



November 8, 2024

TO: Board of Directors

FROM: Christina Estrada, Interim CEO 

SUBJECT: Board of Directors Meeting

The November Board of Directors Meeting has been scheduled for **Tuesday, November 19, 2024 @ 12 Noon**. Please let us know if you are unable to attend the meeting.

The following documents are enclosed:

1. November 19, 2024, Board Agenda
2. Regular Board Meeting Minutes of 09/24/2024
3. Financial Progress Reports - will be forthcoming
4. AB1499 Funds Allocation: Distribution Policy Framework - F2024-06

If you have any questions, feel free to call the Office.



1121 S. Chance Avenue, Fresno, California, 93702-3707
559 650-3247 • FAX 559 650-3226 • www.FresnoFair.com


MERRILL AWARD WINNER





**21st DISTRICT AGRICULTURAL ASSOCIATION
BIG FRESNO FAIR**

1121 S. Chance Avenue, Fresno CA 93702 (559) 650-3247
Email: info@fresnofair.com Website: www.fresnofair.com

BOARD MEETING NOTICE

The Board of Directors of the 21st District Agricultural Association will be holding a regular monthly Fair Board meeting on

TUESDAY, November 19, 2024, at 12 Noon

The Big Fresno Fair – Fresno County Historical Museum, 2nd Floor.

Zoom Option - to participate follow this link.

<https://us02web.zoom.us/j/7339943574?pwd=STljOEYzaUF6TzINb09sVVFYaDM1dz09>

Meeting ID: 733 994 3574 - Password: 1121

One tap mobile

+16699006833,,7339943574#,,,0#,,1121#

MISSION STATEMENT

“TO PROVIDE QUALITY EXPERIENCES FOR THE COMMUNITY”
-CELEBRATE, EDUCATE AND HAVE FUN-

NOTE

Please be informed that any member of the public has a right and is invited to participate during this public meeting and may address the Board either during the “Public Comments” portion and/or during the discussion of any particular item listed on the agenda.

Items listed on this agenda may be considered in any order at the discretion of the Chair. All items so listed may be considered for action. Any item not listed on the agenda will not be discussed or considered by the Board.

AMERICANS WITH DISABILITIES ACT

Pursuant to the American with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in any 21st District Agricultural Association Board meeting may request assistance at the Fair Office, 1121 S. Chance Ave., or by calling 559-650-3247, during normal business hours of 9:00 a.m. to 4:00 p.m. Monday through Thursday. Requests should be made one (1) week in advance whenever possible.

¹ Persons with disabilities who may require accommodation to attend the meeting are requested to contact the Fair office at (559) 650-3247.

² Questions regarding agenda items should be directed to the Fair office at (559) 650-3247.

³ Public notices required by Government Code – Section 11125(a) is available for viewing at www.fresnofair.com

The agenda for the regular meeting will consist of the following matters:

AGENDA

1. **CALL TO ORDER:**
2. **PLEDGE OF ALLEGIANCE:**
3. **INTRODUCTION OF STAFF AND GUESTS:**
4. **ROLL CALL OF DIRECTORS AND DECLARATION OF QUORUM:**
Terry Gonsalves President; Gary Chahil Vice President; Frank Flores, Secretary/Treasurer; Linda Mae Balakian Hunsucker, Jerry Pacheco, Annalisa Perea, Chuck Riojas, and Larry Salinas.
5. **CLOSED SESSION:**

Pursuant to Government Code (GC) section 11126, the Board is authorized to meet in Closed Session for the purpose of considering matters involving:
 - a. Personnel Matters: - Govt. Code 11126(a)(1)
 1. CEO Hiring & Recruitment
 - b. Pending Litigation: - Govt. code 11126(e)(2)
6. **REPORT OUT ON ACTION TAKEN DURING CLOSED SESSION:**
 - a. Disclosure of any action taken place during the Closed Session Meeting
7. **PUBLIC COMMENT:**

