

**CALIFORNIA EXPOSITION & STATE FAIR
FINANCE COMMITTEE**

Notice of Regular Meeting

To Be Held

Friday, April 24, 2020 at 10:30 a.m.

The meeting will be held via teleconference

AMENDED 04-22-2020

ADDITIONAL AMENDMENT 04-23-2020

Corrected URL for the meeting

Due to Executive Order N-29-20, California Exposition & State Fair will provide a teleconference option for its upcoming public meeting. Public and members of the California Exposition & State Fair Board of Directors and (if any committee meetings) may participate via teleconference to minimize the spread of COVID-19. No physical location will be provided.

PLEASE MUTE YOUR PHONE IF NOT SPEAKING

Call In Number: 1-669-900-6833

Meeting ID: 834 9697 8057

Password: 592528

Register in advance for this meeting:

[https://us02web.zoom.us/meeting/register/tZcpfu-hqTMqH9NBNQIEwjEad0FPzytvIirz](https://us02web.zoom.us/join/https://us02web.zoom.us/meeting/register/tZcpfu-hqTMqH9NBNQIEwjEad0FPzytvIirz)

PUBLIC PARTICIPATION INSTRUCTIONS:

To comply with social distancing requirements and the stay at home order from Governor Newsom, the Board Room at Cal Expo will be closed to members of the public and all public participation will be handled remotely. If you are joining the meeting via zoom and wish to make a comment on an item, press the "raise a hand" button. If you are joining the meeting by phone, press *9 to indicate a desire to make a comment. The clerk will call you by the last three digits of your phone number when it is your turn to comment. Speakers will be limited to 3 minutes. By participating in this meeting, you acknowledge that you are being recorded.

COMMITTEE MEMBERS: Director Rex Hime

Director David Mallel

MISSION STATEMENT

The mission of the Finance Committee shall be to review and make recommendations to the Board on policy matters concerning the financial status of the California Exposition & State Fair, including oversight of the annual budget.

PUBLIC COMMENTS

Any member of the public wishing to address the Board on any matter listed for consideration on this agenda should review the Public Participation Instructions on this agenda. All speakers will be recognized by the Chair and be allowed a maximum of three minutes to address the Board.

AGENDA

All matters noticed on this agenda, in any category, may be considered for action as listed. Any item not so noticed may not be considered.

FINANCIAL REPORTS

- a. 2019 Financial Statements
- b. Aged Accounts Receivable Report
- c. Request for Relief of Accountability

NEW BUSINESS

- a. AB 1499 Executive Order N-40-20
 - o Approval of Board Resolution for New Fair Fund Allocation
 - o Approval of Memorandum of Understanding (MOU) for New Fair Fund Allocation
 - o Approval of Required Employee Work Conditions Policy for New Fair Fund Allocation

ADJOURNMENT

Date of Notice: April 22, 2020

Pursuant to the American with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in any Cal Expo Board, Committee or any Advisory meetings, or in connection with other Cal Expo activities, may request assistance at the Cal Expo Administration Building office, 1600 Exposition Boulevard, or by calling 916-263-3247, during normal business hours. Requests should be made one week in advance whenever possible.

FINANCIAL REPORTS

**CALIFORNIA EXPOSITION & STATE FAIR
FINANCE COMMITTEE**

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FA 1	Profit/Loss Statement
FA 2	Point Sheet - Profit /Loss Statement
FA 3	Balance Sheet
FA 4	Point Sheet – Balance Sheet
FA 5	Request for Relief of Accountability
FA 6-13	Aged Accounts Receivable Report

