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

**MEETING OF THE BOARD OF MANAGERS
10:15 a.m. Friday, Jan. 18, 2019**

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

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Debbie Edman; Wally LeVesseur; Heather Brady; Michelle Butler; Theresa Weinfurter; Brett Ward; Nikki Hines; Marie LeFebvre; Samantha Gilbertson; Virginia Mold; Josie Belde Mell; Joe Bagnoli.

President Merkins called the meeting to order at 10:19 a.m.

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

Mr. Hammer and Mr. LeVesseur offered historical background on attendance, sources of revenue and expense, trends in departmental expenses, annual cash flow and long-term debt, followed by a detailed review of the Society's financial activities during fiscal 2018. Information only; no action taken.

Mr. Hammer reviewed the proposed operating budget and year-end cash position for 2019, followed by discussion on the budget's relationship to capital and maintenance projects. Information only; no action taken.

The meeting adjourned at 11:58 a.m. on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

**MEETING OF THE BOARD OF MANAGERS
2:30 p.m. Friday, Jan. 18, 2019**

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

The meeting was called to order at 2:40 p.m. by President Merkins and declared in executive session.

The meeting was adjourned by President Merkins at 3:20 p.m.

**DISTRICT CAUCUSES OF THE SOCIETY
11:15 a.m. Saturday, Jan. 19, 2019**

Delegates from the second and eighth districts met in caucus to certify nominees for election to the State Fair board of managers during the Society's general business session Sunday, Jan. 20. Selected were Jeff Hawkins of Inver Grove Heights (second district) and Ron Oleheiser of Grand Rapids (eighth district).

**MEETING OF THE PLANNING COMMITTEE
1 p.m. Saturday, Jan. 19, 2019**

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

Also present: Renee Alexander; Wally LeVesseur; Debbie Edman; Jim Rougier; Michelle Butler; Theresa Weinfurter; Steve Grans; Brett Ward; Dennis Larson; Danyl Vavreck; Josie Belde Mell.

Chairman Toenges called the meeting to order at 1:04 p.m.

Mr. Hudalla provided a detailed review of capital and maintenance expenditures from 2018. Information only; no action taken.

Mr. Hammer reviewed the construction history of current State Fairgrounds structures dating back to 1907, followed by a 21-year summary of the Society's recent investment in facilities. Mr. Hudalla followed with a detailed report of 2018 capital and maintenance expenditures. Information only; no action taken.

Mr. Hammer and Mr. Hudalla presented capital and maintenance project recommendations for 2019 totaling \$19.7 million. A summary of the project list follows, and includes projects previously approved at the Nov. 8, 2018, meeting of the board:

**2019 MAINTENANCE & IMPROVEMENT
BUDGET SUMMARY**

A. Structure Improvements	<u>\$16,000,000</u>
B. Land Improvements	
BI. Fencing & Fixtures	_____ -
BII. Land	_____ -
BIII. Sewer System	_____ -
BIV. Streets & Sidewalks	_____ -
BVI. Water Distribution System	_____ -
BVI. Gas Distribution System	_____ -
BVII. Land Purchases	_____ -
TOTAL Land Improvements	\$ _____ -
C. Personal Property	<u>\$ 117,000</u>
D. Electric Plant:	<u>\$ 225,000</u>
TOTAL Improvements	<u>\$16,342,000</u>
E. Structure Maintenance	<u>\$ 1,281,700</u>
F. Land Maintenance	
FI. Fencing & Fixtures	<u>182,000</u>
FII. Land	<u>75,000</u>
FIII. Sewer System	<u>60,500</u>
FIV. Streets & Sidewalks	<u>209,000</u>
FVI. Water Distribution System	<u>45,000</u>
FVI. Gas Distribution System	<u>2,500</u>
TOTAL Land Maintenance	<u>\$ 574,000</u>
G. Personal Property Maintenance	<u>\$ 341,300</u>
H. Vehicle Maintenance:	<u>\$ 215,000</u>
I. Electric Plant Maintenance:	<u>\$ 959,500</u>
TOTAL Maintenance	<u>\$ 3,371,000</u>
TOTAL Improvements & Maintenance	<u>\$19,713,000</u>

After review and discussion, Mr. Scapanski moved, Mr. Wichmann seconded and motion carried that the '19 improvements and maintenance budget be approved by the committee as presented and recommended to the full board for approval (Aye-8; Nay-0). Included in the motion was staff authority to adjust, shift, add or cancel specific line items as appropriate to accommodate changes that occur throughout the budget year.

The planning committee adjourned at 2:11 p.m. on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

**GENERAL BUSINESS SESSION OF THE SOCIETY
8:30 a.m. Sunday, Jan. 20, 2019**

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

State Fair Foundation Founding Director Kay Cady was inducted into the State Fair Hall of Fame and presented with her award by Mr. Fox and Mr. Hammer.

President Merkins called for a report of the credentials committee by Marie Angstman of Kanabec County. The committee report was presented as follows and adopted as read:

Credential forms submitted to the State Agricultural Society have been inspected by the full committee. All credentials have been found to be in order with the following exceptions:

There were two statewide associations that did not file with the secretary of state as required by Dec. 20, 2018. There was one statewide association that didn't have the correct information. Members of the Credential Committee do attest to the actions noted above on the 19th day of January 2019.

President Merkins called for a report of the resolutions committee. Committee member Heather Sanvig of Carlton County presented the following resolutions for consideration by the Society:

Whereas the Minnesota State Agricultural Society welcomed more people to the State Fairgrounds in 2018 than in any year in our history; now, therefore, be it

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

1. expresses its heartfelt thanks to the 2,046,533 guests who visited and participated in the 2018 Minnesota State Fair, the best-attended Great Minnesota Get-Together in its 160-year history, and to the additional 1 million people who came to events at the State Fairgrounds throughout the year;
2. acknowledges with deep appreciation all those who contributed to the State Fair's success, including staff, board of managers, volunteers, exhibitors, concessionaires, entertainers, sponsors, media, contractors, advertisers, youth, members of 4-H and FFA, and neighbors and community organizations in the areas surrounding the fairgrounds;
3. recognizes with gratitude the generosity of the Minnesota State Fair Foundation's board, staff, donors and volunteers, whose gifts of time, resources and expertise play a vital role in preserving and improving State Fair buildings, the fairgrounds and agricultural education, arts and culture, education, fairgrounds environment and history and heritage programs; and
4. values its strong relationship with and membership in the International Association of Fairs and Expositions, Minnesota Federation of County Fairs, Outdoor Amusement Business Association, National Independent Concessionaires Association, Midwest Showmen's Association and other organizations committed to professional improvement, and the Society understands that these partnerships help to further the fair industry.

Whereas the Minnesota State Fair is regarded as one of the premier expositions in North America; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, on behalf of its members, pledges to further the fair's mission of educating and engaging people by presenting a world-class showcase of agriculture, entertainment and the innovative exchange of knowledge and ideas; providing outstanding customer service in a safe, clean, well-maintained

environment that is accessible to all; and providing exceptional value while remaining financially independent through sound and fiscally responsible management.

Whereas the Great Minnesota Get-Together owes its success to the dedication of countless individuals; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, on behalf of its members, acknowledges with sadness the passing in 2018 of: Joseph Barrett, owner/operator of The Big Pepper food/beverage concession; Chief Arthur R. Blakey Jr., who served the Minnesota State Fair for seven decades, including 37 years as police chief; Officer Mike Burke, State Fair police officer since 1980; Donald G. Coury, owner/operator of the Middle East Bakery food/beverage concession; Ann Elizabeth Diggins, horticulture judge; "Dutch" Elbers, longtime parking department employee; Norma Ethen, reception desk employee in the administration department; Bill Farrell, three-term mayor of Shoreview and State Fair best friend; Ward Hall, showman and sideshow impresario who presented World of Wonders Palace of Illusions on the Mighty Midway; Francis P. Ivory, owner/operator of The Strawberry Patch food/beverage concession; Darlene M. Johnson, former Coliseum food/beverage concessionaire; Roger H. Karstens, owner/operator of The Lamb Shoppe food/beverage concession; "Doc" G.F. Kennedy, longtime sheep exhibitor; Greg Kirkevold, spouse of former Officers Quarters staff member Ruth Kirkevold; Monty J. Krizan, longtime attraction owner/operator of Monty's Traveling Reptile Show; Warren MacKenzie, American craft potter who was an exhibitor and juror for the State Fair's Fine Arts Exhibition; Patricia McDonald, spouse of Minnesota State Fair Foundation founding member Malcolm McDonald; Derold McDonough, antique tractor exhibitor as part of the Old Iron Show; Karen Nelson, 38-year fair-time employee with the public safety department; Verle E. Paul, former manager of Camp Omega's food/beverage concession at the State Fair; Nicholas W. "Nick" Pelino, owner/operator of Showtime Rides Inc., longtime Midway/Kidway ride provider; Michael M. Sandefur, longtime State Fair seasonal employee who provided oversight of Mighty Midway and Kidway rides; Lori Sogn, 30-year employee in the admissions department; Howard M. Spiess, former engraved redwood sign concessionaire; Robbie K. Straight, former food/beverage concessionaire; Eleanore Troxel, who worked in fair-time guest services for many years; Martin Weber, employee for 40+ years in the Minnesota State Fair's operations department; and Linda R. Young, co-owner of LuLu's Public House food/beverage concession at West End Market.

Whereas the Minnesota State Fair is a world-class forum for education, recreation and employment and an incomparable end-of-summer tradition in the region; and

Whereas a successful State Fair has important economic impact, and the state's tourism industry is vital to Minnesota; now, therefore, be it

Resolved, that the Minnesota State Agricultural Society, whose membership includes both rural and urban stakeholders, urges continued support for current state law requiring Minnesota's schools to open after Labor Day, ensuring that children, families and workers from throughout the state can fully participate in the historic, educational and culturally rich Minnesota State Fair.

Whereas this 160th annual meeting of the Minnesota State Agricultural Society brought together hundreds of members for valuable meetings, networking and education; now, therefore, be it

Resolved, that the Society extends its thanks and appreciation to all who contributed to this annual meeting's success.

The resolutions were adopted as read.

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

President Merkins turned the chair over to State Fair board past president and Honorary Society Life Member Sharon Wessel of Hamel

who nominated long-time State Fair veterinarian Dr. Tom Hagerty for life membership; Dr. Hagerty was elected by acclamation and was presented with the Society Life Member Award.

President Merkins then proceeded to conduct elections as follows: Joe Fox of Maplewood was re-elected to a two-year term as fourth district vice president; Jeff Hawkins of Inver Grove Heights was elected to a three-year term as second district representative; and Ron Oleheiser of Grand Rapids was re-elected to a three-year term as eighth district representative.

With no further business to be brought before the Society, President Merkins declared the meeting adjourned at 10:27 a.m.

**MEETING OF THE BOARD OF MANAGERS
10:45 a.m. Sunday, Jan. 20, 2019**

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

Also present: Jim Sinclair; Brian Hudalla; Renee Alexander; Wally LeVesseur; Debbie Edman; Pam Simon; Gail Anderson; Michelle Butler; Cory Franzmeier; Marie LeFebvre; James Rougier; Theresa Weinfurter; Nate Dungan; Steve Grans; Brett Ward; Patrick Schoen; Chris Noonan; Lara Hughes; Danielle Dullinger; Abby Harazin; Shannon Buchda; Julian Schadeck; Grace Woodis; Erik Klingner; Josie Belde Mell; Kim Scibak; Beth Schuldt; Virginia Mold; Danyl Vavreck; Sarah Peterka; Dennis Larson; Kent Harbison; Leah Janus; Liam Higgins.

President Merkins called the meeting to order at 10:52 a.m.

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

Paul Merkins of Stewart, president (one-year term); Joe Fox of Maplewood, fourth district vice president (two-year term); Jeff Hawkins of Inver Grove Heights, second district representative (three-year term); and Ron Oleheiser of Grand Rapids, eighth district representative (three-year term).

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

Minutes of the board meeting conducted Nov. 8, 2018, were reviewed and approved on a motion by Mr. Leary, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Nov. 8, 2018, through Jan. 17, 2019, were approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Mr. LeVesseur presented the financial statement for Dec. 31, 2018, as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending December 31, 2018**

OPERATING ACCOUNT ACTIVITY:

Balance - Nov. 30, 2018		\$ 7,425,656
Add: Cash Deposits	\$ 1,900,550	
Less: Payroll Ending Dec. 14	(254,683)	
Payroll Ending Dec. 28	(251,533)	
Cash Disbursements	(1,593,103)	
	(198,769)	
Balance - Dec. 31, 2018		\$7,226,887

BUILDING FUND ACTIVITY:

Balance - Nov. 30, 2018	\$ 451
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Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance - Dec. 31, 2018		\$ 451
CONSTRUCTION ACCOUNT:		
Balance - Nov. 30, 2018		\$ 9,979,386
Add: Note Proceeds		
Interest		10,001
Less: Disbursements		
Balance - Dec. 31, 2018		\$ 9,989,387

CASH BALANCES FOR MONTH ENDING:

	<u>2017</u>	<u>2018</u>
Operating Account	\$10,302,167	\$ 7,226,887
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account (Note Proceeds)	-	<u>9,989,387</u>
Total Cash Balances	<u>\$10,308,718</u>	<u>\$17,222,825</u>

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

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

Bremer Bank as the depository for the Society's operating account, payroll account and premium fund account with the following signature authority: Operating account - Jerry Hammer and Wally LeVesseur with "Hammer/LeVesseur" signature imprint authorized for operating account; Regular and fair-period payroll account - Jerry Hammer with "Hammer" signature imprint authorized for payroll funds; Premium account - Jerry Hammer with "Hammer" signature imprint authorized for premium account; Security fund transfer resolution - Jerry Hammer or Wally LeVesseur. After discussion, the preceding was approved on a motion by Mr. Fox, seconded by Mr. Scapanski and carried (Aye-9; Nay-0).