Public comment is a right granted to the public. It is reserved for items that are not listed on the agenda, but under this Board's jurisdiction. Please be informed that public participation under public comment will be limited to five (5) minutes per speaker and in accordance with state law, the Board will not comment or otherwise consider such public comment item for business until and unless such item has been properly listed on the agenda at a future meeting.
8. **MINUTES:** (*Action by the Board*)
 - a. Approve Board Minutes:
 1. Regular Board Meeting 09/24/2024
9. **ACKNOWLEDGE CONSENT AGENDA:** (colored pages) Item #20 thru Item #88
10. **PROGRAM REPORT:** (*Informational*)
 - a. Fresno Home Shows - Julie Geistlinger

11. STAFF REPORT: (*Informational*)

- a. Report on Satellite Racing/Breeders Cup
- b. Report on Interim Events
- c. Report on 2024 Big Fresno Fair

12. COMMITTEE REPORTS: (*Action by the Board*)

- a. Finance Committee
 - Acknowledge Financial Reports from Price Paige & Company.

13. OLD BUSINESS: (*Informational/Action by the Board*)

- a. none

14. NEW BUSINESS: (*Action by the Board*)

- a. Discuss and approve 2025 Fair dates.
- b. Approve Bank Authorization/Delegation of Authority for 2025.
- c. Approve Workers Compensation Insurance coverage for Board of Directors and Volunteers for the 21st District Agricultural Association, Big Fresno Fair, while performing volunteer work for the year 2025.
- d. Request Approval to close the Administration Office and Maintenance Department on January 17th, February 14th, March 28th, May 23rd, July 3rd, November 10th, November 24th-26th, December 15th-31st 2025 and January 2nd, 2026.
- e. Discuss and approve 2025 Board Meeting Schedule.

15. CORRESPONDENCE: (*Informational*)

- a. AB1499 Funds Allocation: Distribution Policy Framework

16. MANAGER'S UPDATE: (*Informational*)

17. BOARD RECOMMENDATION FOR FUTURE AGENDA ITEMS:

18. FOR YOUR INFORMATION:

Next Board Meeting – January 28, 2025, 12 Noon

19. ADJOURNMENT:

Item #20 thru Item #55 **ACKNOWLEDGE THE FOLLOWING SERVICE
AGREEMENTS FOR 2024 FAIR: EXPENSE AGREEMENTS**

Item #	20	24-128	10/10/24	The All American Rejects Corporation O'Touring Agrees to perform one 90 minute show Oct. 10 th at the Paul Paul Theater during the 2024 Big Fresno Fair.	\$200,000.00
Item #	21	24-129	09/29/24	Samantha Downing Agrees to act as the Official Poultry Inspector for the Poultry Dept. during the 2024 Big Fresno Fair.	\$300.00
Item #	22	24-130	09/29/24	Terri Wright Agrees to act as the Official Poultry Inspector for the Poultry Dept. during the 2024 Big Fresno Fair.	\$300.00
Item #	23	24-131	09/23/24 to 10/18/24	Trevor Joy Agrees to act as the Superintendent of Gem and Mineral Building during the 2024 Big Fresno Fair.	\$1,000.00
Item #	24	24-132	10/05/24	Harmony Artists, Inc. Mariachi Divas Agrees to perform one show on the Paul Paul Theater Stage during the 2024 Big Fresno Fair.	\$17,500.00
Item #	25	24-133	10/02/24 to 10/14/24	Stingray Encounter Agrees to provide three (3) 20-minute shows on weekdays and four (4) 20-minute shows on weekends (Shark) during the 2024 Big Fresno Fair.	\$26,000.00
Item #	26	24-134	10/02/24 to 10/14/24	Stingray Encounter Agrees to provide an all-day exhibit (Live Stingray Encounter) to be open daily, not to exceed 10 hours per day during the 2024 Big Fresno Fair.	\$19,500.00
Item #	27	24-135	10/02/24 to 10/14/24	Stingray Encounter Agrees to provide a butterfly exhibit daily from open to 8pm during the 2024 Big Fresno Fair.	\$14,000.00