**CALIFORNIA EXPOSITION & STATE FAIR
PROFIT/LOSS STATEMENT
December 31, 2019**

R o w	Column	A	B	C	D	E	F	G
		Quarter 4 2019	Quarter 4 2018	YTD 2019	YTD 2018	Annual Variance YTD	Budget 2019	Annual Variance From Budget YTD
	Revenue							
1	State Fair	\$ 98,720	\$ 64,083	\$16,780,359	\$16,668,517	\$ 111,842	16,032,580	\$ 747,779
2	Expo Events	1,224,712	1,044,060	4,294,279	4,247,475	\$ 46,804	4,335,109	(40,830)
3	Papa Murphy's Park	34,440	96,858	137,759	200,178	\$ (62,419)	137,760	(1)
4	Rock and Brews	37,500	37,500	150,000	130,000	\$ 20,000	150,000	-
5	Watch & Wager	27,814	21,726	98,969	95,879	\$ 3,090	97,550	1,419
6	Simulcast	185,848	204,457	882,590	941,913	\$ (59,323)	928,000	(45,410)
7	RV Park	332,313	297,909	1,155,784	1,022,246	\$ 133,538	1,058,451	97,333
8	Raging Waters	44,479	61,920	333,152	390,395	\$ (57,243)	400,000	(66,848)
9	Electronic Sign	129,337	81,375	373,462	325,500	\$ 47,962	325,500	47,962
10	Miscellaneous	15,678	891,010	29,327	903,934	\$ (874,607)	10,000	19,327
11	Reimbursements	658,670	759,474	2,473,621	2,658,934	\$ (185,313)	2,662,802	(189,181)
12	Grants	130,876	101,290	642,819	1,036,240	\$ (393,421)	802,000	(159,181)
13	Interest Revenue	43,875	51,399	174,935	130,867	\$ 44,068	15,000	159,935
14	Deferred Maintenance (CS 6.10)	(443,051)	-	3,178,331	-	\$ 3,178,331	-	3,178,331
15	TOTAL REVENUE	\$ 2,521,211	\$ 3,713,061	\$30,705,387	\$28,752,078	\$ 1,953,311	\$ 26,954,752	\$ 3,750,635
16	Personal Services							
17	Salaries & Wages	1,785,733	1,956,338	8,940,728	9,143,227	\$ (202,499)	9,206,039	265,311
18	Benefits	801,542	3,136,930	3,962,820	6,192,465	\$ (2,229,645)	4,155,480	192,660
19	Total Personal Services	\$ 2,587,275	\$ 5,093,268	\$12,903,548	\$15,335,692	\$ (2,432,144)	\$ 13,361,519	\$ 457,971
20	Operating Expenses							
21	General Expense	240,852	105,230	2,010,035	1,944,800	\$ 65,235	2,058,835	48,800
22	Advertising	56,608	35,999	1,066,333	1,115,515	\$ (49,182)	880,526	(185,807)
23	Printing	17,470	12,000	123,545	123,217	\$ 328	127,665	4,120
24	Communications	43,289	44,846	147,888	183,348	\$ (35,460)	189,939	42,051
25	Postage	8,387	665	32,611	16,874	\$ 15,737	25,000	(7,611)
26	Insurance	244,996	217,667	968,894	845,523	\$ 123,371	930,915	(37,979)
27	Travel	8,783	3,319	27,212	29,316	\$ (2,104)	49,070	21,858
28	Training	1,350	-	2,999	7,865	\$ (4,866)	18,550	15,551
29	Facility Operations	354,183	464,778	746,115	831,201	\$ (85,086)	494,374	(251,741)
30	Utilities	383,236	400,403	1,581,840	1,573,334	\$ 8,506	1,628,700	46,860
31	Cons & Prof Svcs External	576,138	374,444	4,951,348	4,433,437	\$ 517,911	5,447,448	496,100
32	Cons & Prof Svcs Internal	16,749	5,192	107,573	117,487	\$ (9,914)	68,000	(39,573)
33	Data Processing	23,232	35,383	99,521	137,753	\$ (38,232)	139,712	40,191
34	Entertainment	30,000	15,000	785,640	947,980	\$ (162,340)	831,115	45,475
35	Judging	(200)	-	70,029	67,581	\$ 2,448	53,075	(16,954)
36	Premiums	508	-	223,587	368,709	\$ (145,122)	262,650	39,063
37	ProRata	185,757	188,713	748,940	667,232	\$ 81,708	748,940	-
38	Other	2,738	24,297	94,126	71,107	\$ 23,019	1,190,466	1,096,340
39	Total Operating Expenses	\$ 2,194,076	\$ 1,927,936	\$13,788,236	\$13,482,279	\$ 305,957	\$ 15,144,980	\$ 1,356,744
40	TOTAL EXPENSES	\$ 4,781,351	\$ 7,021,204	\$26,691,784	\$28,817,971	\$ (2,126,187)	\$ 28,506,499	\$ 1,814,715
41	OPERATING PROFIT (LOSS)	\$ (2,260,140)	\$ (3,308,143)	\$ 4,013,603	\$ (65,893)	\$ 4,079,498	\$ (1,551,747)	\$ 5,565,350
42	Prior Year Income	(16,815)	(40)	(17,280)	102,502	\$ (119,782)	-	-
43	Prior Year Expense	(36,324)	6,299	27,102	27,705	\$ (603)	-	-
44	Depreciation	414,573	402,009	1,664,366	1,624,850	\$ 39,516	-	-
45	Loss on Equip. / Interest Expense	(73,489)	(436,762)	8,288	1,882	\$ 6,406	251,200	-
45	Deferred Maintenance (CS 6.10)	(3,621,382)	-	-	-	\$ -	-	-
46	Equipment	(83,920)	4,273	303,026	984,273	\$ (681,247)	290,926	-
47	CHANGES IN RESERVES	\$ 1,123,587	\$ (3,284,002)	\$ 1,993,541	\$ (2,602,101)	\$ 4,595,644	\$ (2,093,873)	

*** NOTE ***

*** NOTE *** : 2019 GASB 68 and GASB 75 entries have not been recorded as of yet. Entries will be finalized during financial audit and amounts will be represented in audited financials and accompanying reports.

2018 GASB 68 expense booked \$ 1,273,468
2018 GASB 75 expense booked \$ 994,105

TOTAL \$ 2,267,573

** UNAUDITED **

POINT SHEET – PROFIT/LOSS STATEMENT-BOARD REPORT

December 2019

(Reference Profit/Loss Statement)
(Comparison of Columns C and D Year End)

1. **Papa Murphy's Park (Row 3)** – 2018 included \$62K additional profit-split above minimum guarantee.
2. **Miscellaneous (Row 10)** – 2018 included \$805K in insurance proceeds from property insurance claims.
3. **Grants (Row 12) and Equipment (Row 46)** – 2018 included \$856K Radio Communication Grant.
4. **Deferred Maintenance - CS 6.10 (Row 14) and (Row 45)** – As of 12/31/19, approximately \$3.2M in Deferred Maintenance projects have been completed or are in progress. All expenses associated with these projects are either expensed in an above line or represented on our Balance Sheet as an Asset.
5. **Benefits (Row 18)** - 2019 GASB 68 and GASB 75 entries have not been recorded as of yet. Entries will be finalized during financial audit and amounts will be represented in audited financials and accompanying reports.