The following standing committee appointments for 2019 were presented by President Merkins:

Finance - Fox, chairman; Hawkins; Leary; Oleheiser; Toenges; Wichmann; Merkins, ex officio; Hammer, ex officio; LeVesseur, ex officio.

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

Governmental Affairs - Scapanski, chairman; Grunhovd; Leary; Johnson; Toenges; Wichmann; Merkins, ex officio; Hammer, ex officio; Alexander, ex officio; Hudalla, ex officio; Sinclair, ex officio.

Honors - Leary, chairman; Alexander; Goodrich; Sinclair; Merkins, ex officio; Hammer, ex officio.

Operations - Grunhovd, chairman; Fox; Johnson; Oleheiser; Scapanski; Wichmann; Merkins, ex officio; Hammer, ex officio; Hudalla, ex officio.

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

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

Rules & Premium List - Wichmann, chairman; Fox; Grunhovd; Johnson; Scapanski; Toenges; Merkins, ex officio; Hammer, ex officio; Goodrich, ex officio; LeFebvre, ex officio.

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

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

President Merkins presented the following board liaison and department superintendent appointments for 2019:

Administration - Wichmann

Employment Office - Oleheiser

Competition

Bee Culture - Johnson

(Hannah Huttner-Hallahan, superintendent)

Beef Cattle - Oleheiser

(Chuck Schwartau, superintendent)

Christmas Trees - Johnson

(Kim Ustruck, superintendent)

Creative Activities - Fox

(Curt Pederson, superintendent)

Dairy Cattle - Grunhovd

(Deb Kraus, superintendent)

Dairy & Boer Goats - Johnson

(Mark Boorsma & Gretchen Sankovitz, superintendents)

Dairy Products - Grunhovd

(Lisa Radamacher, superintendent)

Dog Trials - Hawkins

(JoAnna Yund, superintendent)

K-12 Competition - Leary

(Florence Newton, superintendent)

Farm Crops - Johnson

(Ron Kelsey, superintendent)

Fine Arts - Wichman

(Jim Clark, superintendent)

Flowers - Johnson

(Phyllis Andrews, superintendent)

4-H - Oleheiser

(Brad Rugg, superintendent)

Fruits - Johnson

(Louis Quast, superintendent)

FFA - Scapanski

(T. J. Brown, superintendent)

Horses - Scapanski

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

Llamas - Hawkins

(Jen Rouillard, superintendent)

Milking Parlor - Fox

(Doris Mold, superintendent)

Miracle of Birth - Wichmann

(Jim Ertl, superintendent)

Poultry - Merkins

(Paul Bengtson, superintendent)

Seniors - Fox

(Marge Krueger, superintendent)

Sheep - Toenges

(Jo Bernard, superintendent)

Swine - Wichmann

(Jerry Hawton, superintendent)

Vegetables - Johnson

(Phil Klint, superintendent)

Entertainment - Johnson

Grandstand Production - Grunhovd

(Gary Perkins, superintendent)

Heritage Exhibits - Hawkins

(Jan Bankey, superintendent)

Finance - Leary

Fair-time Payroll - Fox

Ticket Sales - Leary

(JoAnne Ferry, superintendent)

Marketing - Toenges

Operations - Grunhovd

Admissions - Toenges

(Dave Woodis, superintendent)

Park & Ride - Johnson

(Sarah Peterka, superintendent)

Parking - Scapanski

(Jim Benz, superintendent)

Public Safety - Scapanski

(Paul Paulos, superintendent)

Sanitation - Toenges

Sales - Oleheiser

Attraction Ticket Takers - Leary

(Chris Sycks, superintendent)

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

President Merkins declared the meeting in recess for committee meetings.

OPERATIONS COMMITTEE MEETING

Chairman Grunhovd called the meeting to order.

Mr. Hammer presented the following gate admission policy for the '19 State Fair for consideration:

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

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

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

PUBLIC AFFAIRS COMMITTEE MEETING

Chairman Johnson called the meeting to order.

Ms. Alexander presented advertising, marketing and publications budgets for 2019. After discussion, the budgets were approved on a motion by Mr. Scapanski, seconded by Mr. Leary and carried (Aye-5; Nay-0).

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

RULES & PREMIUM LIST COMMITTEE MEETING

Chairman Wichmann called the meeting to order.

Authority was granted to Mr. Hammer's delegate to make adjustments in rules, release dates and premium allocations for competitive departments in accordance with guidelines established by the Society's 2019 operating budget on a motion by Mr. Fox, seconded by Mr. Grunhovd and carried (Aye-5; Nay-0)

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

FINANCE COMMITTEE MEETING

Chairman Fox called the meeting to order.

The 2019 operating budget, which was reviewed in detail by the board Jan. 18, and the 2019 improvements and maintenance budgets, which were approved Jan. 19 by the board's planning committee, were approved on a motion by Mr. Hawkins, seconded by Mr. Oleheiser 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. Toenges,

seconded by Mr. Oleheiser and carried (Aye-5; Nay-0).

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

President Merkins reconvened the meeting of the board.

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

After discussion, the following admission fee schedule for the 2019 State Fair was approved on a motion by Ms. Johnson, seconded by Mr. Leary and carried (Aye-9; Nay-0):

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

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

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

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

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

Operating Classification

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

Intermediate & Professional Classification
Title: Supervisor
\$860 to \$1,310 weekly (\$44,720 to \$68,120 yearly)

Middle Management Classification *
Title: Manager
\$1,300 to \$1,830 weekly (\$67,600 to \$95,160)

Executive Classification *
Titles: Director, Deputy General Manager
\$1,490 to \$2,780 weekly (\$77,480 to \$144,560 yearly)

* Exempt from overtime

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

Ms. Alexander provided an outlook on entertainment bookings for the '19 State Fair. Information only; no action required.

The next meeting of the board was set for Thursday, March 21, at the State Fairgrounds.

The meeting was adjourned at 11:15 a.m. on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

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

Jan. 21 through March 21, 2019

January

23 - Alexander and Noonan met with the State Fair Marketing Coalition to discuss the 2019 advertising campaign.

24 - Sinclair, Simon, Diedrick and Hines met with representatives of Great Lakes Coca-Cola to discuss their ongoing sponsorship at the State Fair.

25-27 - Legacy Luau Gymnastics Meet was held in the Warner Coliseum.

25-Feb. 3 - The St. Paul Winter Carnival's Minnesota State Snow Sculpting Competition and outdoor recreation area was presented on Machinery Hill.

28-31 - Anderson attended the International Ticketing Association (INTIX) annual conference in Dallas, Texas, where she was presented with the INTIX 2019 Spirit Award.

30-Feb. 2 - Hammer and Alexander attended the annual meeting of the Mid-West Fairs Association in West Palm Beach, Fla., and visited the South Florida Fair.

February

5 - Hammer, Goodrich, Alexander, Edman, Nathe, LeFebvre and Mold participated in a State Fair Foundation event at the Minnesota Pork Congress, announcing the naming of the Swine Barn in honor of pork production leader Robert A. Christensen. Alexander and Noonan attended Explore Minnesota Tourism's 2019 conference and accepted the first-ever Minnesota Icon Award.

5-8 - Sinclair, Simon, Hines, Ward and Klingner attended the National Independent Concessionaires Association & Fare Foods Trade Show, International Independent Showmen's Association Trade Show, Outdoor Amusement Business Association annual meeting and the Florida State Fair in Tampa.

9 - Noonan attended the Midway Chamber of Commerce annual gala to present the award for Small Business of the Year, sponsored by the State Fair. The North Star Roller Girls held a roller derby bout in the Warner Coliseum. The Freshwater Society met in the History & Heritage Center.

11 - Sinclair, LeVesseur, Alexander, Anderson, Rougier, Coleman, Ward and Hines met with representatives of Glownet, Inc. regarding Midway and Kidway ticketing. Alexander and Butler toured the new University of Minnesota Bell Museum and discussed traveling exhibits with museum staff.

12-15 - Anderson and Schadeck attended an Etix training session in Orlando, Fla.

14 - The State Fair hosted an information session for State Fair Foundation board members, outlining the Foundation's relationship to the Society. Simon, Dullinger, Harazin and Hines participated in media training with consultant Erin Mathe.

16-17 - 2019 Gina Morri Memorial Invitational Gymnastics Meet was held in the Warner Coliseum.

21 - Police K-9 training for multiple departments was conducted at the 4-H Building. Hammer participated in a meeting of the IAFE's nominating committee. Schoen and Woodis attended job and internship fairs for Minnesota Private Colleges and the University of Minnesota. Sinclair and Hines met with Dave Cavallaro to discuss his Food Building concession operation. Full-time staff attended a Lunch & Learn program featuring a presentation by the founder and staff of Sota Clothing. Anderson and Ostapowycz met with representatives of

Cub Foods to discuss 2019 ticket sales.

23 - The Winter Beer Dabblers was presented at the Midway lot and the Warner Coliseum.

25 - Alexander attended an International Entertainment Buyers Association board meeting in Nashville, Tenn.

26 - The State Fair Foundation conducted a special event for Grand Champion donors in the History & Heritage Center, featuring a presentation by Creative Activities Superintendent Curt Pederson. Sinclair, Simon and Diedrick met with Minnesota State Lottery representatives to discuss their sponsorship at the State Fair.

27 - Staff met with the Design Innovations team for continued discussions on North End facilities and layout. Noonan attended a board meeting of the Roseville Visitors Association.

28 - Hammer testified before the Minnesota Senate Agriculture, Rural Development and Housing Policy Committee on a bill that increases the Society's bonding authority to \$30 million. LeVesseur, Alexander and Brady met with representatives of Bremer Bank regarding fair-time banking and marketing operations. Alexander and Butler met with staff of the Minnesota Science Museum to discuss touring exhibits.

March

1-2 - The Twin Cities Regional Science Fair for students in public, private, charter and home schools was held in the Warner Coliseum.

3 - Woodis met with officials of South Washington Schools Next Step program to discuss employment opportunities at the State Fair.

3-5 - Sinclair spoke at the IAFE Institute of Fair Management Summit in Houston, Texas, and attended the Houston Livestock Show & Rodeo.

5 - Noonan spoke about State Fair jobs and marketing to Marcy Open School students.

6 - A Lunch & Learn session for full-time staff featured a presentation by the State Fair's legendary Corn Roast concessionaire Brad Ribar.

7 - A group of State Fair staff volunteered at Second Harvest Heartland.

8 - Noonan attended a Visit Saint Paul MyVSP meeting. Schoen met with representatives of St. Paul's Right Track youth development program regarding employment opportunities at the fair.

8-10 - Outdoor News Deer & Turkey Classic was conducted in the Warner Coliseum.

9 - The Freshwater Society met in the History & Heritage Center.

12 - Alexander and Noonan met with State Fair Marketing Coalition and production partners to review 2019 broadcast and digital ads.

13 - Staff met with Design Innovations for further discussions on North End development. Edman and Schoen attended a meeting of the St. Paul Human Resources Association. Alexander, Dullinger, Harazin and Noonan met with iHeart Radio staff about State Fair broadcasts.

14 - Deputy General Manager Mark Goodrich was inducted into the Minnesota Livestock Breeders Association Hall of Fame at a luncheon attended by many members of his State Fair family. A representative of the Ochs Agency gave a presentation on employee benefits.

15 - Alexander, Simon, Butler and Schuldt met with members of Minnesota's Native American community to discuss potential partnerships.

16-17 - The Minnesota Weapons Collectors Show & Sale was held at the Warner Coliseum.

17 - The Riders & Ribbons Horse Show was held in Compeer Arena.

18 - Anderson and Schadeck attended a meeting of the Ticketing Services Group of the Upper Midwest.

20 - Hammer, Hudalla and Bagnoli met with Andy Masur of MP Solutions to discuss legislation pertaining to the fairgrounds communications infrastructure.