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Item #	28	24-136	09/14/24 to 09/28/24	John Pemberton Agrees to perform from 12:30pm-5:30pm on September 14 th , 21 st and 28 th on the Grandstand North Deck, before the first race and between races during September Live Horse Racing.	\$2,000.00
Item #	29	24-137	09/01/24 to 12/31/26	La Quinta Inn & Suites Agrees to provide 25 rooms per night for the duration of the annual Big Fresno Fair.	2024: \$119-139/night 2025: \$129-149/night 2026: \$139-159/night
Item #	30	24-138	09/30/24 to 10/15/24	Scott O'Leary Agrees to act as the Production Manager for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$16,000.00
Item #	31	24-139	09/30/24 to 10/14/24	Brenda Werndl Agrees to be a runner for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$5,950.00
Item #	32	24-140	09/30/24 to 10/10/24	Renee Sabato Agrees to be a runner for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$4,200.00
Item #	33	24-142	09/30/24 to 10/14/24	Cecilia M. Reese Agrees to be a runner for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$5,600.00
Item #	34	24-143	09/30/24 to 10/15/24	Gerard Anthony Mosquera Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$6,360.00
Item #	35	24-144	09/30/24 to 10/15/24	Garrett Harms Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$6,360.00
Item #	36	24-145	09/30/24 to 10/15/24	Fabiola Romero Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$6,360.00
Item #	37	24-146	09/30/24 to 10/14/24	Kevin Curtin Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$6,360.00

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Item #	38	24-147	09/30/24 to 10/15/24	Michael Lozano Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$6,360.00
Item #	39	24-148	10/02/24 to 10/15/24	Chad Martina Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$7,300.00
Item #	40	24-149	09/30/24 to 10/15/24	Evan Cottman Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$6,360.00
Item #	41	24-150	09/30/24 to 10/15/24	Chris Wojtylko Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$7,360.00
Item #	42	24-151	09/30/24 to 10/15/24	Thor Artherton Agrees to be the Stage Manager for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$9,000.00
Item #	43	24-152	09/30/24 to 10/15/24	Juan Gomez Agrees to be stage crew for the Paul Paul Theater during the 2024 Big Fresno Fair.	\$6,360.00
Item #	44	24-153	09/15/24 to 09/29/24	Floating Species Agrees to provide DJ services on September 15 th , 22 nd , and 29 th from 12:30pm – 5:30pm during September Live Horse Racing.	Fair To Pay \$1,680.00 Trade Value \$570.00
Item #	45	24-154	09/15/24 to 09/29/24	Magical Faces Agrees to provide face painting services on September 15 th , 22 nd and 29 th during September Live Horse Racing.	\$1,575.00
Item #	46	24-155	10/06/24 to 10/13/24	Valdivia Marketing Group Agrees to provide 2 nights of entertainment on the Paul Paul Theater stage during the 2024 Big Fresno Fair.	receives all tickets sales revenue
Item #	47	24-162	09/13/24 to 10/14/24	JM Precision Golf Carts Agrees to provide golf carts during the 2024 Big Fresno Fair.	\$37,749.00
Item #	48	24-163	10/02/24 to 10/14/24	Robert Rodriguez Agrees to provide a promotional and educational booth at the horse races during the 2024 Big Fresno Fair.	\$500.00

Item #	49	24-164	10/02/24 to 10/14/24	Kojne Bianca Her Agrees to work with gate supervisors during the 2024 Big Fresno Fair.	\$2,700.00
Item #	50	24-165	10/02/24 to 10/14/24	Sheri Bolm Agrees to work with gate supervisors during the 2024 Big Fresno Fair.	\$2,700.00
Item #	51	24-166	10/02/24 to 10/14/24	Diane Thao Agrees to work with gate supervisors during the 2024 Big Fresno Fair.	\$3,000.00
Item #	52	24-167	10/08/24	Cross City Church Agrees to perform an opening act for Big Daddy Weave on the Paul Paul Theater stage during the 2024 Big Fresno Fair.	\$1,000.00
Item #	53	24-168	10/08/24	Peoples Church Agrees to perform an opening act for Big Daddy Weave on the Paul Paul Theater stage during the 2024 Big Fresno Fair.	\$1,000.00
Item #	54	24-169	10/08/24	Family Community Church Agrees to perform an opening act for Big Daddy Weave on the Paul Paul Theater stage during the 2024 Big Fresno Fair.	\$1,000.00
Item #	55	24-170	10/04/24 to 10/12/24	Skye Dreams LLC Agrees to provide a drone show on October 4 th , 5 th , 11 th and 12 th during the 2024 Big Fresno Fair.	\$50,000.00