2018 GASB 68 expense booked	\$	1,273,468
2018 GASB 75 expense booked	\$	994,105
TOTAL	\$	2,267,573

**CALIFORNIA EXPOSITION & STATE FAIR
BALANCE SHEET
December 31, 2019**

ASSETS		Quarter 4 2019	Quarter 4 2018
1	CURRENT ASSETS:		
2	Cash	\$ 7,890,724	\$ 7,039,602
3	Restricted Cash	10,229,210	200,000
4	Accounts Receivable	1,768,844	16,653,547
5	Less Allowance for Doubtful Accounts	(5,494)	(2,708)
6	Advances	3,309	7,169
7	Prepaid Expenses / Deposits	2,368,744	289,053
8	Total Current Assets	22,255,337	24,186,663
9			
10	PROPERTY, PLANT AND EQUIPMENT:		
11	Land	\$ 1,643,577	\$ 1,643,577
12	Buildings	80,908,504	77,556,900
13	Equipment	6,379,341	6,334,256
14	Less Accumulated Depreciation	(73,212,767)	(71,599,892)
15	Net Property, Plant and Equipment	15,718,655	13,934,841
16			
17	DEFERRED OUTFLOWS OF RESOURCES	\$ 8,843,443	\$ 8,843,443
18			
19	TOTAL ASSETS	\$ 46,817,435	\$ 46,964,947
20			
21	LIABILITIES AND FUND EQUITY		
22			
23	CURRENT LIABILITIES:		
24	Accounts Payable	\$ 2,997,908	\$ 1,840,823
25	Compensated Absences	1,480,171	1,529,394
26	Collections In Advance	339,530	205,795
27	Other Current Liabilities	639,242	802,541
28	Total Current Liabilities	5,456,851	4,378,553
29			
30	LONG TERM LIABILITIES:		
31	Long Term Liabilities	\$ 1,652,451	\$ 1,688,479
32	Workers Compensation Ins-Contingency	259,168	401,726
33	OPEB Obligation (GASB 75)	27,767,000	27,767,000
34	Net Pension Liability (GASB 68)	16,405,684	16,405,684
35	Deferred Maintenance Funds (CS 6.10)	11,959,238	15,000,000
36			
37	TOTAL LIABILITIES	\$ 63,500,392	\$ 65,641,442
38			
39	DEFERRED INFLOWS OF RESOURCES	\$ 3,150,017	\$ 3,150,017
40			
41	FUND EQUITY:		
42	Contributed Capital	\$ 21,553,073	\$ 21,553,073
43	Retained Earnings	(43,379,588)	(40,777,484)
44	Net Income	1,993,541	(2,602,101)
45	Total Fund Equity	(19,832,974)	(21,826,512)
46			
47	TOTAL LIABILITIES & FUND EQUITY	\$ 46,817,435	\$ 46,964,947

** UNAUDITED **

POINT SHEET – BALANCE SHEET-BOARD REPORT

December 2019

(Reference Balance Sheet)

1. **Restricted Cash (Row 3)** – Includes Deferred Maintenance appropriation from General Fund pursuant to Control Section 6.10 of the Budget Act of 2018.
2. **Prepaid Expenses / Deposits (Row 7)** – Approximately \$1.9M on deposit with CCA for Capital Projects in progress, most of which relates to Deferred Maintenance Projects.
3. **Deferred Maintenance Funds - CS 6.10 (Row 35)** – As of 12/31/19, Funds have accumulated \$138K in interest and approximately \$3.2M in Deferred Maintenance projects have been completed or are in progress.

NOTE: 2019 GASB 68 and GASB 75 entries have not been recorded as of yet. Entries will be finalized during financial audit and amounts will be represented in audited financials and accompanying reports.

Affected Balance Sheet Lines:

- 1) Net Pension Liability (Row 34) – GASB 68 ONLY
- 2) OPEB Obligation (Row 33) – GASB 75 ONLY
- 3) Deferred Outflows of Resources (Row 17)
- 4) Deferred Inflows of Resources (Row 39)
- 5) Net Income (Row 44)

**California Exposition & State Fair
Request for Relief of Accountability**

The following items are being presented for the Board's approval to be written off. With the Board's approval, a relief of accountability will be prepared and the item will be written off if the item is under \$500. If the item is over \$500, the relief of accountability will be sent to the State Controller's Office for approval. All of these debtors have received at least three letters from Cal Expo requesting payment and have been turned over to a collection agency. After they are written off, they will remain at the collection agency for possible collection. They will also be added to a list of all items that have been written off and distributed to staff in case they come back to Cal Expo at a later time.

Name	Amount	Date	Description
1 Friends of Harma	\$ 250.00	2018	Sale of Champions
2 Pearce Services	\$ 2,242.50	2019	Broken Window at Expo Center
3 Leon Farms	\$ 375.00	2019	Commercial Wine Entry
	<u>\$ 2,867.50</u>		

AR Aged Invoice Analysis

**Balances as of 4/21/2020
by GL Date**

AR Report - CURRENT AMOUNT DUE

Cal Expo

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Invoice Number	Due Date	Terms	Balance	Current 12/1/2019 and Beyond	Over 30 11/1/2019 11/30/2019	Over 60 10/1/2019 10/31/2019	Over 90 9/1/2019 9/30/2019	Over 120 Up to 8/31/2019
Customer Salesperson: 106								
California Mentor (CAMENT)								
26455	10/30/2019	30	5,000.00			5,000.00		
California Mentor Totals:			5,000.00	0.00	0.00	5,000.00	0.00	0.00
Great Lakes Drone Company, LLC (GLDCL)								
26453	10/26/2019	30	11,100.00			11,100.00		
Great Lakes Drone Company, LLC Totals:			11,100.00	0.00	0.00	11,100.00	0.00	0.00
Sacramento Coca Cola Bottling Company (SACCOKE)								
26760	2/2/2020	30	1,735.50	1,735.50				
Sacramento Coca Cola Bottling Company			1,735.50	1,735.50	0.00	0.00	0.00	0.00
Sponsor Source, Inc. (SPONSO)								
26337	9/22/2019	30	862.50				862.50	
Sponsor Source, Inc. Totals:			862.50	0.00	0.00	0.00	862.50	0.00
Customer Salesperson: 106 Totals			18,698.00	1,735.50	0.00	16,100.00	862.50	0.00