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

10 a.m. Tuesday, March 21, 2019

Libby Conference Center, State Fairgrounds

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

Also present: Brian Hudalla, Renee Alexander, Mark Goodrich, Wally LeVesseur, Pam Simon, Debbie Edman, Steve Grans, Heather Brady, Gail Anderson, Jim Rougier, Theresa Weinfurter, Jill Nathe, Patrick Schoen, Carol Doyle, Chris Noonan, Danielle Dullinger, Abby Harazin, Shannon Buchda, Emily Diedrick, Hannah Miller, Brett Ward, Nikki Hines, Erik Klingner, Virginia Mold, Samantha Gilbertson, Josie Belde Mell, Keri Huber, Jennine Duda, Leah Janus.

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

Minutes of the Society's board meetings, committee meetings, caucuses and general business session conducted Jan. 17-20, 2019, were approved on a motion by Mr. Fox, seconded by Mr. Leary and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Jan. 20 through March 20, 2019, were reviewed and approved on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

Mr. Hammer reported on the current session of the Minnesota legislature and the status of a variety of bills that may affect the State Fair and Minnesota's county fairs. The report was accepted on a motion by Mr. Leary, seconded by Mr. Grunhovd and carried (Aye-9; Nay-0).

The Society's financial statement for February 2019 was presented as follows by Mr. LeVesseur:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending February 28, 2019**

OPERATING ACCOUNT ACTIVITY:

Balance - January 31, 2019		\$ 6,472,711
Add: Cash Deposits	\$ 1,252,864	
Less: Payroll Ending February 9	(237,178)	
Payroll Ending February 22	(236,031)	
Cash Disbursements	<u>(1,416,296)</u>	
		(636,641)
Balance - February 28, 2019		\$ 5,836,070

BUILDING FUND ACTIVITY:

Balance - January 31, 2019	\$ 451
Add: Interest Earned	
Securities Purchased	
Less: Securities Redeemed	
Balance - February 28, 2019	\$ 451

CONSTRUCTION ACCOUNT:

Balance - January 31, 2019	\$10,000,887
Add: Note Proceeds	
Interest	11,508
Less: Disbursements	
Balance - February 28, 2019	\$10,012,395

CASH BALANCES FOR MONTH ENDING:

	<u>2018</u>	<u>2019</u>
Operating Account	\$ 6,264,217	\$ 5,836,070
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account (Note Proceeds)	-	<u>10,012,395</u>
Total cash balances	<u>\$ 6,270,768</u>	<u>\$15,855,016</u>

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

President Merkins thanked staff for the tour of damage to the Cattle Barn, and the board commended State Fair staff, the Saint Paul Fire Department, fair contractors, engineers and safety officials for their quick and expert response to the partial roof collapse, and for their commitment to safety.

Mr. Hammer and staff offered a detailed report on non-fair events revenue, facilities rental fees and billing procedures. Information only.

Mr. Hammer presented the following non-fair events facilities rental rates and labor rate adjustments for consideration for 2020:

2020 Non-Fair Events Facility Rental Rates

4-H Building		
1st floor	Commercial rate	\$1,600 per day
2nd floor	Commercial rate	\$675 per day
3rd floor	Commercial rate	\$675 per day
2nd & 3rd floors	Commercial rate	\$1,000 per day
4-H Building all floors	Commercial rate	\$2,200 per day
Baldwin Park	Commercial rate	\$1,000 per day
Campground		
minimum fee or whichever is greater	Commercial rate	\$600 per day \$30 per site
Cattle Barn		
	Livestock/Equine rate	\$600 per day
	Commercial rate	\$2,300 per day
Cattle Barn-Exercise ring	Livestock/Equine rate	\$300 per day
Compeer Arena		
	Livestock/Equine rate	\$600 per day
	Commercial rate	\$925 per day
Dairy Building	Commercial rate	\$1,200 per day
DNR		
DNR Building interior	Commercial rate	\$350 per day
DNR Building & park w/ restroom	Commercial rate	\$925 per day
DNR Park	Commercial rate	\$425 per day
Education Building	Commercial rate	\$1,800 per day
Fine Arts Center	Commercial rate	\$1,350 per day
Grandstand		
1st floor	Commercial rate	\$3,400 per day
2nd floor	Commercial rate	\$2,500 per day
Infield	Commercial rate	\$1,400 per day
Grandstand Seating	Commercial rate	\$2,800 per day
History & Heritage Center	Commercial rate	\$1,000 per day
Home Improvement Building	Commercial rate	\$700 per day
Horse Barn		
	Livestock/Equine rate	\$600 per day
	Commercial rate	\$1,200 per day
International Bazaar	Commercial rate	\$1,550 per day
International Bazaar Stage	Commercial rate	\$1,200 per day
Machinery Hill blocks 11-21	Commercial rate	\$2,000 per day
Merchandise Mart	Commercial rate	\$950 per day
Miracle of Birth Center		
	Livestock/Equine rate	\$800 per day
	Commercial rate	\$1,150 per day
Livestock Parking Lots		
Livestock Lot A overnight	Livestock/Equine rate	\$250 per day
Livestock Lot B overnight	Livestock/Equine rate	\$250 per day
Livestock Lot D overnight	Livestock/Equine rate	\$250 per day
North Block 40 overnight	Livestock/Equine rate	\$750 per day
South Block 40 overnight	Livestock/Equine rate	\$500 per day
Progress Center	Commercial rate	\$1,675 per day
Outside restrooms	Commercial rate	\$175 per day
Sheep & Poultry Barn		
	Livestock/Equine rate	\$500 per day
	Commercial rate	\$1,200 per day

Swine Barn		
	Livestock/Equine rate	\$600 per day
	Commercial rate	\$1,200 per day
Warm Up Arena		
	Commercial rate	\$700 per day
Warm Up Arena with other rental		
	Livestock/Equine rate	\$0 per day
Warner Coliseum		
	Livestock/Equine rate	\$1,600 per day
	Commercial rate	\$2,800 per day
West Barn		
	Livestock/Equine rate	\$125 per day
West End Market	Commercial rate	\$1,300 per day
West End Market Stage	Commercial rate	\$950 per day
Parking Lots		
Blocks 6 & 7	Commercial rate	\$675 per day
Blocks 8 & 9	Commercial rate	\$675 per day
Block 22	Commercial rate	\$675 per day
Block 27	Commercial rate	\$2,000 per day
Block 30	Commercial rate	\$650 per day
Block 40	Commercial rate	\$1,675 per day
Block 55	Commercial rate	\$2,300 per day
Block 56	Commercial rate	\$1,350 per day
3rd party structure use	Commercial rate	\$150 per day
Roadways less than 5k	Commercial rate	\$500 per day
Roadways 5k and more	Commercial rate	\$1,200 per day

2019 Non-Fair Events Labor Rates

On-duty Supervisor	\$35 per hour
Setup & Teardown Labor	\$25 per hour
Event Attendant	\$20 per hour
Ticket Seller	\$16 per hour
Ticket Taker	\$14 per hour
Parking Attendant	\$15 per hour
Parking Supervisor	\$20 per hour
Police Officer	\$34 per hour
Reserve Officer	\$22 per hour
Dispatch Operator	\$22 per hour
Carpenter	\$85 per hour
Electrician	\$105 per hour
Painter	\$85 per hour
Plumber	\$95 per hour

After review and discussion, the facility rental rates and labor rates were approved as presented on a motion by Mr. Scapanski, seconded by Mr. Oleheiser and carried (Aye-9; Nay-0).

Mr. Hammer provided an informational update on credit card fees and their impact on revenue generated through commercial exhibits. No action taken.

Ms. Noonan, Ms. Dullinger and Ms. Hughes presented comprehensive case studies of the State Fair's social media marketing program. Information only; no action taken.

Ms. Nathe provided an update on activities underway in the State Fair's competition division. Information only; no action taken.

The Society's board of managers presented State Fair Deputy General Manager Mark Goodrich with a certificate honoring Mark's recent induction into the Minnesota Livestock Breeders Association Hall of Fame.

Ms. Simon reported on the status of commercial exhibits for the upcoming State Fair. Information only; no action taken.

Ms. Hines presented a request by the Blue Plate Restaurant Company, dba the Blue Barn at 1839 W. Dan Patch, to sell wine during the 2019 State Fair. The license was granted on a motion by Mr. Scapanski, seconded by Mr. Fox and carried (Aye-9; Nay-0).

President Merkins declared the meeting in executive session at 12:02 p.m., and re-opened the meeting at 12:38 p.m.

The next meeting of the State Fair board of managers was set for Friday, June 7.

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

MINNESOTA STATE AGRICULTURAL SOCIETY MINUTES OF INTERIM ACTIVITIES

March 22 through June 7, 2019

March

22 - Alexander, Hughes and Duda met with a candidate to create the State Fair's 2020 commemorative art.

22-23 - Indoor Flat Track Racing presented War of the Twins II motorcycle races in the Warner Coliseum.

25 - Hammer testified before the Minnesota House of Representatives Property & Local Tax Division regarding the Society's bonding authority bill. Hudalla and Chief Paulos met with Ramsey County emergency management staff to discuss police dispatch service for 2019.

25-27 - Woodis, Mell, Mold, Scibak and Berquam attended the IAFE Zone 4 spring conference in Sioux Falls, S.D.

26 - Hammer and State Fair Chief of Police Paulos attended a hearing of the Minnesota Senate's Energy and Utilities Finance and Policy Committee where Hammer testified in opposition to a bill that would grant cell phone companies right-of-way on the State Fairgrounds.

27 - Hammer, LeVesseur and Brady participated in an audit exit teleconference with IRS Agent Lori Stauber.

28 - Hammer, LeVesseur and Brady met with Jim Eichten and Jackie Huegel of Malloy, Montague, Karnowski, Radosevich & Co., P.A. to review their audit of Society financial activities for fiscal 2018. Noonan spoke to a sports and entertainment marketing class at Mounds View High School.

28-31 - The Osman Temple Shrine Circus was held in the Warner Coliseum.

31-April 9 - CBS Television Sports used the South Como lots as parking for NCAA Final Four coverage.

April

1-thru Summer - L-Z Truck Equipment used the 1880 Como backlot for vehicle storage.

2 - Weinfurter reviewed the State Fair history museum presentation with the Minnesota Historical Society at the History & Heritage Center. The first of four training sessions on hiring procedures for State Fair department superintendents was held in the Libby Conference Center. Schoen participated in the Great Futures Clubs of the Twin Cities Job Fair.

9 - Schoen participated in the Roseville Job Career & Resource Fair. Sinclair and Simon met with Paul Frank and Jaime Warndahl of Hemp Solutions of Minnesota, LLC, to discuss retail sales at the State Fair.

11 - The first of two defensive driving courses for full-time staff were presented in the Libby Conference Center. Sinclair and Hines met with Kate and Patrick Siddoti of Brim LLC to discuss their plans for a North End food and beverage concession.

13 - The University of Minnesota Student American Medical Association Dog Olympics were held in Compeer Arena. Minnesota United FC soccer parking was provided at the Grandstand lot and south Como lots.

13-14 - The Minneapolis-St. Paul Military Relic & Collector Show was held in the Progress Center. The Spring Antique Spectacular Show & Flea Market presented by Prime Promotions was held at the Grandstand, Grandstand Infield and Home Improvement Building. The Gopher State Timing Association Rod & Custom Spectacular was presented in the Warner Coliseum.

16 - Machinery Hill Criterium bicycle races were held on various northern roadways.

17 - Hammer participated in a meeting closing the sale of one-half acre of State Fair property to the International Institute of Minnesota. Edman, Schoen and Woodis attended a meeting of the St. Paul Human Resources Association.

17-18 - Police K-9 training was conducted at the 4-H Building.

18 - State Fair staff participated in a Lunch & Learn session featuring a presentation by Chris Perondi with All-Star Stunt Dogs Splash. Alexander, LeVesseur, Sinclair, Anderson, Rougier, Coleman, Ward and Hines met with Connect&Go to discuss Midway and Kidway ticket systems. Edman and Schoen attended an Americans with Disabilities Act seminar presented by Fredrickson & Byron P.A. law firm. The Minnesota Veterinary Medical Association Path to Practice event for veterinary students was held in the History & Heritage Center.

20 - The Minnesota Half Arabian Horse Association Spring Horse Show was held in Compeer Arena and the Horse Barn. Shuttle parking service from the south Como lot to Como Zoo began for the spring and summer.

23 - Edman and Scibak attended a Minnesota Employee Resource and Service Company event. Noonan attended a boards meeting of the Roseville Visitors Association. Machinery Hill Criterium bike races were held on various north fairgrounds roadways.

24 - The St. Paul Area Chamber of Commerce met in the History & Heritage Center.

25 - Noonan, Gilbertson and Hughes met with representatives of the Airport Foundation MSP to discuss potential fair-related exhibits at the airport.

26-28 - The Minnesota Horse Expo was presented in the Warner Coliseum, livestock complex, Natural Resources Building and Dairy Building.

27 - The Kersten Dolgner wedding was held at the Progress Center.

27-28 - Munchkin Markets Children's Consignment Spring Sale was held in the Education Building.