Item #56 thru Item #73 **ACKNOWLEDGE THE FOLLOWING SPONSORSHIP
AGREEMENTS FOR 2024 FAIR: REVENUE AGREEMENTS**

Item #	56	24-070-S	09/01/24 to 12/31/24	IHeart Media Fresno Agrees to be an Official Sponsor of 4.0 & Above during the 2024 Big Fresno Fair.	\$3,500.00 Trade Value
Item #	57	24-071-S	10/02/24 to 10/14/24	Bobby Salazar's Mexican Foods Agrees to Sponsor a race during Live Horse Racing at the 2024 Big Fresno Fair.	\$650.00

Item #	58	24-072-S	01/01/24 to 12/31/26	Wildwood Aquatech Pools, Inc. Agrees to provide maintenance and upkeep of water features year around on the fair grounds for 3 years.	\$37,190.00 Trade Value
Item #	59	24-907-S	10/02/24 to 10/14/24	New Era Satellite (DirecTV) Agrees to be a Major Sponsor during the 2024 Big Fresno Fair.	\$25,000.00
Item #	60	24-918-S	10/02/24 to 10/14/24	Xfinity Agrees to be an Official Sponsor during the 2024 Big Fresno Fair	\$15,000.00
Item #	61	24-920-S	10/02/24 to 10/14/24	Measure C Agrees to be an Official Sponsor during the 2024 Big Fresno Fair.	\$13,500.00
Item #	62	24-921-S	10/02/24 to 10/14/24	Allied Storage Containers, Inc. Agrees to be an Official Sponsor during the 2024 Big Fresno Fair.	\$9,000.00 Trade Value
Item #	63	24-933-S	10/02/24 to 10/14/24	Wellcare Agrees to be a Sponsor of Seniors' Day plus on-site recognition and advertising during the 2024 Big Fresno Fair.	\$1,500.00
Item #	64	24-936-S	10/02/24 to 10/14/24	Compassionate Care Home Health Agency Agrees to be a Sponsor of Seniors' Day plus on-site recognition and advertising during the 2024 Big Fresno Fair.	\$4,000.00
Item #	65	24-937-S	09/01/24 to 12/31/24	Sunrun Agrees to be an Official Sponsor during the 2024 Big Fresno Fair.	\$12,000.00
Item #	66	24-938-S	10/02/24 to 10/14/24	Welbe Health Agrees to be a Sponsor of Seniors' Day plus on-site recognition and advertising during the 2024 Big Fresno Fair.	\$5,000.00
Item #	67	24-939-S	10/02/24 to 10/14/24	AMTRAK - Jeffrey Scott Agency Agrees to be a Sponsor of Seniors' Day plus on-site recognition and advertising during the 2024 Big Fresno Fair.	\$1,500.00

Item #	68	24-940-S	09/01/24 to 12/31/24	Belmont Nursery Agrees to be an Official Sponsor during the 2024 Big Fresno Fair.	Fair to Pay \$8,000.00 Trade Value \$78,220.00
Item #	69	24-942-S	10/02/24 to 10/14/24	Sante Care Center Agrees to be a Sponsor of Seniors' Day during the 2024 Big Fresno Fair.	\$800.00
Item #	70	24-943-S	10/02/24 to 10/14/24	Catholic Charities Diocese of Fresno CalFresh Healthy Living Agrees to be a Sponsor of Seniors' Day during the 2024 Big Fresno Fair.	\$800.00
Item #	71	24-944-S	10/02/24 to 10/14/24	Catholic Charities Diocese of Fresno Fresno Senior Companion Program Agrees to be a Sponsor of Seniors' Day during the the 2024 Big Fresno Fair.	\$800.00
Item #	72	24-945-S	09/01/24 to 12/31/24	Pacific Marine of Madera, Inc dba Pacific Marine Center Agrees to be an Official Sponsor during the 2024 Big Fresno Fair.	\$21,500.00
Item #	73	24-946-S	10/02/24 to 10/14/24	Xfinity Agrees to be an Offical Sponsor during the 2024 Big Fresno Fair.	\$9,000.00 Trade Value