AR Aged Invoice Analysis

Balances as of 4/21/2020
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Invoice Number	Due Date	Terms	Balance	Current 12/1/2019 and Beyond	Over 30 11/1/2019 11/30/2019	Over 60 10/1/2019 10/31/2019	Over 90 9/1/2019 9/30/2019	Over 120 Up to 8/31/2019
Customer Salesperson: 150								
52nd District Agricultural Assn (SACFAIR)								
26644	2/13/2020	30	41.84	41.84				
52nd District Agricultural Assn Totals:			41.84	41.84	0.00	0.00	0.00	0.00
California Dept Of Food & Agriculture (CDFA)								
23445	1/31/2020	30	15,366.56	15,366.56				
26712	2/5/2020	30	1,211.12	1,211.12				
California Dept Of Food & Agriculture Totals:			16,577.68	16,577.68	0.00	0.00	0.00	0.00
Citi Bank Card Reimbursements (CITI)								
26827	3/26/2020	30	22.65	22.65				
Citi Bank Card Reimbursements Totals:			22.65	22.65	0.00	0.00	0.00	0.00
Drive Shack (DRIVESH)								
26491	11/13/2019	30	1,480.00		1,480.00			
Drive Shack Totals:			1,480.00	0.00	1,480.00	0.00	0.00	0.00
Friends Of The Fair (FOF)								
22781	5/21/2020		3,413.20	3,413.20				
26872	5/21/2020	30	31,618.80	31,618.80				
Friends Of The Fair Totals:			35,032.00	35,032.00	0.00	0.00	0.00	0.00
Pearce Services (PEARCE)								
23601	6/16/2019	30	2,145.93					2,145.93
FC-2462	8/1/2019		32.19					32.19
FC-2469	9/1/2019		32.19				32.19	
FC-2479	10/1/2019		32.19			32.19		
Pearce Services Totals:			2,242.50	0.00	0.00	32.19	32.19	2,178.12
R&B of the Pacific (Rock & Brews) (RBPAC)								
18535	8/1/2018	0	12,500.00					12,500.00
18536	9/1/2018	0	12,500.00					12,500.00
18537	10/1/2018	0	12,500.00					12,500.00
18538	11/1/2018	0	12,500.00					12,500.00
18539	12/1/2018	0	12,500.00					12,500.00
23472	1/1/2019	0	12,500.00					12,500.00
23473	2/1/2019	0	12,500.00					12,500.00
23474	3/1/2019	0	12,500.00					12,500.00
23475	4/1/2019	0	12,500.00					12,500.00
23476	5/1/2019	0	12,500.00					12,500.00
23477	6/1/2019	0	12,500.00					12,500.00
23478	7/1/2019	0	12,500.00					12,500.00
23479	8/1/2019	0	12,500.00					12,500.00
23480	9/1/2019	0	12,500.00					12,500.00
23481	10/1/2019	0	12,500.00					12,500.00
				FA 7			12,500.00	
						12,500.00		

AR Aged Invoice Analysis

Balances as of 4/21/2020
by GL Date

AR Report - CURRENT AMOUNT DUE

Cal Expo
Jennifer Koga

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Invoice Number	Due Date	Terms	Balance	Current 12/1/2019 and Beyond	Over 30 11/1/2019 11/30/2019	Over 60 10/1/2019 10/31/2019	Over 90 9/1/2019 9/30/2019	Over 120 Up to 8/31/2019
Customer Salesperson: 150 (continued)								
R&B of the Pacific (Rock & Brews) (RBPAC) (continued)								
23482	11/1/2019	0	12,500.00		12,500.00			
23483	12/1/2019	0	12,500.00	12,500.00				
26620	1/18/2020	30	510.92	510.92				
R&B of the Pacific (Rock & Brews) Totals:			213,010.92	13,010.92	12,500.00	12,500.00	12,500.00	162,500.00
Spectra Food Services formerly Ovations (SPECTRA)								
26871	5/20/2020	30	6,435.00	6,435.00				
Spectra Food Services formerly Ovations			6,435.00	6,435.00	0.00	0.00	0.00	0.00
Customer Salesperson: 150 Totals			274,842.59	71,120.09	13,980.00	12,532.19	12,532.19	164,678.12

AR Aged Invoice Analysis

Balances as of 4/21/2020
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AR Report - CURRENT AMOUNT DUE

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Invoice Number	Due Date	Terms	Balance	Current 12/1/2019 and Beyond	Over 30 11/1/2019 11/30/2019	Over 60 10/1/2019 10/31/2019	Over 90 9/1/2019 9/30/2019	Over 120 Up to 8/31/2019
Customer Salesperson: 234								
Afghan Theatre TV (AFGHAN)								
26456	10/27/2019	30	886.40			886.40		
Afghan Theatre TV Totals:			886.40	0.00	0.00	886.40	0.00	0.00
Almond Board Of California (ALMOND)								
26645	2/12/2020	30	23,369.21	23,369.21				
Almond Board Of California Totals:			23,369.21	23,369.21	0.00	0.00	0.00	0.00
BW SureStay (BWSURE)								
26287	9/4/2019	30	1,360.00				1,360.00	
BW SureStay Totals:			1,360.00	0.00	0.00	0.00	1,360.00	0.00
Enchanting Media (ENCHANT)								
26466	11/8/2019	30	7,372.69		7,372.69			
Enchanting Media Totals:			7,372.69	0.00	7,372.69	0.00	0.00	0.00
Gladstein, Neandross & Associates (GLANEA)								
26307	2/10/2020	60	15,000.00	15,000.00				
Gladstein, Neandross & Associates Totals:			15,000.00	15,000.00	0.00	0.00	0.00	0.00
Kick the Can Corp dba Wizard World (WIZWOR)								
26496	11/20/2019	30	27,017.60		27,017.60			
Kick the Can Corp dba Wizard World Totals:			27,017.60	0.00	27,017.60	0.00	0.00	0.00
NCEES (NCEES)								
22690	3/16/2020	30	5,000.00	5,000.00				
NCEES Totals:			5,000.00	5,000.00	0.00	0.00	0.00	0.00
SacAnime (SACANIM)								
26517	10/14/2019	0	5,000.00			5,000.00		
SacAnime Totals:			5,000.00	0.00	0.00	5,000.00	0.00	0.00
TFC - Joe Mestmaker Enterprises (TFC)								
26629	12/31/2019	30	400.00	400.00				
TFC - Joe Mestmaker Enterprises Totals:			400.00	400.00	0.00	0.00	0.00	0.00
Customer Salesperson: 234 Totals			85,405.90	43,769.21	34,390.29	5,886.40	1,360.00	0.00