29 - The Minnesota State FFA Convention conducted events in Compeer Arena, the Warner Coliseum and the Merchandise Mart. Hammer participated in a meeting of the State Fair Foundation investment committee hosted by board member John Fabie at Abbott Downing. Hammer met with Foundation Chair Patty Smith and Foundation Executive Director Mary Chung to review business items for the Foundation board. Staff participated in a Lunch & Learn session featuring a presentation by Ashley Ryan and James Taylor of First Avenue.

30 - Machinery Hill Criterium bicycle races were held on Machinery Hill roadways.

May

1 - An all-staff meeting was held in the Libby Conference Center.

3-5 - Hammer, Sinclair, Goodrich, Hudalla, Alexander, Simon and Edman attended the IAFE Spring Management Conference in Costa Mesa, Calif., and visited the Orange County Fairgrounds. The Sahara Sands Spring Classic Horse Show was held in the Warner Coliseum and livestock complex.

4 - Minnesota United FC soccer parking was provided at the south Como lot.

4-5 - The Minnesota Weapons Collectors Association Show & Sale was held in the Education Building.

5 - The Northland Antique Toy, Doll & Advertising Show was held in the Progress Center. The Spring Extravaganza Car Show & Swap Meet was held at the North End.

6-7 - Alexander participated in a meeting of the International Entertainment Buyers Association in Beverly Hills, Calif., where she

was nominated for the VenuesNow 2019 Women of Influence Award. A drivers training program for a variety of law enforcement agencies was held at the south Como lot.

7 - Sinclair and Hines met with Steve Vander Vorste to discuss amusement attractions at the fair. Machinery Hill Criterium bike races were held on Machinery Hill. Noonan spoke to a business careers class at St. Paul College.

9 - Hammer participated in a meeting of the State Fair Foundation finance committee. Noonan participated in a panel discussion at a Leadership St. Paul program.

9-11 - The YMCA Garage Sale was held in the Merchandise Mart.

9-12 - The Friends of American Saddle Horse Spring Horse Show was held in the Warner Coliseum and livestock complex.

10 - Noonan attended a Visit Saint Paul networking and information meeting. Hammer and Chung met with State Fair Foundation board member Linda Tank.

10-11 - Gold Country's State Fair and Sports Team Merchandise Clearance was held at Visitors Plaza.

10-12 - The Friends School Plant Sale was presented at the Grandstand and Grandstand Plaza.

11 - The Spring Model Railroad & Hobby Sale was held at the Education Building. The Pieri Wurscher wedding was held in the History & Heritage Center.

13 - Sinclair and Hines met with Dan O'Gara to discuss his State Fair concession operation.

14 - Hammer gave a presentation to retired University of Minnesota agriculture professionals in the History & Heritage Center. Noonan spoke to the Maple Grove Rotary regarding fair preparations. Machinery Hill Criterium bicycle races were held at Machinery Hill.

14-15 - More than 1,100 Twin Cities grade school students participated in Urban Ag Day events presented by the State Fair in the CHS Miracle of Birth Center, DNR Building, Dairy Building, Sheep & Poultry Barn and adjacent outdoor areas.

15 - The State Fair Employee Safety Committee met in the Libby Conference Center. University of Minnesota Center for Transportation conducted career programs for high school students in the Progress Center.

16 - Hammer, Fox, Hawkins and Society Life Member Schmidt participated in a meeting of the State Fair Foundation board in the Libby Conference Center. LeVesseur and Chief Paulos met with Bremer Bank to discuss operations at their State Fair branch. Sinclair and Hines met with Nate and Stephanie Janousek of the Hangar Group, LLC, to discuss their State Fair food and beverage concession operation. Metropolitan Transit utilized the south Como lot as a practice site for their Bus Roadeo.

18 - The Fisher Holmstrom wedding was held in the History & Heritage Center and West End Market Stage, the Garrod Gareats wedding was held in the Progress Center and the Kotze Miller wedding was held in the DNR Building. Minnesota United FC soccer parking was provided at the south Como lot.

18-19 - Midwest Comic Book Association presented MSP Comicon in the Grandstand.

19 - The First Fifty Auto Club's 49th Annual Car Show, Swap Meet and Flea Market was held at the north parking lots. The Riders & Ribbons Horse Show was held in Compeer Arena.

19-21 - Simon and Butler attended the Alltech Ideas Conference in Lexington, KY.

20 - Alexander and Noonan met with members of the State Fair Marketing Coalition to discuss print and digital advertising.

20-21 - Scibak and Woodis attended the Upper Midwest Employment

Law Conference at the St. Paul RiverCentre.

20-23 - The State Fair hosted the annual meeting of the North American Livestock Show & Rodeo Managers Association, including a tour of the State Fairgrounds and reception in the History & Heritage Center on May 22.

21 - The St. Paul Area Chamber of Commerce conducted an event in the Progress Center. Machinery Hill Criterium bike races were held on Machinery Hill.

22 - Casey participated in a meeting of the Capital Regions Watershed District Technical Advisory Committee. Minnesota United FC soccer parking was offered at the south Como lot.

23 - Alexander met with Sean Sherman and Dana Thompson to discuss Indigenous People events at the fair.

25 - Minnesota United FC soccer parking was provided at the south Como lot.

26 - The Soundset Music Festival was presented at the Midway lot and West End Market.

29 - Hammer participated in a meeting of the IAFE's nominating committee. Sinclair and Simon met with representatives of MnDOT's Connected & Automated Vehicles Office to discuss exhibits and vehicle demonstration at the State Fair. Alexander and Noonan met with members of the State Fair Marketing Coalition to review creative execution for the '19 ad campaign. Noonan attended a customer service seminar presented by Visit Saint Paul and the University of Minnesota.

31 - A vendor communication committee meeting was held in the Libby Conference Center and attended by Sinclair, Simon, Alexander, LeVesseur, Doyle, Franzmeier, Hines and Noonan at the Libby Conference Center. A reunion was held at Giggles' Campfire Grill.

31-June 1 - Northstar Watermedia presented the Artists' Market in the Fine Arts Center.

31-June 2 - The International Gem & Jewelry Show was held at the Progress Center. The North Central Reining Extravaganza horse show was conducted in the Warner Coliseum and livestock complex.

June

1 - The Scibak Larscheld wedding reception was held in the History & Heritage Center. A wedding party was held at Giggles' Campfire Grill.

2 - The General Motors Car Clubs Association held their annual car show and swap meet on Machinery Hill. A wedding reception was held at Giggles' Campfire Grill. Minnesota United FC soccer parking was provided at the south Como lot.

4 - Machinery Hill Criterium bike races were held on Machinery Hill.

6 - The 2019 State Fair's commemorative art by photographer R. J. Kern was unveiled in the Fine Arts Center.

6-8 - Feed My Starving Children, Union Gospel Mission and Minnesota Adult & Teen Challenge conducted the Better Together MobilePack event at the Grandstand, packing 1 million meals for children worldwide.

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

9 a.m. Friday, June 7, 2019

Libby Conference Center, State Fairgrounds

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Alexander; Mark Goodrich; Wally LeVesseur; Debbie Edman; Jill Nathe; Sean Casey; Nate Dungan; Patrick Schoen; Steve Grans; Brett Ward; Theresa Weinfurter; Carol Doyle; Emily Diedrick; Nikki Hines; Chris Noonan; Danielle Dullinger; Lara Hughes; Shannon Buchda; Samantha Gilbertson; Virginia Mold; Josie Belde Mell; Beth Schuldt; Erik Klingner; Mary Chung; Danyl Vavreck; Leah Janus.

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

Ms. Simon reported on new exhibits in the Eco Experience, plus several first-time commercial exhibitors for the upcoming fair. Ms. Hines followed with a review of the selection process for new food items.

Mr. Sinclair presented a request from Spineless Wonders (owners and operators of the Butterfly House) to adjust their admission price from \$3 to \$3.50 for the '19 State Fair. After discussion, the adjustment was approved on a motion by Mr. Grunhoyd, seconded by Mr. Wichmann and carried (Aye-8; Nay-0).

Ms. Diedrick provided an update on sponsorships and touring promotional exhibits for the upcoming fair, followed by a report from Mr. Ward on the busy summer schedule of non-fair events.

The meeting of the sales committee adjourned at 9:30 a.m. on a motion by Mr. Scapanski, seconded by Mr. Leary and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Jim Sinclair; Renee Alexander; Mark Goodrich; Wally LeVesseur; Debbie Edman; Jill Nathe; Sean Casey; Nate Dungan; Patrick Schoen; Steve Grans; Brett Ward; Theresa Weinfurter; Carol Doyle; Emily Diedrick; Nikki Hines; Chris Noonan; Danielle Dullinger; Lara Hughes; Shannon Buchda; Samantha Gilbertson; Virginia Mold; Josie Belde Mell; Beth Schuldt; Erik Klingner; Mary Chung; Danyl Vavreck; Leah Janus; Joe Bagnoli; Jim Eichten.

President Merkins called the meeting to order at 9:34 a.m.

Minutes of the board's meeting conducted March 21 were approved on a motion by Mr. Oleheiser, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period March 21 through June 6 were reviewed and approved on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

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

Jim Eichten of Malloy, Montague, Karnowski, Radosevich & Co., P.A., and Mr. LeVesseur reviewed MMKR's audit of Society financial activities for fiscal 2018. The audit report was accepted on a motion by Mr. Leary, seconded by Mr. Hawkins and carried (Aye-9; Nay-0).

Mr. LeVesseur presented the May 2019 financial statement as follows:

MINNESOTA STATE FAIR CASH TRANSACTION SUMMARY

Month Ending May 31, 2019

OPERATING ACCOUNT ACTIVITY:

Balance – April 30, 2019		\$ 2,374,416
Add: Cash Deposits	\$ 4,553,658	
Less: Payroll Ending May 3	(273,205)	
Payroll Ending May 17	(302,320)	
Payroll Ending May 31	(313,796)	
Cash Disbursements	<u>(3,457,504)</u>	
		206,833
Balance – May 31, 2019		\$ 2,581,249

BUILDING FUND ACTIVITY:

Balance – April 30, 2019		\$ 451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance – May 31, 2019		\$ 451

CONSTRUCTION ACCOUNT:

Balance – April 30, 2019		\$ 10,037,510
Add: Note Proceeds		
Interest		11,966
Less: Disbursements		(2,000,000)
Balance – May 31, 2019		\$ 8,049,476

CASH BALANCES FOR MONTH ENDING:

	<u>2018</u>	<u>2019</u>
Operating Account	\$ 5,576,002	\$ 2,581,249
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account (Note proceeds)	<u>-</u>	<u>8,049,476</u>
Total Cash Balances	<u>\$ 5,582,553</u>	<u>\$ 10,637,276</u>

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

Mr. Hammer and Mr. LeVesseur presented a resolution authorizing the amendment of the State Fair 2009 Subordinated Indebtedness Note to extend its maturity, and authorizing certain other actions. The complete resolution is on file at the Society offices on the State Fairgrounds. The resolution was approved on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Bagnoli of McGrann, Shea, Carnival, Straughn & Lamb law firm provided an overview of activities during the 2019 session of the Minnesota Legislature, and their impact on the Society. Mr. Bagnoli's report was accepted on a motion by Mr. Leary, seconded by Mr. Toenges and carried (Aye-9; Nay-0).

Ms. Alexander presented the following list of State Fair entertainment contracts.