**ACKNOWLEDGE THE FOLLOWING RENTAL
AGREEMENTS FOR 2024 FAIR: REVENUE AGREEMENTS**

Item #	74	11/8/2024	Malcom Media	Grape, Nut, Tree Fruit Expo Agriculture Building	\$9,577.00
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Item #75 thru Item #80 **ACKNOWLEDGE THE FOLLOWING RENTAL
AGREEMENT FOR 2025: REVENUE AGREEMENTS**

Item #	75	3/15/2025	Thor Phoeng	Anime Expo Commerce Building	\$16,260.00
Item #	76	4/3/2025 to 4/6/2025	Show Ready Events	Robotics Competition Armory Building	\$30,526.00

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Item #	77	5/18/2025	HSE Holdings 6 LLC	Bridal & Wedding Expo Agriculture Building	\$3,307.00
Item #	78	5/3/2025	La Feliz Guild	Derby Down Infield	\$15,359.00
Item #	79	5/24/2025	OYO Entertainment Inc.	Music Festival Paul Paul Theater	\$22,924.00
Item #	80	11/14/2025	Malcom Media	Grape, Nut, Tree Fruit Expo Agriculture Building	\$9,577.00

Item #81 thru Item #88 ACKNOWLEDGE THE FOLLOWING INTERIM CONCESSION AGREEMENTS FOR 2024: REVENUE AGREEMENTS

Item #	81	Richards Concessions	Sale of Dippin' Dots ice cream	25% Fall Home Improvement Show
Item #	82	RM Concessions	Sale of Asian inspired items	25% Fall Home Improvement Show
Item #	83	JLQ Concessions	Sale of sweet/dessert items	25% Fall Home Improvement Show
Item #	84	Xtreme Shawarma	Sale of Mediterranean food	25% Fall Home Improvement Show
Item #	85	Duggan's Concessions	Sale of corn dogs	25% Fall Home Improvement Show
Item #	86	Mad Mountain Concessions	Sale of cinnamon rolls	25% Fall Home Improvement Show
Item #	87	The Original Soft Taco, LLC	Sale of soft tacos	25% Fall Home Improvement Show
Item #	88	Twisted Masala	Sale of Indian food	25% Fall Home Improvement Show

On a motion of Director _____, seconded by Director _____ and carried, the Board of Directors authorizes management authority to perform services regarding the Bank Authorization and Delegation of Authority:

Bank Authorization

The following individuals shall be authorized, individually, to deposit and withdraw funds of the 21st District Agricultural Association in an amount of \$10,000 or less or any two of the following individuals may deposit and withdraw funds of the 21st District Agricultural Association in an amount in excess of \$10,000, said funds being held with Community West Bank, for the Payroll, Operating, Premium, and Jr. Auction Accounts during 2025:

Payroll, Operating, Premiums, and Jr. Auction Accounts

Christina Estrada, Interim Chief Executive Officer
Frank Flores, Secretary/Treasurer

The following individuals shall be authorized to make wire transfer deposits to Community West Bank and telephone transfer deposits from the Fair's Operating Account of Payroll, Premiums, and Jr. Auction Accounts at Community West Bank during 2025:

Christina Estrada, Interim Chief Executive Officer
Frank Flores, Secretary/Treasurer

And each of the above listed employees must be bonded in an amount consistent with policy set for same by the Division of Fairs & Expositions.

RESOLUTION
DELEGATION OF AUTHORITY

Authorizes Interim CEO Christina Estrada to execute Standard 213 Agreements up to \$15,000 without further authorization from the Board of Directors. All such executed agreements; however, are to be submitted to the Board of Directors for review at the subsequent meeting. The duration of delegation is authorized for a one-year period of time, 2025.