AR Aged Invoice Analysis

Balances as of 4/21/2020
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Invoice Number	Due Date	Terms	Balance	Current 12/1/2019 and Beyond	Over 30 11/1/2019 11/30/2019	Over 60 10/1/2019 10/31/2019	Over 90 9/1/2019 9/30/2019	Over 120 Up to 8/31/2019
Customer Salesperson: 430								
CA Suffolk & Hampshire Association (CASUFF)								
26643	2/13/2020	30	1,522.30	1,522.30				
CA Suffolk & Hampshire Association Totals:			1,522.30	1,522.30	0.00	0.00	0.00	0.00
California Charolais Association (CACHAR)								
26433	10/10/2019	30	500.00			500.00		
California Charolais Association Totals:			500.00	0.00	0.00	500.00	0.00	0.00
California State Grange (CAGRAN)								
26424	10/10/2019	30	1,285.00			1,285.00		
California State Grange Totals:			1,285.00	0.00	0.00	1,285.00	0.00	0.00
Farm Credit Alliance (FARMCR)								
26425	10/10/2019	30	800.00			800.00		
Farm Credit Alliance Totals:			800.00	0.00	0.00	800.00	0.00	0.00
Friends of Hanna (FRIHAN)								
SOC00625	10/31/2018	30	250.00					250.00
Friends of Hanna Totals:			250.00	0.00	0.00	0.00	0.00	250.00
Generation X (GENX)								
26426	10/10/2019	30	500.00			500.00		
Generation X Totals:			500.00	0.00	0.00	500.00	0.00	0.00
High Sierra Bio Distributing & Bear River Zeolite (HIGHSI)								
26385	10/10/2019	30	250.00			250.00		
High Sierra Bio Distributing & Bear River			250.00	0.00	0.00	250.00	0.00	0.00
Superior Farms (SUPFARM)								
26413	10/10/2019	30	275.00			275.00		
Superior Farms Totals:			275.00	0.00	0.00	275.00	0.00	0.00
The DOLS (DOLS)								
SOC00694	8/13/2019	30	3,098.35					3,098.35
The DOLS Totals:			3,098.35	0.00	0.00	0.00	0.00	3,098.35
TransOva (TRANSOVA)								
26389	10/10/2019	30	500.00			500.00		
TransOva Totals:			500.00	0.00	0.00	500.00	0.00	0.00

AR Aged Invoice Analysis

**Balances as of 4/21/2020
by GL Date**

AR Report - CURRENT AMOUNT DUE

Cal Expo

Wednesday, April 22, 2020 2:47:38PM
Page 6

Invoice Number	Due Date	Terms	Balance	Current 12/1/2019 and Beyond	Over 30 11/1/2019 11/30/2019	Over 60 10/1/2019 10/31/2019	Over 90 9/1/2019 9/30/2019	Over 120 Up to 8/31/2019
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Customer Salesperson: 430 (continued)

Wine Entries (ENTRIEW)

26368	8/1/2019	SF	375.00					
Wine Entries Totals:			375.00	0.00	0.00	0.00	0.00	375.00

Customer Salesperson: 430 Totals	9,355.65	1,522.30	0.00	4,110.00	0.00	3,723.35
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AR Aged Invoice Analysis

Balances as of 4/21/2020
by GL Date

AR Report - CURRENT AMOUNT DUE

Cal Expo

Wednesday, April 22, 2020 2:47:38PM
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Invoice Number	Due Date	Terms	Balance	Current 12/1/2019 and Beyond	Over 30 11/1/2019 11/30/2019	Over 60 10/1/2019 10/31/2019	Over 90 9/1/2019 9/30/2019	Over 120 Up to 8/31/2019
Customer Salesperson: 500								
California Authority Of Racing Fairs (CARF)								
26823	4/1/2020	30	25,490.11	25,490.11				
California Authority Of Racing Fairs Totals:			25,490.11	25,490.11	0.00	0.00	0.00	0.00
Customer Salesperson: 500 Totals			25,490.11	25,490.11	0.00	0.00	0.00	0.00

AR Aged Invoice Analysis

**Balances as of 4/21/2020
by GL Date**

AR Report - CURRENT AMOUNT DUE

Cal Expo

Wednesday, April 22, 2020 2:47:38PM
Page 8

Invoice Number	Due Date	Terms	Balance	Current 12/1/2019 and Beyond	Over 30 11/1/2019 11/30/2019	Over 60 10/1/2019 10/31/2019	Over 90 9/1/2019 9/30/2019	Over 120 Up to 8/31/2019
Grand Totals:			413,792.25	143,637.21 34.71%	48,370.29 11.69%	38,628.59 9.34%	14,754.69 3.57%	168,401.47 40.70%
	33 Customers							
	55 Invoices							

NEW BUSINESS

State of California

California Exposition & State Fair
1600 Exposition Boulevard
Sacramento, CA 95815
Tel: (916) 263-3000
Fax: (916) 263-7903

MEMORANDUM

Date: April 24, 2020

To: Board of Directors
California Exposition & State Fair

Via: Rick Pickering, General Manager/CEO
California Exposition & State Fair

From: Samantha Brown, Deputy General
Manager Administration

Subject: AB 1499 – Three Quarters of 1% of Sales Tax to be distributed to the network of California Fairs via the California Department of Food & Agriculture

BACKGROUND

The Governor approved assembly Bill 1499 on October 14, 2017. Beginning July 1, 2018, the Bill allowed businesses to voluntarily report gross receipts for sales and use tax purposes where the place of sale is on or within the real property of a state-designated fair, or any real property of a state-designated fair that is leased to another party. The Bill required the California Department of Tax and Fee Administration (CDTFA) to report the amount of the total gross receipts segregated on the returns filed pursuant to these provisions to the Department of Finance on or before November 1 of each year. The Bill required the CDTFA to estimate the total gross receipts segregated for the 2019–20 fiscal year by January 31, 2019, based on the 3rd quarter of 2018, and would require that an amount equal to $\frac{3}{4}$ of 1% of this estimated amount be included in the Governor's revised budget in May 2019 for allocation to fairs. The amount estimated for fiscal year 2018/2019 was approximately \$18 million. The Bill required the CDTFA to reconcile the first-year estimate with actual return data from the full 2018–19 fiscal year, and to then adjust this figure as appropriate as the amount to be reported to the Department of Finance on November 1, 2019.

The Bill required that an amount equal to $\frac{3}{4}$ of 1% of the total amount of gross receipts reported to the Department of Finance be included in the next annual Governor's Budget for the Department of Food and Agriculture for allocation to fairs pursuant to the provisions of the Bill. The Bill requires, upon the enactment of the annual Budget Act, that this amount be transferred by the Controller to the Fair and Exposition Fund, which is continuously appropriated, and would allocate these moneys to state-designated fairs for specified fair projects and subject to certain conditions.

The Bill also included specific requirements for the fairgrounds to be eligible to receive AB 1499 funding as follows.