CONTRACTOR	DATES	TERMS	VENUES
A.S.I.A., Inc. (Concert Security)	8/22-9/2	Payable upon receipt of invoice - \$25.50/hour per person	Grandstand Production
P.E.S.O., Inc. (Concert Ushers)	8/22-9/2	Payable upon receipt of invoice - \$24.00/hour per person	Grandstand Production
Perk Global Productions Inc. (Grandstand Stage Manager)	8/22-9/2	\$22,000 flat	Grandstand Production
HBF, Inc. fso Hootie & the Blowfish	8/22	\$700,000 plus 80% over \$800,000	Grandstand Artist
Signature Entertainment, LLC fso Why Don't We	8/23	\$150,000 plus 80% over \$250,000	Grandstand Artist
Dude, Inc. fso Dierks Bentley	8/24	\$650,000 plus 80% over \$750,000	Grandstand Artist
Sarepta Inc. fso Trace Adkins	8/25	\$100,000 plus 40% over \$325,000	Grandstand Artist
Black Top Inc. fso Clint Black	8/25	\$100,000 plus 40% over \$325,000	Grandstand Artist

Terri Clark Tours, Inc. fso Terri Clark	8/25	\$25,000 flat	Grandstand Artist	William K. Kirchen fso Bill Kirchen & Redd Volkaert	8/30-31	\$10,000 flat	Bandshell Stage
Oasis Entertainment Group, Inc. fso Tommy James & the Shondells	8/26	\$45,000 plus 40% over \$220,000	Grandstand Artist	Jaida Elizabeth Lauren Dreyer fso Jaida Dreyer	8/30-31	\$6,000 flat	Bandshell Stage
Flower Power Concerts, Inc. fso Happy Together Tour 2019	8/26	\$75,000 plus 40% over \$220,000	Grandstand Artist	The Professional Group, LLC fso The B.B. King Blues Band Featuring "The Voice" Michael Lee	9/1-2	\$20,000 flat	Bandshell Stage
Ear Booker Enterprises, Inc. fso "Weird Al" Yankovic	8/27	\$125,000 plus 80% over \$260,000	Grandstand Artist	The Sound Exchange, LLC fso The Sound Exchange	9/1-2	\$3,750 flat	Bandshell Stage
Ear Booker Enterprises, Inc. fso "Weird Al" Yankovic	8/27	\$35,000 Production Expenses	Grandstand Artist	Rolf Ozark Productions, LLC fso Matt's Family Jam	9/1-2	\$7,000 flat	Bandshell Stage
Two Headed Monster Tours, Inc. fso Daryl Hall & John Oates	8/28	\$500,000 plus 80% over \$600,000	Grandstand Artist	Intoxicats, LLC fso Intoxicats	8/22-23	\$3,000 flat	Bazaar Stage
Two Headed Monster Tours, Inc. fso Daryl Hall & John Oates	8/28	\$1,000 Transportation Expenses	Grandstand Artist	Native Pride Productions Inc. fso Native Pride Dancers	8/24-25	\$4,000 flat	Bazaar Stage
Three Oh One Productions, LLC fso Logic	8/29	\$475,000 plus 85% over \$575,000	Grandstand Artist	Mazouk Productions fso Papa Shalita	8/24-25	\$3,000 flat	Bazaar Stage
Phantom 309 Productions, Inc. fso Brandi Carlile	8/31	\$250,000 plus 80% over \$376,500 (If Artist sells more than 12,000 tickets paid, split increases to 85% retroactive to first ticket sold)	Grandstand Artist	Charles A. Thiel fso Chuck Thiel & His Jolly Ranchers	8/26-27	\$1,600 flat	Bazaar Stage
Mavis Staples Touring, Inc. fso Mavis Staples	8/31	\$25,000 flat	Grandstand Artist	LaNee J. Victorsen-Willey fso Dirty Shorts Brass Band	8/28-29	\$2,000 flat	Bazaar Stage
Dukey's Tours, Inc. fso Belinda Carlisle	8/22-23	\$77,500 flat	Bandshell Tonight	Rolando Bolivar Burga Maigua fso Atahualpa	8/30-31	\$2,500 flat	Bazaar Stage
NoOne, Inc. fso Herman's Hermits Starring Peter Noone	8/24-25	\$50,000 flat	Bandshell Tonight	VocalEssence fso VocalEssence Singers Of This Age	9/1-2	\$3,000 flat	Bazaar Stage
Texassee Touring, Inc. fso Lonestar	8/26-27	\$60,000 flat	Bandshell Tonight	KAJ Productions, Ltd fso MFELLAZ	8/24-25	\$4,500 flat	Bazaar After Dark
Gobo Productions Ltd, fso One Night of Queen Performed By Gary Mullen & The Works	8/28-29	\$50,000 flat	Bandshell Tonight	Generation iLL fso iLLism	8/28-29	\$3,000 flat	Bazaar After Dark
West Wind Artists, Inc. fso Tony! Toni! Toné!	8/30-31	\$40,000 flat	Bandshell Tonight	Malamanya Music, LLC fso Malamanya	8/30-31	\$4,000 flat	Bazaar After Dark
Dessa, LLC fso Dessa	9/1-2	\$55,000 flat	Bandshell Tonight	Sean Emery	8/22-9/2	\$15,600 flat	Family Fair at Baldwin Park
Lyman C. MacAnally Jr. fso Mac MacAnally	8/22-23	\$17,500 flat	Bandshell Stage	BC Characters, Inc. fso Break-Shop Bump'n	8/22-9/2	\$33,360 flat	Family Fair at Baldwin Park
Harpeth River Records, LLC fso Brandon Lay	8/24-25	\$15,000 flat	Bandshell Stage	Greg Walter Frisbee	8/22-23	\$2,800 flat	Family Fair at Baldwin Park
QSB Entertainment, LLC fso The Quebe Sisters	8/24-25	\$12,000 flat	Bandshell Stage	Charles Lowell Burnes III fso The Chipper Experience	8/24-25	\$4,500 flat	Family Fair at Baldwin Park
Chad Przybylski fso Chad Przybylski & His Polka Rhythms	8/24-25	\$3,060 flat	Bandshell Stage	Kenneth Richard Ahern Jr. fso Kenny Ahern	8/26-27	\$2,000 flat	Family Fair at Baldwin Park
34th Infantry Division "Red Bull" Band	8/26-27	No payment needed	Bandshell Stage	Robert L. Compton fso Babaloo Music & Fun	8/28-29	\$2,800 flat	Family Fair at Baldwin Park
War and Treaty Corporation fso The War and Treaty	8/26-27	\$20,000 flat	Bandshell Stage	Rob Miss Jane Productions, LLC fso Allez-OOPS!	8/30-31	\$3,800 flat	Family Fair at Baldwin Park
Tonic Sol-fa, LLC fso Tonic Sol-fa	8/28-29	\$8,500 flat	Bandshell Stage	Appeal Entertainment, LLC dba Six Appeal	9/1-2	\$4,000 flat	Family Fair at Baldwin Park
Colt Ford Touring, LLC fso Colt Ford	8/28-29	\$20,000 flat	Bandshell Stage	Divas Entertainment, LLC fso The Dollipops	9/1-2	\$1,800 flat	Family Fair at Baldwin Park
Lucky Chops, LLC fso Lucky Chops	8/30-31	\$20,000 flat	Bandshell Stage	Dan Sparkman	8/25	\$70 flat	Milk Run
				Rick Recker	8/25	\$350 flat	Milk Run
				Action Sports of Minnesota dba 3rd Lair Skatepark	8/22-9/2	\$45,475 flat	Misc. Attractions
				Laser Encore, Inc. fso Laser Encore's Laser Hitz Show	8/22-9/2	\$19,000 flat	Misc. Attractions
				Virtual Outdoors fso Dick Hansen	8/22-9/2	\$3,000 flat	Misc. Entertainment
				Allied Audio Services	8/22-9/2	\$258,550.18 flat plus final payment due upon receipt of invoices	Misc. Entertainment
				Sylvain Pienault	8/27	\$100 flat	Misc. Entertainment

DL Weatherhead Timberworks Lumberjack Show, LLC fso Timberworks Lumberjack Show	8/22-9/2	\$35,500 flat	North Woods	Anthony Cuchetti fso Tony Cuchetti	8/24-25	\$1,500 flat	Ramberg Music Cafe
Chris Perondi dba Extreme Canines Stunt Dog Show	8/22-9/2	\$15,000 flat	North Woods	Richard A. Lewis fso Rich Lewis Band	8/24-25	\$1,500 flat	Ramberg Music Cafe
Steven G. Bauer	8/22-9/2	\$3,000 flat	Old Iron Show	James P. Berner fso Jim Berner's Music Legends	8/26-27	\$1,000 flat	Ramberg Music Cafe
Robert D. Wilson	8/22-9/2	\$1,080 flat	Old Iron Show	Triad Entertainment, Inc. fso Vicky Emerson	8/26-27	\$1,200 flat	Ramberg Music Cafe
Christopher J. Chadwick	8/22-9/2	\$1,080 flat	Old Iron Show	Robert E Scoggin Jr. fso Big Bob Scoggin	8/28-29	\$800 flat	Ramberg Music Cafe
Steve L. McDonough	8/22-9/2	\$1,800 flat	Old Iron Show	Timothy Patrick McGraw fso Tim Patrick and his Blue Eyes Band	8/28-29	\$1,100 flat	Ramberg Music Cafe
James Birk	8/22-9/2	\$1,200 flat	Old Iron Show	Chris Hanson fso Christopher David Hanson Band	8/30-31	\$1,250 flat	Ramberg Music Cafe
Jack's P.C. Consulting LLC fso C. John Deschene	8/22-9/2	\$1,080 flat	Old Iron Show	Honky Tonk Jump, LLC fso Honky Tonky Jump	8/30-31	\$1,750 flat	Ramberg Music Cafe
James M. Quirk	8/22-9/2	\$540 flat	Old Iron Show	William Edward Isles fso Bill & Kate Isles	9/1-2	\$1,200 flat	Ramberg Music Cafe
Lee Jason Sackett	8/22-9/2	\$1,200 flat	Old Iron Show	Dale Alan Zuk fso The Jolly Zuks	9/1-2	\$1,600 flat	Ramberg Music Cafe
David M. Lewerer	8/22-9/2	\$1,080 flat	Old Iron Show	Nicholas Hodges	9/1	\$500 flat	Talent Contest
Jake Suchy	8/22-9/2	\$540 flat	Old Iron Show	Lauren Senden	9/1	\$100 flat	Talent Contest
Shannon M. Sackett	8/22-9/2	\$1,200 flat	Old Iron Show	Erica Genereux	9/1	\$100 flat	Talent Contest
Joseph Stevermer	8/22-9/2	\$1,200 flat	Old Iron Show	MNHS presents History On-A-Schtick	8/22-9/2	No payment required	West End Market
Ken Anderson	8/22-9/2	\$1,200 flat	Old Iron Show	Sarah Morris	8/22-23	\$3,000 flat	West End Market
Patrick McDonough	8/22-9/2	\$1,800 flat	Old Iron Show	Noah Sonie	8/22-23	\$1,500 flat	West End Market
Lorraine Quirk	8/22-9/2	\$540 flat	Old Iron Show	Joyann Parker, LLC fso Joyann Parker	8/22-23	\$2,000 flat	West End Market
Leslee Suchy	8/22-9/2	\$540 flat	Old Iron Show	Minnesota State Fiddlers Association fso Minnesota State Fiddle Contest	8/24-25	\$5,000 flat	West End Market
Nancee Wilson Peterson	8/22-9/2	\$1,080 flat	Old Iron Show	Dave Flom fso Sawyer's Dream	8/24-25	\$1,500 flat	West End Market
Verne Falde	8/22-9/2	\$2,200 flat	Old Iron Show	Patridge Productions, LLC fso Hit Ticket	8/24-25	\$2,500 flat	West End Market
Robert A. McDonough	8/23-9/2	\$1,800 flat	Old Iron Show	Truvariety Entertainment, LLC fso Fantastick Patrick	8/26-27	\$2,500 flat	West End Market
Cecil L. Bechel	8/26-9/2	\$2,160 flat	Old Iron Show	New Music Arts, LLC fso Fab 6: Beatles Tribute	8/28-29	\$3,000 flat	West End Market
Rickie D. Grufman	8/26-9/2	\$1,440 flat	Old Iron Show	Patridge Productions LLC fso The Kate Escape	8/28-29	\$1,500 flat	West End Market
Henry Reiner	8/30-9/2	\$400 flat	Old Iron Show	Minnesota Bluegrass & Old-Time Music Association fso MN Americana-Roots Music Contests	8/30-31	\$5,000 flat	West End Market
Sherry Reiner	8/30-9/2	\$400 flat	Old Iron Show	Guava Entertainment fso Craig Clark Band	8/30-31	\$2,000 flat	West End Market
Devon Lark	8/30-9/2	\$200 flat	Old Iron Show	John Bush	8/30-31	\$1,500 flat	West End Market
Duane H. Rolstad	8/22-25	\$360 flat	Old Iron Show	Craig J. Ebel fso & DyVersaCo	9/1-2	\$2,000 flat	West End Market
Paul Thomas Bainbridge	8/22-25	\$400 flat	Old Iron Show	John Wright fso Galactic Cowboy Orchestra	9/1-2	\$3,000 flat	West End Market
Rodney Mondor	8/22-25	\$360 flat	Old Iron Show	Robert Lok fso Allez-OOPS!	9/1-2	\$2,500 flat	West End Market
Andy Schmidt	8/22-9/1	\$2,310 flat	Parade	Nooky Jones LLC fso Nooky Jones	8/22-23	\$5,000 flat	West End at Sunset
Lane Powell	8/22-9/1	\$2,640 flat	Parade				
Lane Powell fso Tri-State Judging Association	8/22-9/1	\$2,400 flat	Parade				
Jason Stock fso Master Custom Homes	8/22-9/2	\$11,400 flat	Parade				
Joseph Stevermer	8/22-9/2	\$600 flat	Parade				
Lee Jason Sackett	8/22-9/2	\$600 flat	Parade				
Mike Olander dba Jack Brass Band	8/31-9/2	\$4,950 flat	Parade				
River City Rhythm, Inc.	8/31-9/2	\$900 flat	Parade				
Paul Husby fso St. Anthony Park Community Band	8/23	\$100 flat	Parade				
Twin Cities Unicycle Club	8/23	\$450 flat	Parade				
St. Paul Police Band	8/24	\$250 flat	Parade				
Crow River Drumline Association fso Phoenix Drumline	8/24	\$750 flat	Parade				
Minnesota Pipes and Drums dba Minnesota Police Pipe Band	8/25	\$1,250 flat	Parade				
Regents of the University Of Minnesota	9/1	\$2,750 flat	Parade				
Stevenoonansongs, LLC fso Steve Noonan	8/22-23	\$1,500 flat	Ramberg Café				
John D. Barrett fso The Fairlanes	8/22-23	\$1,600 flat	Ramberg Music Cafe				

EEB LLC fso Early Eyes	8/24-25	\$3,000 flat	West End at Sunset
Abigail Therese Wolf fso Aby Wolf	8/26-27	\$4,000 flat	West End at Sunset
Kevin Kniebel fso Pert Near Sandstone	8/28-29	\$10,000 flat	West End at Sunset
First Avenue Productions, LLC fso First Avenue Goes To The Fair	8/30-31	\$7,500 flat	West End at Sunset

After discussion, the contracts were approved on a motion by Mr. Toenges, seconded by Ms. Johnson and carried (Aye-9; Nay-0). Mr. Goodrich gave an overview of the State Fair's agricultural and creative contests, and his report was accepted on a motion by Mr. Oleheiser, seconded by Mr. Wichmann and carried (Aye-9; Nay-0). Mr. Hammer presented the following list of board-hosted functions for the '19 State Fair: Minnesota Federation of County Fairs lunch Friday, Aug. 23; State Fair Hall of Fame and Life Member lunch Sunday, Aug. 25; and Minnesota Livestock Breeders Association breakfast Thursday, Aug. 29. The functions were approved on a motion by Mr. Scapanski, seconded by Ms. Johnson and carried (Aye-9; Nay-0). Ms. Chung and Mr. Hammer reported on activities of the State Fair Foundation. Information only; no action taken.

The meeting was declared in executive session at 10:59 a.m. President Merkins reopened the meeting at 11:24 a.m. The meeting adjourned at 11:44 a.m. on a motion by Mr. Scapanski, seconded by Mr. Hawkins and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MINUTES OF INTERIM ACTIVITIES
June 7 through Aug. 22, 2019**

June

7-8 - The Stamp & Scrapbook Expo was held in the Education Building. Parking for the Minnesota High School League track and field championships at Hamline University was provided at the south Como lots.

8 - The St. Paul Summer Beer Fest was held at the International Bazaar. A city-wide community cleanup drop-off site was provided at the north parking lots.

8-9 - The Minnesota Antique Dealers Association presented the Antique and Decorative Arts Show in the Fine Arts Center. Giggles' Campfire Grill hosted two private events.

10 - A graduation party was held at O'Gara's at the Fair.

10-14 - The Minnesota 4-H Youth Exploring Leadership and Learning Outloud (YELLOW!) conference was held in the 4-H Building.

11 - Machinery Hill Criterium bike races were held on Machinery Hill streets.

11-16 - The Region 10 Arabian Horse Association Championship Show was held at the Warner Coliseum and livestock complex.

13 - O'Gara's hosted a private fundraising event.

14 - A reunion was held at Giggles' Campfire Grill.

14-15 - The Viking Chapter of the Antique Motorcycle Club of America held their national meet in the Progress Center and at the Campgrounds.

15 - Giggles' Campfire Grill hosted a wedding reception.

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

19 - Edman and Schoen attended a meeting of the St. Paul Human Resources Association.

20 - Sinclair and Hines met with representatives of Haas Wilkerson Insurance to discuss Midway, Kidway and attractions insurance.

21-23 - The Minnesota Street Rod Association's Back to the '50s Weekend was held across the fairgrounds.

22 - Twin Cities Classic Car Auction was conducted in the CHS Miracle of Birth Center and Warner Coliseum.

25 - Machinery Hill Criterium bike races were held on Machinery Hill streets.

26-30 - The Tanbark Cavalcade of Roses Horse Show was held at the Warner Coliseum and livestock complex.

27 - The Midsummer Mile footrace was held on various fairgrounds streets.

28 - Giggles' Campfire Grill hosted a graduation party.

28-29 - The Twin Cities Antiquarian & Rare Book Fair was presented in the Progress Center.

29 - The Night Nation Run was held at the Grandstand and various streets. A reunion was held at Giggles' Campfire Grill.

July

2 - Machinery Hill Criterium bicycle races were held on Machinery Hill streets.

6-7 - Shuttle parking for the Hmong International Freedom Festival at Como Park was provided at the south Como lots.

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

9 - Sinclair participated in an IAFE Education Foundation board of trustees conference call.

10 - The Minnesota State Fair Job Fair was held in the Progress Center. Several staff members participated in an IAFE Consumer Protection cyberseminar.

10-14 - The Minnesota Amateur Quarter Horse Association Corporate Challenge horse show was held at the Warner Coliseum and livestock complex.

14 - Hammer visited the Ramsey County Fair in Maplewood.

17 - News media toured the North End Event Center and surrounding project area. Merkins, Oleheiser, Hawkins and Hammer participated in a State Fair Foundation nominating committee teleconference. Sinclair, Alexander, Hines, Buchda and Bower met with United Rentals representatives to discuss electric generator and power distribution for a variety of areas throughout the fairgrounds. Staff from multiple departments met with risk management and emergency medical treatment professionals.

19-21 - The Street Machine Summer Nationals was held across most of the fairgrounds.

20-21 - The Capitol Classic Horse Show was held in Compeer Arena and the Horse Barn.

25 - Giggles' Campfire Grill hosted a retirement party.

27 - A wedding was held in the History & Heritage Center.

28 - The Shriners held an event at Giggles' Campfire Grill.

29-30 - Police officer driver training was conducted at the south Como lot.

August

1 - Training for Miracle of Birth Center staff was conducted in the History & Heritage Center. A softball league party was held at Giggles' Campfire Grill.

2 - Giggles' Campfire Grill hosted a retirement party.

2-4 - Alexander, Rougier, Hudalla and Paulos attended a site visit to the Lollapalooza festival in Chicago.

5 - Alexander attended a meeting of the International Entertainment Buyers Association in New York.

2-5 - The North Central Reining Futurity & Derby horse show was held at the Warner Coliseum and livestock complex.

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

5 - A ceremony designating the Swine Barn as the Robert A. Christensen Pavilion was attended by representatives of Christensen Farms, members of the State Fair and Fair Foundation boards, fair and Foundation staff, family and friends.

6 - Length of Service Awards were presented to 14 staff members at a full-time staff meeting.

7 - The State Fair Foundation conducted a Grand Champion event for 260 donors at Giggles' Campfire Grill, showcasing the new North End neighborhood.

10-11 - More than 500 donors attended a State Fair Foundation event previewing this year's commemorative benches.

11 - Midway and Kidway operations staff arrived and set up began.

14 - Hawkins and Hammer participated in a meeting of the State Fair Foundation's finance committee. Sinclair and Hines met with Steve Vander Vorste to discuss operation of the Ye Old Mill for the upcoming fair.

15 - The State Fair Foundation hosted 1,250 fair fans and friends at the Taste of the Fair fundraiser at the International Bazaar.

17 - State Fair staff's Around The Fair Committee presented the annual State Fair Kickoff Staff Pancake Breakfast & Revue in the 4-H Building.

20 - The State Fair Foundation's First Glance and 2019 State Fair Fine Arts Show Preview were presented in the Fine Arts Center.

21 - Princess Kay of the Milky Way 2019 was crowned by the Midwest Dairy Association during ceremonies at the Bandshell.

22 - The 2019 Great Minnesota Get-Together opened at 6 a.m.

MINNESOTA STATE AGRICULTURAL SOCIETY MEETING OF THE GOVERNING BOARD

9 a.m. Friday, Aug. 23, 2019

Officers Quarters, State Fairgrounds

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

Also present: Debbie Edman; Mary Chung; Leah Janus; Joe Bagnoli; Doug Carnival.

President Merkins called the meeting to order at 9:01 a.m.

Minutes from the board meeting on June 7, 2019, were reviewed and approved on a motion by Mr. Fox, seconded by Mr. Toenges and carried (Aye-8; Nay-0).

Minutes of interim activities covering the period from June 7 through Aug. 21 were reviewed and accepted on a motion by Mr. Oleheiser, seconded by Mr. Grunhovid and carried (Aye-8; Nay-0).

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

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

OPERATING ACCOUNT ACTIVITY:

Balance – June 30, 2019		\$1,829,126
Add: Cash Deposits	\$6,129,797	
Less: Payroll Ending July 12	(370,206)	
Payroll Ending July 26	(355,739)	
Cash Disbursements	(4,427,197)	
	976,655	
Balance – July 31, 2019		\$2,805,781

BUILDING FUND ACTIVITY:

Balance – June 30, 2019	\$	451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance – July 31, 2019	\$	451

CONSTRUCTION ACCOUNT:

Balance – June 30, 2019	\$6,558,783
Add: Note Proceeds	
Interest	7,020
Less: Disbursements	(2,500,000)
Balance – July 31, 2019	\$4,065,803

CASH BALANCES FOR MONTH ENDING:

	<u>2018</u>	<u>2019</u>
Operating Account	\$5,375,122	\$2,805,781
Petty Cash	23,523	24,563
Building Fund	451	451
Construction Account (Note proceeds)	-	4,065,803
Total Cash Balances	<u>\$5,399,096</u>	<u>\$6,896,598</u>

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

The following list of entertainment contracts were presented for review:

CONTRACTOR	DATES	TERMS	VENUES
Premier Global Production Company, Inc. (Lighting)	8/22-9/2	\$42,080 flat	Grandstand Production
Premier Global Production Company, Inc. (Stage)	8/22-9/2	\$127,378 flat	Grandstand Production
Freestyle Productions, Inc.	8/22-9/2	\$88,506 flat	Grandstand Production
Eat Your Heart Out Catering (Grandstand Catering)	8/22-9/2	\$20,000 flat plus final payment due upon receipt of invoice	Grandstand Production
RES Specialty Fireworks	8/22-9/2	\$36,354 flat	Grandstand Production
Clair Brothers Audio, Inc. (GS Sound)	8/22-9/2	\$78,135 flat	Grandstand Production
Brian Bourn (Grandstand Follow Spots)	8/22-9/2	\$3,500 flat	Grandstand Production
Taylor Grey	8/23	No fee	Grandstand Artist
Chicken Good Touring Inc. fso G. Love & Special Sauce	8/28	\$25,000 flat	Grandstand Artist
LBR Touring, Inc. fso Lionel Richie	8/30	\$500,000 plus 80% \$625,000	Grandstand Artist
Goddess Touring, Inc. fso Lauren Jauregui	8/30	\$35,000	Grandstand Artist
Goddess Touring, Inc. fso Lauren Jauregui	8/30	\$2,500 (Lodging expense)	Grandstand Artist
Rivermont Touring, Inc. fso Savannah Conley	8/31	\$1,500 flat	Grandstand Artist
TTT Inc., fso ZZ Top	9/2	\$250,000 plus 85% over \$465,000	Grandstand Artist
TTT Inc., fso ZZ Top	9/2	\$15,000 flat (Production expenses)	Grandstand Artist
Cheap Trick Touring Inc. fso Cheap Trick	9/2	\$100,000 flat	Grandstand Artist

Joseph R. Carrier fso Chubby Carrier and the Bayou Swamp Band	8/22-23	\$10,000 flat	Bandshell Stage
Lance Link fso Dawson Hollow	8/22-23	\$5,000 flat	Bandshell Stage
AC Jones Music Ltd	8/26-27	\$6,000 flat	Bandshell Stage
Squeezebox LLC fso Mollie B & Squeezebox	8/28-29	\$5,400 flat	Bandshell Stage
Peterson Brothers Music LLC fso The Peterson Brothers	9/1-2	\$7,500 flat	Bandshell Stage
Cheremosh Ukranian Dance Ensemble	8/22-23	\$2,000 flat	Bazaar Stage
Steven Clarke fso Blue Book	8/26-27	\$3,000 flat	Bazaar Stage
Louis V. Costilla fso Grupo Mio	8/28-29	\$3,000 flat	Bazaar Stage
Patrick Adams	8/30-31	\$3,000 flat	Bazaar Stage
Tom Mason fso Tom Mason and The Blue Buccaneers	9/1-2	\$4,000 flat	Bazaar Stage
Jean A. Eckman fso Westside Band	8/22-23	\$3,500 flat	Bazaar After Dark
Kat Perkins Music Inc.	8/26-27	\$6,000 flat	Bazaar After Dark
Mark Larsen fso Free Fallin - A Tribute to Tom Petty	9/1-2	\$4,000 flat	Bazaar After Dark
Ghost Dancer, LLC fso The Sioux Chef	9/1	\$10,000 flat	Misc. Ent. Entertainment
Jon A. Getting	8/22-25	\$360 flat	Old Iron Show
Sam Waldoch	8/22-25	\$360 flat	Old Iron Show
Roger Geist	8/22-29	\$800 flat	Old Iron Show
Glen William Westphal	8/22-9/2	\$1,080 flat	Old Iron Show
Steven G. Bauer	8/22-9/2	\$3,000 flat	Old Iron Show
Anne Elizabeth Sawyer fso Upstanding Stilts	8/22-9/2	\$3,900 flat	Parade
Women's Drum Center	8/24-25 9/1-2	\$1,200 flat	Parade
Minneapolis First Pathfinders Club	8/25 & 9/1	\$800 flat	Parade
Minnesota "Over-60" Band	8/29	\$400 flat	Parade
Barebones Productions	9/1-2	\$600 flat	Parade
Minnesota State Fiddlers Association fso Minnesota State Fiddle Contest	8/24-25	\$5,000 flat	West End Market
Renas Kitchen Music fso Six Mile Grove	8/26-27	\$3,000 flat	West End Market
US Air Force Band Starlifter	8/26-27	No payment required	West End Market
Adam Moe fso Pushing Chain Band	8/28-8/29	\$3,000 flat	West End Market
Jaedyn Wadd fso Jaedyn James & The Hunger	9/1-2	\$3,000 flat	Arts A'Fair
COLLIDE Theatrical Dance Company	8/22-24	\$1,400 flat	Arts A'Fair
Whitney McClusky fso Duniya Drum & Dance	8/22-24	\$1,400 flat	Arts A'Fair
Elba Castillo fso Mexica Yolotl	8/22-24	\$1,400 flat	Arts A'Fair
Whitney McClusky fso Drum & Dance Duniya	8/25-27	\$1,400 flat	Arts A'Fair
Twin Cities Trapeze Center	8/25-27	\$1,400 flat	Arts A'Fair
Black Storytellers Alliance	8/25-27	\$1,400 flat	Arts A'Fair