(1) Any revenues deposited into the Fair and Exposition Fund pursuant to AB 1499 shall only be allocated to a state-designated fair if non-management employees at that state-designated fair, or non-management employees at any real property of that state-designated fair that is leased to another party, are provided the following working conditions:

(A) The employee receives a meal period of not less than 30 minutes for a work period of more than five hours per day, unless the work period per day of the employee is less than six hours and the meal period is waived by mutual consent of both the employer and the employee.

(B) The employee receives a second meal period of not less than 30 minutes for a work period of more than 10 hours per day, unless the work period per day of the employee is less than 12 hours, the second meal period is waived by mutual consent of both the employer and the employee, and the first meal period was not waived.

(C) Any work in excess of eight hours in one workday, any work in excess of 40 hours in any one workweek, and the first eight hours worked on the seventh day of work in any one workweek is compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.

(D) Any work in excess of 12 hours in one day is compensated at the rate of no less than twice the regular rate of pay for an employee.

(E) Any work in excess of eight hours on any seventh day of a workweek is compensated at the rate of no less than twice the regular rate of pay for an employee.

(2) This subdivision shall not apply to full-time carnival ride operators employed by a traveling carnival.

APPLICATION OF AB1499 REQUIREMENTS

Annually Cal Expo employees up to 850 employees. Approximately 45% of Cal Expo employees are covered by collective bargaining units. The remaining 55% of Cal Expo employees are seasonal/casual employment, that is hired to facilitate preparation and operation of the annual State Fair. These seasonal/casual employment classification is designated as State Fair Worker (Class Code 5999). This classification is seasonal in nature and the employee is employed for 6 months or less. Consequently, this classification is not covered by collective bargaining. Currently, Cal Expo and most other Fairs utilize a federal overtime exemption (Fair Labor Standards Act, FLSA, seasonal/recreational/entertainment), which does not require payment of overtime to employees in this classification because they are seasonal in nature.

Per the requirements of AB 1499, if Cal Expo was to accept the funds generated by AB 1499 Cal Expo would need to do the following:

- Relinquish its FLSA exemption for the seasonal State Fair Worker classification, and begin paying overtime as outlined in the Bill.
- Pay all of its bargained positions a wage not less than minimum wage plus 30%.
- Require all long-term ground leases (1 year or more), with companies that have more than 50 full-time employees at Cal Expo, to agree contractually to these same terms for their employees and to allow the California Department of Food & Agriculture (CDFA) the ability to audit their financial records for compliance.

COVID-19 EMERGENCY ADJUSTMENTS TO AB1499

Governor Newsom issued Executive Order N-40-20 on March 4, 2020, which included changes to the requirements for AB 1499 funds during the COVID-19 emergency. The Executive Order allows CDFA to distribute AB 1499 funds to all Fairs, including those Fairs that cannot currently meet the 30 percent above minimum wage requirement. However, all other workforce requirements in the Bill for meal and rest periods and overtime are still a requirement.

In accordance with this Executive Order, CDFA is making AB 1499 available for all Fairs in California for general operational support costs. Below is an outline from CDFA on how the estimated 2018/2019 AB 1499 funds will be allocated.

Spending Plan		
Distribution	Amount	Percentage
F&E Fund	1,739,000	9.3%
Allocation	13,300,000	71.4%
Deferred Maintenance	3,598,000	19.3%
TOTAL	18,637,000	100.0%

Allocation Per Class Size		
Class Size	# of Fairs	Allocation
I	9	198,700
I-X	3	194,550
II	9	190,400
III	14	182,100
III+	14	173,850
IV	8	165,600
IV+	6	157,350
V	4	149,000
VI	5	140,750
VII (Cal Expo)	5	132,500
TOTAL		13,300,000

DOCUMENTATION NECESSARY TO RECEIVE AB 1499 FUNDING

CDFA is requiring the following be adopted by the Board, via a Roll Call Vote, with records of this acceptance in Cal Expo's Board Minutes, prior to receiving any AB 1499 funding.

- Board approved resolution signed by the CEO and Board Chair requesting the AB 1499 allocation. (Attached)
- Memorandum Of Understanding (MOU) with CDFA signed by the CEO and Board Chair certifying Board approval of the AB 1499 funding, Board approval to provide the required work conditions and the Board's approval to require lessees to provide the required work conditions to all of their non-management employees. (Attached)

The MOU for the current round of AB 1499 funding expires on December 31, 2020. Consequently, if Cal Expo agrees to accept the current year's \$132,500 in AB 1499 funding assistance, it would also be accepting AB 1499 requirements through the end of 2020.

RECOMMENDATION

Given unprecedented issues associated with COVID-19, Staff respectfully recommends:

- a) That the Board approve Cal Expo's participation in AB 1499 funding for the remainder of 2020, and
- b) That the Board adopt the supporting resolution and MOU for 2020 via a Roll Call Vote.

Staff understands from CDFA, that should new AB 1499 funds become available in the future, Cal Expo would at that time be allowed to accept or not accept such new funds. Future acceptance of new AB 1499 funds would be done through a future resolution and MOU.

Attachment A

Resolution to Determine the Eligibility of the California State Fair Fairgrounds To receive Sales and Use Tax Allocations AB 1499 Funding Under Executive Order N-40-20

A resolution of the California State Fair Fairgrounds Board requesting access to the Sales and Use Tax Allocations AB 1499 (New Fair Funding) as of April 24, 2020 . The California State Fair Fairgrounds Board understands that in order to receive New Fair Funding the fair and its lessees, will need to abide by the following work conditions for non-management employees in the manner described under in Chapter 3 of Division 7 of Title 3 of the California Code of Regulations. The Executive Order N-40-20 is suspending Business and Professions Code section 19620.15(h)(3)(C) throughout the duration of the proclaimed emergency.

- A meal period of not less than 30 minutes for a work period of more than five hours per day, unless the work period per day of the employee is less than six hours and the meal period is waived by mutual consent of both the employer and the employee.
- A second meal period of not less than 30 minutes for a work period of more than 10 hours per day, unless the work period per day of the employee is less than 12 hours, the second meal period is waived by mutual consent of both the employer and the employee, and the first meal period was not waived.
- Compensation at the rate of no less than one and one-half times the regular rate of pay for any work in excess of eight hours in one workday, any work in excess of 40 hours in any one workweek, and the first eight hours worked on the seventh day of work in any one workweek.
- Compensation at the rate of no less than twice the regular rate of pay for any work in excess of 12 hours in one day.
- Compensation at the rate of no less than twice the regular rate of pay for any work in excess of eight hours on any seventh day of a work week.