Ballet Work, Inc. fso James Sewell Ballet	8/25-27	\$1,400 flat	Arts A'Fair
Interact Center for the Visual and Performing Arts fso Interact Theater	8/28-30	\$1,400 flat	Arts A'Fair
Neal Skoy fso Captain Willy DeWitt – Comedy Stunt Show	8/28-30	\$1,400 flat	Arts A'Fair
Scott Reynolds fso Mixed Precipitation	8/28-30	\$1,400 flat	Arts A'Fair
Open Eye Figure Theatre	8/28-30	\$1,400 flat	Arts A'Fair
Twin Cities Trapeze Center	8/31-9/2	\$1,400 flat	Arts A'Fair
Zorongo Flamenco, Inc. fso Zorongo Flamenco Dance	8/31-9/2	\$1,400 flat	Arts A'Fair
Green T. Productions	8/31-9/2	\$1,400 flat	Arts A'Fair
Open Eye Figure Theatre	8/31-9/2	\$1,400 flat	Arts A'Fair

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

An agreement with Steve Vander Vorste to operate Ye Old Mill for the 2019 State Fair at a management fee of 40 percent of gross revenue net of sales tax was approved on a motion by Mr. Oleheiser, seconded by Mr. Wichmann and carried (Aye-9; Nay-0); the motion included a ticket price adjustment to \$4 for the '19 State Fair.

Mr. Bagnoli reported on the upcoming session of the Minnesota Legislature, and issues that may affect the State Fair. Information only; no action taken.

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

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

Emily Benrud, Goodhue; Jay Dicke, Goodhue; Lauralee Eaton, Pine Island; Kelsey Erf, Oakdale; Ryan Hansen, Freeborn; Alexandra Hanson Roe, Grey Eagle; Anica Herrera, Cologne; Levi Kermes, Hayward; Hannah Kruse, Ellsworth; Emily Leonard, Norwood-Young America; Paige Madison, Rushmore; Joseph Moran, Forest Lake; Gigi Otten, Hayward; Lukas Pierson, Butterfield; Sydney Poquette, Wanamingo; Megan Schultz, Fountain; Nicholas Seitzer, St. Peter; Gunnar Starks, Pine Island; Cara Tiegum, Madelia; Justin Thomforde, Goodhue. The scholarships were approved on a motion by Ms. Johnson, seconded by Mr. Fox and carried (Aye-9; Nay-0).

A proclamation honoring the John Deere Company with the State Fair Legacy Award was approved on a motion by Mr. Oleheiser, seconded by Mr. Toenges and carried (Aye-9; Nay-0). The proclamation celebrates John Deere's 120 years as a mainstay commercial exhibitor at the State Fair and is issued jointly by the State Agricultural Society and the State Fair Foundation.

The meeting adjourned at 9:40 a.m. on a motion by Ms. Johnson, seconded by Mr. Leary and carried (Aye-8; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE GOVERNING BOARD
10 a.m. Sunday, Sept. 1, 2019
Officers Quarters, State Fairgrounds**

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

Also present: Debbie Edman.

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

Minutes of the board meeting conducted Aug. 23, 2019, were reviewed

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

Mr. Hammer offered a report on action taken at the Aug. 25 meeting of the Honorary Life Member committee. The recommendation to nominate State Fair board President Paul Merkins for honorary life membership in the Society was accepted on a motion by Mr. Fox, seconded by Mr. Wichmann and carried (Aye-9; Nay-0); President Merkin's name will be placed in nomination at the Society's annual meeting in January 2020. The motion also included the committee's recommendation to induct long-time State Fair attorney Kent Harbison into the State Fair Hall of Fame, and forward the recommendation to the Honors Committee for consideration.

Mr. Hammer provided an update on activities of the 2019 State Fair. Information only; no action taken.

It was moved by Mr. Leary, seconded by Ms. Johnson and carried that members of the board and certain staff members designated by Mr. Hammer be authorized to attend the International Association of Fairs & Expositions 2019 international convention in San Antonio, Tex. (Aye-9; Nay-0).

The dates of the 2020 Minnesota State Fair were set for Thursday, Aug. 27 through Labor Day, Sept. 7, on a motion by Mr. Toenges, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

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

Tuesday, Dec. 24, 2019, was approved as a paid holiday for State Fair full-time staff on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

The board congratulated the staff for their outstanding effort in producing the amazing 2019 Minnesota State Fair.

The meeting adjourned at 11:02 a.m. on a motion by Mr. Leary, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

**MINNESOTA STATE AGRICULTURAL SOCIETY
MEETING OF THE GOVERNING BOARD
AND SALES & PLANNING COMMITTEES
9 a.m. Thursday, Nov. 14, 2019
Libby Conference Center, State Fairgrounds**

MEETING OF THE SALES COMMITTEE

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

Also present: Renee Alexander; Mark Goodrich; Brian Hudalla; Wally LeVesseur; Heather Brady; Jill Nathe; Debbie Edman; Patrick Schoen; Grace Woodis; Kim Scibak; Josie Belde Mell; Sean Casey; Cory Franzmeier; Gail Anderson; Julian Schadeck; Michelle Butler; Chris Noonan; Lara Hughes; Danielle Dullinger; Abby Harazin; Theresa Weinfurtner; Nate Dungan; Carol Doyle; Emily Quam; Erik Klingner; Marilyn Mangan; Virginia Mold; Jennifer Bower; Shannon Buchda; Beth Schuldt; Danyl Vavreck; Leah Janus.

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

Mr. Sinclair, Ms. Hines and Mr. Ward reviewed the 2019 State Fair's sales division income of \$17.2 million from food and beverage concessions, commercial exhibits, Midway, Kidway, ticketed attractions, sponsorships and touring promotional exhibits. The report will be reviewed by committee members and considered for approval at the January 2020, meeting of the sales committee.

Mr. Hammer and Mr. Sinclair presented the following front footage rates for consideration for the 2020 State Fair, in four license categories:

Concession, non-food \$130 per front foot

Commercial exhibits \$115 per front foot
Institutional exhibits \$110 per front foot
Agriculture & industrial exhibits \$75 per front foot

After discussion, the front footage rates were adopted as presented on a motion by Mr. Hawkins, seconded by Mr. Leary and carried (Aye-8; Nay-0).

Following a discussion of State Fair rules regarding transfer of personal property interests, the request of Fred Pittroff (Giant Ride, Inc.) to add the name of Stacey Barona to his license to operate the Giant Slide was approved on a motion by Ms. Johnson, seconded by Mr. Toenges and carried, (Aye-8; Nay-0).

The sales committee adjourned at 9:36 a.m. on a motion by Mr. Fox, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

MEETING OF THE PLANNING COMMITTEE

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

Also present: Renee Alexander; Mark Goodrich; Jim Sinclair; Wally LeVesseur; Pam Simon; Heather Brady; Jill Nathe; Debbie Edman; Patrick Schoen; Grace Woodis; Kim Scibak; Josie Belde Mell; Cory Franzmeier; Gail Anderson; Julian Schadeck; Michelle Butler; Chris Noonan; Lara Hughes; Danielle Dullinger; Abby Harazin; Theresa Weinfurtner; Nate Dungan; Carol Doyle; Emily Quam; Erik Klingner; Marilyn Mangan; Virginia Mold; Jennifer Bower; Shannon Buchda; Beth Schuldt; Danyl Vavreck; Leah Janus.

Chairman Toenges called the meeting to order at 9:36 a.m.

Mr. Hudalla and Mr. Casey provided an overview of State Fair facilities, with particular focus on construction of the new North End Event Center complex and reconstruction of the Cattle Barn. Mr. Casey also reviewed construction projects undertaken by owners of concession and exhibit structures on the fairgrounds. Information only; no action taken.

Mr. Hudalla presented a proposed budget of standard maintenance projects for 2020 totaling \$2.5 million, and capital work totaling \$100,000. After review and discussion, the projects were approved on a motion by Mr. Oleheiser, seconded by Mr. Leary and carried (Aye-8; Nay-0); the projects will be included in the comprehensive 2020 capital and maintenance budgets to be considered at the Society's January meetings.

The planning committee meeting adjourned at 10:06 a.m. on a motion by Mr. Oleheiser, seconded by Ms. Johnson and carried (Aye-8; Nay-0).

MEETING OF THE GOVERNING BOARD

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

Also present: Jim Sinclair; Renee Alexander; Brian Hudalla; Mark Goodrich; Wally LeVesseur; Pam Simon; Heather Brady; Sean Casey; Jill Nathe; Debbie Edman; Patrick Schoen; Grace Woodis; Kim Scibak; Josie Belde Mell; Cory Franzmeier; Gail Anderson; Julian Schadeck; Michelle Butler; Chris Noonan; Lara Hughes; Danielle Dullinger; Abby Harazin; Theresa Weinfurtner; Nate Dungan; Carol Doyle; Emily Quam; Erik Klingner; Marilyn Mangan; Virginia Mold; Jennifer Bower; Shannon Buchda; Beth Schuldt; Danyl Vavreck; Leah Janus; Joe Bagnoli.

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

Minutes of the board meeting conducted Sept. 1, 2019, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

Minutes of interim activities covering the period Aug. 23 through Nov. 14, 2019, were reviewed and approved on a motion by Mr. Oleheiser, seconded by Ms. Johnson and carried (Aye-9; Nay-0).

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

Mr. LeVesseur presented the October financial statement as follows:

**MINNESOTA STATE FAIR
CASH TRANSACTION SUMMARY
Month Ending October 31, 2019**

OPERATING ACCOUNT ACTIVITY:

Balance – September 30, 2019		\$ 4,404,444
Add: Cash Deposits	\$13,176,689	
Less: Payroll Ending October 4	(316,454)	
Payroll Ending October 18	(311,580)	
Cash Disbursements	<u>(6,822,734)</u>	
	5,725,921	
Balance – October 31, 2019		\$10,130,365

BUILDING FUND ACTIVITY:

Balance – September 30, 2019		\$ 451
Add: Interest Earned		
Securities Purchased		
Less: Securities Redeemed		
Balance – October 31, 2019		\$ 451

CONSTRUCTION ACCOUNT:

Balance – September 30, 2019		\$ 4,076,002
Add: Note Proceeds		
Interest		4,020
Less: Disbursements	(4,076,002)	
Balance – October 31, 2019		\$ 4,020

CASH BALANCES FOR MONTH ENDING:

	<u>2018</u>	<u>2019</u>
Operating Account	\$10,674,154	\$10,130,365
Petty Cash	6,100	6,100
Building Fund	451	451
Construction Account (Note proceeds)	-	4,020
Total Cash Balances	<u>\$10,680,705</u>	<u>\$10,140,936</u>

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

Mr. Bagnoli reported on current issues in state government and previewed the 2020 legislative session including issues that may affect the State Fair. Information only; no action taken.

Mr. Hammer and Mr. LeVesseur reviewed fair-period payroll for 79 State Fair departments totaling \$2.5 million. Following discussion, the payroll report was approved on a motion by Mr. Leary, seconded by Mr. Fox and carried (Aye-9; Nay-0).

Mr. Goodrich reviewed the '19 State Fair's agriculture, horticulture, creative arts and education contests; more than 16,000 people participated, entering nearly 38,000 animals, farm and dairy products, creative and fine art works and education projects. During Mr. Goodrich's remarks, he was congratulated by the board for recently being awarded an Honorary American FFA Degree.

Ms. Alexander gave a presentation on the State Fair's marketing, Grandstand and free stage entertainment, promotions and guest services, along with information on the State Fair's expansive education programs in agriculture, science, art and early learning. Information only; no action taken.

Mr. Ward gave a summary of the State Fair's busy schedule of more

than 200 non-fair events during 2019. Information only; no action taken.

Ms. Chung, Mr. Hammer and President Merkins reported on activities of the State Fair Foundation during 2019, including grants of \$1 million in support of the State Fair's facilities, environment and educational programs. Information only; no action taken.

A license for the sale of beer was granted for the Winter Beer Dabbler event Feb. 22, 2020, on a motion by Mr. Scapanski, seconded by Mr. Wichmann and carried (Aye-9; Nay-0).

Mr. Hammer gave an overview of the planning process for the 2020 State Fair. Information only; no action taken.

Ms. Edman provided an update on arrangements for the 2020 joint conventions of the Society, Minnesota Federation of County Fairs and Midwest Showmen's Association Jan. 16-19 at the Doubletree Bloomington Hotel. Information only; no action taken.

Following nomination by the State Fair Honorary Life Member Advisory Committee, and approval by the State Fair Honors Committee, long-time State Fair attorney Kent Harbison was elected to the State Fair Hall of Fame on a motion by Mr. Wichmann, seconded by acclamation and carried (Aye-9; Nay-0).

President Merkins offered his thanks and congratulations to staff for the record-setting State Fair of 2019, and to State Fair staff and members of the board for their support during his 11 years of service to the Society's board of managers.

President Merkins declared the meeting in executive session at 12:13 p.m. The meeting was reopened and adjourned at 12:40 p.m. on a motion by Ms. Johnson, seconded by Mr. Fox and carried (Aye-9; Nay-0).

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

Aug. 22 through Nov. 14, 2019

August

22 - The 2019 Great Minnesota Get-Together opened at 6 a.m. Later that morning, members of the Society's board along with architects, builders and donors conducted a ribbon-cutting to open the brand-new North End neighborhood. Society President Paul Merkins then presided over the official State Fair opening ceremony at the Bandshell.

23 - The Society hosted the Minnesota Federation of County Fairs board for lunch at the Officers Quarters. Hammer led a fairgrounds tour for Ohio Governor Mike DeWine and other Buckeye officials; Minnesota Governor Tim Walz joined the group for part of the tour.

26 - State Fair 50 Year Awards, recognizing a half-century of participation in the Great Minnesota Get-Together, were presented to eight individuals during ceremonies at the Hugh & Margaret Schilling Amphitheater at West End Market. The State Fair hosted a meeting of the Roseville Rotary Club at Heffron Park.

27 - Military Appreciation Day featured discounted admission for service members plus a variety of special activities including a ceremony at the State Fair Veterans Garden, programs at the Bandshell and Dan Patch Park and other activities throughout the fairgrounds. The State Fair Foundation conducted a board meeting at Heffron Park; during the meeting, the Fair and Foundation's State Fair Legacy Award was presented to the John Deere Corporation recognizing 120 years of participation at the State Fair.

29 - Judy Popp-Anderson of Albert Lea (Freeborn County) and Lowell Johnson of Brainerd (Crow Wing County) were named Minnesota's Outstanding Senior Citizens during Senior Day ceremonies at the Bandshell.

September

1 - At a special ceremony honoring State Fair staff, 20 employees were recognized for their outstanding service, and five of this group were

presented with State Fair MVP Awards: Kevin Donovan, admissions; Maria Hayden, marketing; Tianna May, public safety; Lori Shoberg, admissions; and Tom Tousignant, public safety sub station.

2 - The 2019 Great Minnesota Get-Together closed with a record six Grandstand performance sellouts, six daily attendance records and a new overall attendance record of 2,126,731, with visitors from all 50 U.S. states plus 30 nations around the world. Visitors included Ohio Governor Mike DeWine; Ohio State Fair Manager Virgil Strickler, Columbus; Dade County Fair CEO Eddie Cora, Miami, Fla.; Outdoor Amusement Business Association President Greg Chiecko, West Springfield, Mass.; Iowa State Fair CEO Gary Slater and staff, Des Moines; Clay County Fair CEO Jeremy Parsons, Spencer, Iowa; Florida State Fair CEO Cheryl Flood, COO Mike Rogalsky and board member John Dicks, Jr., Tampa; Julie Beck from Rodeo Austin, Texas; South Carolina State Fair IT Director Kyle Gustafson, Columbia; North Carolina State Fair Assistant Manager James Romer, Raleigh; International Association of Fairs & Expositions official Rebekah Lee, Springfield, Mo.; and 15 International Press Institute journalists from around the world.

6 - State Fair staff attended an appreciation lunch at Giggles' Campfire Grill.

7 - Giggles' Campfire Grill hosted a class reunion. Mancini's hosted an employee appreciation party. The south Como lot was used as shuttle parking for a Minnesota United FC soccer match.

11 - Edman and Schoen attended a meeting at the St. Paul Human Resources Association.

12-19 - Metro Transit conducted their Bus Roadeo on the south Como parking lots.

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

13-16 - The Minnesota State 4-H Horse Show was held at the Warner Coliseum and livestock complex.

14 - The TC Model Railroad Club held their annual model railroad show and hobby sale in the Education Building. The Grandstand lots were used as shuttle parking for the University of Minnesota Gophers home football game. Giggles' Campfire Grill hosted a class reunion.

15 - The Viking Chapter Antique Motorcycle Club held its fall swap meet at the north lots. The American Foundation for Suicide Prevention's Twin Cities Community Walk used a south Como lot for shuttle service. Another south Como lot was used as shuttle parking for a Minnesota United FC soccer game.

18 - Vice President Fox and Alexander participated in the State Fair Foundation's Volunteer Appreciation Dinner in the Progress Center. The Wednesday Night Cross bike race was held in the Grandstand Infield. Schoen attended a training session on employee benefits presented by the State Employees Group Insurance program.

19 - Sinclair met with Dave Rustad of Midwest ATM to review their operation during the 2019 State Fair.

19-23 - The Western Saddle Club Horse Show was held at the Warner Coliseum and livestock complex.

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

21 - Wedding receptions were held at the History & Heritage Center and at Schilling Amphitheater in West End Market, and at Giggles' Campfire Grill.

21-22 - Munchkin Market's Fall Children Consignment Sale was held at the Education Building. The Twin Cities Mission Furniture & 20th Century Design Sale was held in the Progress Center. The State 4-H Dog Show was held at the 4-H Building, Campgrounds and adjacent areas on Machinery Hill.

24 - The Wednesday Night Cross bike race was held in the Grandstand infield.

25 - Hammer gave the keynote address to the American Planning Association Conference at Breezy Point, Minn. Noonan attended a board meeting of the Roseville Visitors Association. The Metro Area Children's Water Festival was presented at Baldwin Park, the Progress Center, Home Improvement Building, 4-H Building, Heffron Park and adjacent areas on Machinery Hill. The south Como lot was used as shuttle parking for a Minnesota United FC soccer match.

26 - Giggles' Campfire Grill hosted private party.

27 - Former State Fair Sign Shop Maestro Jordan Harper's groom's dinner was held in the History & Heritage Center.

27-28 - The State Fair and Sports Team Merchandise Clearance Sale was held at the Visitors Plaza.

27-29 - The International Gem & Jewelry Show was held in the Dairy Building. The Fall Festival Arabian Horse Show was presented at the Warner Coliseum and livestock complex.

28 - A reunion was held at Giggles' Campfire Grill. The south Como lots were used for bus parking for the U of M's Roy Griak Invitational cross country race.

28-29 - The Fall Antique Spectacular Show & Flea Market was held at the Grandstand and infield. The Minnesota Weapons Collectors Association Show & Sale was held in the Education Building. The Minneapolis-St. Paul Military Relic & Collectors Fall Show was held in the Progress Center.

29 - The Midwest Fall Swap Meet & Antique Auto Show was held at the north parking lots. The south Como lot was used as shuttle parking for a Minnesota United FC soccer match.

29-Oct. 1 - Brady, Rougier, Quam, Klingner and Ward attended the Ungerboeck Software Seminar in St. Louis, Mo.

October

1-6 - The Minnesota Harvest Horse Show was held at the Warner Coliseum and livestock complex.

3 - Merkins, Oleheiser, Hawkins and Hammer participated in a meeting of the State Fair Foundation nominating committee. The Minnesota Nursery and Landscape Association Snow Expo was conducted in the Dairy Building. O'Gara's at the Fair hosted a reunion.

4-5 - Twin Cities Oktoberfest was held in the Progress Center.

4-6 - Half Price Books Clearance Sale was held at the Grandstand.

5 - Midwest Comic Book Association's Fall Comicon was held in the Education Building. Shuttle parking for the University of Minnesota Gopher football home game was provided at the Grandstand lots. Giggles' Campfire Grill hosted a private party.

7 - Full-time staff attended a Lunch & Learn program featuring the State Fair's first aid and medical emergency providers from Regions Hospital.

7-9 - The Triglass Production Photoshoot took place in the Merchandise Mart.

7-16 - Butler and Schuldt worked with U of M agriculture extension students to present Ag In Action field trips in the Dairy Building.

8 - Hawkins and Hammer participated in a meeting of the State Fair Foundation's Finance & Investment Committee. Sinclair participated in an IAFE Education Foundation Board of Trustees conference call. The Mortenson Company outing was held in the Progress Center. The Freshwater Society met in the History & Heritage Center.

9 - Hammer and State Fair Foundation board member Lit Field met with Barry Gisser, CFO of the Science Museum of Minnesota. The University of Minnesota's 28th Annual Fall Invitational FFA recruiting event was held in the Miracle of Birth Center and Compeer Arena.

10 - Staff gathered in the FFA Chapter House to celebrate the

retirement of 20-year State Fair veteran livestock facilities rock star Greg Ahlbom.

12 - Grandstand lots were used as shuttle parking for a University of Minnesota Gopher football home game. The Kelly Rafferty wedding was held at the DNR complex. Rain Taxi's Twin Cities Book Festival was presented in the Fine Arts Center and Progress Center. The American Brain Tumor Association's Run & Walk at Como Park used the south Como lot for shuttle parking.

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

14 - Noonan gave a presentation on State Fair marketing at Apple Valley's Eastview High School. Alexander, Dungan and Buchda attended a presentation by Sean Sherman on indigenous food at the Minnesota History Center. Little Farm Hands Field Trip Day was held in the Dairy Building.

16 - The Midway Chamber of Commerce held a meeting at the History & Heritage Center.

17-20 - The Minnesota Beef Expo, presented by the State Fair, was held at the Warner Coliseum and livestock complex.

18 - Sinclair, Alexander, Simon, Ward, Hines, Doyle and Hughes participated in a post-fair review with representatives of the Minnesota Department of Health and Minnesota Department of Agriculture. Noonan attended a board meeting of the Midway Chamber of Commerce.

19 - The South Como lot was used as park and ride for St. Thomas vs. St. John's football game at the University of St. Thomas.

20 - The south Como lot was used as shuttle parking for a Minnesota United FC soccer match.

21 - Sinclair met with the Iowa State Fair's Gary Slater and Mike Nye to discuss midway operations.

22 - Noonan presented a State Fair overview to the New Brighton Rotary.

24 - Merkins, Hawkins and Hammer participated in a meeting of the State Fair Foundation board in the Libby Conference Center. Edman, Mell, Woodis and Scibak attended a Minnesota Employee Resource & Service Company event in Bloomington.

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

26-27 - The Minnesota Weapons Collectors Association Show & Sale was held in the Warner Coliseum.

26-30 - Alexander and Dungan attended the International Entertainment Buyers Association Annual Conference in Nashville, Tenn., where Alexander was named Chairwoman of IEBA for 2020.

27 - Riders & Ribbons Horse Show was held in Compeer Arena.

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

31 - A retirement celebration honoring the 23-year State Fair career of Awesome Fleet Services Manager Steve Roland was held at Operations headquarters.

November

1 - Mark Goodrich was recognized with the Honorary American FFA Degree for outstanding contributions to FFA and agriculture education at the 92nd National FFA Convention & Expo in Indianapolis, Ind.

2 - The Jingle Bell Run footrace was conducted at West End Market and various roadways around the fairgrounds.

5 - Hudalla, Sinclair, Casey and Hines met with TKDA architect and engineering staff to discuss planning options for blocks 39 and 40.

Noonan gave a State Fair overview presentation to the Arden Hills-Shoreview Rotary.

7 - The State Fair Foundation hosted an event in the History & Heritage Center for Grand Champion donors featuring a presentation by events staff Franzmeier, Quam and Klingner. Hammer participated in a meeting of the Foundation's audit committee. Sinclair and Simon met with University of St. Thomas representatives to discuss their State Fair exhibit. Edman attended an employment law seminar presented Fredrikson & Byron law firm.

9 - Shuttle parking was provided at the Grandstand lots for a University of Minnesota Gophers home football game.

9-10 - Hmong American New Year celebration was held in the Warner Coliseum.

MINNESOTA STATE FAIR

1265 Snelling Avenue North, St. Paul, MN 55108

(651) 288-4400 • mnstatefair.org