The California State Fair Board agrees to these terms and, as required by the regulations, has adopted a policy that outlines the required work conditions for all non-management employees of the fairgrounds and lessees.

Additionally, the California State Fair Fairgrounds Board has approved contracting policy and procedures that stipulates that all lessees covered by the regulations are required to provide to non-management employees the required work conditions and that all leases shall include the required contract provisions.

Passed, approved, and adopted on this day, (insert date).

Ayes:

Nays:

Abstentions:

The above statement is verified and true:

Approved:

Board Chair Signature

Date

Jess Durfee
Print Name

CEO Signature

Date

Rick Pickering
Print Name

California Department of Food and Agriculture
Fairs & Expositions – California Network of Fairs
New Fair Funding Allocation Program

**Grant for General Operational Support
Memorandum of Understanding (MOU)**

A. Purpose and Authority

The general operational support granted by the California Department of Food and Agriculture (CDFA) to the California State Fair (Fair) is subject to the following terms and conditions as required by Business and Professions Code (BPC) section [19620.15](#) and CDFA's audit authority under BPC section [19620](#). BPC section 19620.15 (h)(3)(C) is temporarily suspended while the Governor's Proclamation of the COVID-19 Emergency is in effect, pursuant to Executive Order N-40-20 (March 30, 2020).

B. Responsibilities of the Fair

1. The fair shall expend the funds for general operations only. Permissible uses include essential expenses only such as payroll, utility bills, loan obligations, etc.
2. The fair shall provide and require its lessees to provide, without interruption through at least June 30, 2021, the following conditions to all non-management employees (unless exempt as provided in the following paragraph):
 - a. A meal period of not less than 30 minutes for a work period of more than five hours per day, unless the work period per day of the employee is less than six hours and the meal period is waived by mutual consent of both the employer and the employee.
 - b. A second meal period of not less than 30 minutes for a work period of more than 10 hours per day, unless the work period per day of the employee is less than 12 hours, the second meal period is waived by mutual consent of both the employer and the employee, and the first meal period was not waived.
 - c. Compensation at the rate of no less than one and one-half times the regular rate of pay for any work in excess of eight hours in one workday, any work in excess of 40 hours in any one workweek, and the first eight hours worked on the seventh day of work in any one workweek.
 - d. Compensation at the rate of no less than twice the regular rate of pay for any work in excess of 12 hours in one day.
 - e. Compensation at the rate of no less than twice the regular rate of pay for any work in excess of eight hours on any seventh day of a workweek.
3. Exempt from the work conditions are the following:
 - a. Employees covered by a valid collective bargaining agreement if that agreement expressly provides for all of the following: (1) Wages, hours of work, and working conditions of the employees; (2) Meal periods for the employees,

including final and binding arbitration of disputes concerning application of its meal period provisions.

- b. Interim events and short-term rentals of a term less than a year.
 - c. Lessees that employ less than fifty employees of a fulltime status as determined by the Internal Revenue Service's [Monthly Measurement](#) Method.
4. The fair shall maintain, through at least June 30, 2021, its employee and contracting policies and procedures that require the Fair and all lessees provide the required work conditions to its non-management employees. Notice of the work conditions shall be provided to all non-management employees that qualify for the benefits and attached to all applicable leases.
5. Leases that grant exclusive and continuous occupancy for a period of one-year or longer shall include the following provisions:
- a. [Lessee] shall provide to all non-management employees the working conditions, or greater, outlined in “[**Required Working Conditions Policy**],” attached as Exhibit [X]. Failure to provide the working conditions shall be considered a material **breach**.”
 - b. “[**Lessee**] acknowledges that the [**Fair**] is a state institution under the oversight of the California Department of Food and Agriculture (CDFA) which conducts periodic audits for the purpose of ensuring compliance with state law and policy. Upon written request and with reasonable notice, Lessee shall make records available to the CDFA Audit Office for examination in order to confirm compliance with the required work conditions outlined in Exhibit [X]. Records may include but are not limited to, payroll and time keeping records of non-management **employees**.”
 - c. “[**Lessee**] shall notify [**Fair**] within 15 business days of receiving notice of any complaint made by a non-management employee or finding of a violation by a labor or personnel authority, based on the working conditions outlined in Exhibit [X].”
 - d. “[**Upon a finding that Lessee failed to comply with the required work conditions**, Lessee shall provide [**Fair**] with written assurance within thirty (30) days of the finding that the breach will be cured before the [**Fair**] may terminate this lease as provided **herein**.”
6. All existing leases shall be amended in writing and signed by the parties to include the required contract provisions and policy.
7. Upon the CDFA audit office's request, the fair shall make available all records necessary to conduct an audit. During an audit, the fair shall assist CDFA in requesting that the lessee make available its records for examination pursuant to the lease.

8. The fair shall inform CDFA in writing within 15 business days of receiving notice of either of the following:
 - a. Any complaint or finding of a violation for the fair's failure to provide the required work conditions to a non-management employee; or
 - b. A final ruling issued by a relevant labor or personnel authority that determines the fair or a lessee did not provide its non-management employees the required work conditions.
9. The fair shall otherwise be in compliance with all labor laws and current with the Department's audit reporting requirements.

C. Responsibilities of CDFA

1. MOU funding in the amount of \$ 132,000.00 to the Fair for its general operational use.
2. Communicate with relevant state and public agencies to ensure District Agricultural Associations are remaining current on obligations owed.
3. At its sole discretion, perform an audit to ensure compliance with work conditions and contract requirements as outlined in BPC section 19620.15.

D. Compliance with Work Conditions

Upon finding a violation of the required work conditions, the following procedure shall apply:

1. The CDFA shall provide written notice of the violation to the fair within 15 days of discovering or receiving notice of the violation.
2. The fair shall respond to CDFA in writing by describing any actions the fair has taken or intends to take to remedy the violation. The fair's response shall be submitted to CDFA no later than 60 days after the date of the CDFA's notice and monthly thereafter until final resolution has been achieved.
3. The CDFA may not terminate the fair's qualified status if written confirmation of resolution or identifiable course of action is provided by the 60-day deadline and the resolution or course of remedial action is accepted by the CDFA in writing.
4. For the first and second violation within the preceding three State fiscal years:
 - a. If the fair fails to respond or refuses to correct the violation or the course of remedial action is unacceptable to the Department, the Department shall terminate the qualified fair status until the fair reapplies to become a qualified fair and has proven compliance for the duration of a State fiscal year.

- b. If the violation is corrected and the remedial action is accepted by CDFA in writing, CDFA may dismiss the violation.
5. For the third violation within the preceding three State fiscal years: The CDFA shall terminate the fair's qualified fair status for the next State fiscal year until the fair reapplies to become a qualified fair and has proven compliance for the duration of a State fiscal year.
6. If the fair fails to respond or refuses to correct the violation or the course of remedial action is unacceptable to CDFA, the CDFA shall terminate the fair's qualified status for the next two State fiscal years and until the fair reapplies to be a qualified fair and has proven compliance for the duration of a State fiscal year.

E. Termination of Qualified Fair Status

To terminate its status as a "qualified fair" eligible to participate in the New Fair Funding Allocation Program, the fair must submit to the CDFA approved Board meeting minutes that memorialize the decision. However, the Fair shall continue to provide to its non-management employees the required work conditions through June 30, 2021.

By signing below, CDFA and the Fair agree to the terms and conditions herein.

CDFA Representative:

Name, Title
Fairs and Expositions Branch
1200 N Street
Sacramento, CA 95814
(916) 999-3000
Email

Fair Representative:

Name, Title Rick Pickering
Name of the Fair California State Fair
Address 1600 Exposition Blvd.
City, CA Zip Sacramento, CA 95815
Phone 916-263-3061
Email rpickering@calexpo.com

Signature

Signature

Date

Date

Exhibit X

Required Employee Work Conditions Policy (California State Fair) Fairgrounds

The (insert name) Fairgrounds will abide by the following work conditions for non-management employees in the manner described under in Chapter 3 of Division 7 of Title 3 of the California Code of Regulations.:

- A meal period of not less than 30 minutes for a work period of more than five hours per day, unless the work period per day of the employee is less than six hours and the meal period is waived by mutual consent of both the employer and the employee.
- A second meal period of not less than 30 minutes for a work period of more than 10 hours per day, unless the work period per day of the employee is less than 12 hours, the second meal period is waived by mutual consent of both the employer and the employee, and the first meal period was not waived.
- Compensation at the rate of no less than one and one-half times the regular rate of pay for any work in excess of eight hours in one workday, any work in excess of 40 hours in any one workweek, and the first eight hours worked on the seventh day of work in any one workweek.
- Compensation at the rate of no less than twice the regular rate of pay for any work in excess of 12 hours in one day.
- Compensation at the rate of no less than twice the regular rate of pay for any work in excess of eight hours on any seventh day of a work week.

This policy applies to all non-management employees employed by the fairgrounds and employees of leases that grant exclusive and continuous occupancy for a period of one-year or longer.

This policy **Does Not** apply to:

- a. Employees covered by a valid collective bargaining agreement if that agreement expressly provides for all of the following: (1) Wages, hours of work, and working conditions of the employees; (2) Meal periods for the employees, including final and binding arbitration of disputes concerning application of its meal period provisions.
- b. Interim events and short-term rentals of a term less than a year.
- c. Lessees that employ less than fifty employees of a fulltime status as determined by the Internal Revenue Service's [Monthly Measurement](#) Method.

The above policy is adopted, verified and true:

Approved:

Board Chair signature

Date

Print Name – Jess Durfee

CEO signature

Date

Print Name – Rick Pickering

Contracting Policies and Procedures
as required by Business and Professions Code (BPC)
section 19620.15
(California State Fair) Fairgrounds

1. Leases that grant exclusive and continuous occupancy for a period of one-year or longer shall include the following provisions:
 - a. Lessee shall provide to all non-management employees the working conditions, or greater, outlined in Required Working Conditions Policy. Failure to provide the working conditions shall be considered a material breach.
 - b. Lessee acknowledges that the [Fair] is a state institution under the oversight of the California Department of Food and Agriculture (CDFA) which conducts periodic audits for the purpose of ensuring compliance with state law and policy. Upon written request and with reasonable notice, Lessee shall make records available to the CDFA Audit Office for examination in order to confirm compliance with the required work conditions policy. Records may include but are not limited to, payroll and time keeping records of non-management employees.”
 - c. Lessee shall notify [Fair] within 15 business days of receiving notice of any complaint made by a non-management employee or finding of a violation by a labor or personnel authority, based on the working conditions outlined in Required Working Conditions Policy.
 - d. Upon a finding that Lessee failed to comply with the required work conditions, Lessee shall provide [Fair] with written assurance within thirty (30) days of the finding that the breach will be cured before the [Fair] may terminate this lease as provided herein.
2. All existing leases prior to (insert date) shall be amended in writing and signed by the parties to include the required contract provisions and policy.
3. Upon the CDFA audit office’s request, the fair shall make available all records necessary to conduct an audit. During an audit, the fair shall assist CDFA in requesting that the lessee make available its records for examination pursuant to the lease.
4. The fair shall inform CDFA in writing within 15 business days of receiving notice of either of the following:
 - a. Any complaint or finding of a violation for the fair's failure to provide the required work conditions to a non-management employee; or
 - b. A final ruling issued by a relevant labor or personnel authority that determines the fair or a lessee did not provide its non-management employees the required

work conditions.

5. The fair shall otherwise be in compliance with all labor laws and current with the Department's audit reporting requirements.

Exemptions:

- a. Lessees that employ less than fifty employees of a fulltime status as determined by the Internal Revenue Service's [Monthly Measurement](#) Method.

The above policy is adopted, verified and true:

Approved:

Board Chair signature

Date

Print Name- Jess Durfee

CEO signature

Date

Print Name – Rick Pickering