Authorizes Interim CEO Christina Estrada to execute Rental Agreements up to \$15,000 to use fairground facilities in accordance with the Food & Agriculture Code relating to the use of District and County Fairground Facilities and according to the regulations and policies recommended by the Board of Directors of the 21st District Agricultural Association and the Department of Food and Agriculture and to execute the rental agreements for use of fairground facilities without further authorization from the Board of Directors. All such executed agreements; however, are to be submitted to the Board of Directors for review at the subsequent meeting. The duration of delegation is authorized for a one-year period of time, 2025.

21st DISTRICT AGRICULTURAL ASSOCIATION, BIG FRESNO FAIR
PROPOSED 2025 REGULAR BOARD MEETING SCHEDULE

January	Tuesday, January 28, 2025, 12 Noon
February	Tuesday, February 25, 2025, 12 Noon
March	Tuesday, March 25, 2025, 12 Noon
April	Tuesday, April 22, 2025, 12 Noon
May	Tuesday, May 27, 2025, 12 Noon
June	Tuesday, June 24, 2025, 12 Noon
July	No Board Meeting
August	Tuesday, August 26, 2025, 12 Noon
September	Tuesday, September 23, 2025, 12 Noon
October	<i><u>Fair Time:</u></i> Every day of the 2025 Fair, including the day before and the day after the Fair, if needed – 12 Noon. Fair Dates: October 1-12, 2025 No Board Meeting
November	Tuesday, November 18, 2025, 12 Noon
December	No Board Meeting

MINUTES
21ST DISTRICT AGRICULTURAL ASSOCIATION
BIG FRESNO FAIR
BOARD OF DIRECTORS MEETING
September 24, 2024 AT 12:00 PM

Please be informed that any member of the public has the right and is invited to participate during this public meeting and may address the Board either during the "Public Comments" portion and/or during the discussion of any item listed on the agenda. Public Comment is a right granted to the public. It is reserved for items not listed on the agenda but are under this Board's jurisdiction. Please be informed that public participation under Public Comment will be limited to five (5) minutes per speaker, and in accordance with state law; the Board will not comment or otherwise consider such public comment item for business until and unless such item has been properly listed on the agenda at a future meeting.

Items listed on the agenda may be considered in any order at the discretion of the Chair. All items listed may be considered for action. Any item not listed on the agenda will not be discussed or considered by the Board.

ITEM #1. CALL TO ORDER:

The meeting was called to order at 12:00 p.m. by President Terry Gonsalves.

ITEM #2. PLEDGE OF ALLEGIANCE:

Director Linda Mae Balakian Hunsucker opened the meeting by leading the Pledge of Allegiance.

ITEM #3. INTRODUCTION OF STAFF AND GUESTS:

President Gonsalves asked staff to introduced themselves: Interim CEO Christina Estrada, Interim Events Coordinator Taylor C., Box Office Manager Victor F., Administrative Staff Tammy W., Kelly D., Dianna S., Lorraine O., and Susan J. Livestock and Exhibits Superintendent Terri C., Vendors/Concessions Coordinator Sara Renee, Satellite Wagering Ronnie M., Danielle G. with Cohen Communications ., Lori C. with Price, Paige and Company, Peggy B. with Livestock, Maintenance team Chris C., Rolando M., Michael W., Tony L., Victor G., Chris S., David P., Hank A., Johnny C., Joseph R., Timothy I., Nicholas M., Tino M., Aric D., Jimmy D., Walter S., Blaine A., Buddy K., Carlos R., Michael B. and James F. Rob Simpson and Melissa Pacheco with Fresno County Private Security, and guest Jerry Hunsucker and Stephen Bissell. Meghan N. with CDFA Legal joined the meeting via Zoom.

ITEM #4. ROLL CALL OF DIRECTORS AND DECLARATION OF QUORUM:

Interim CEO Christina Estrada called roll. Those in attendance were President Terry Gonsalves, Vice President Gary Chahil, Secretary/Treasurer Frank Flores, and Directors Linda Mae Balakian Hunsucker, Jerry Pacheco, Annalisa Perea, Chuck Riojas and Larry Salinas, a quorum was declared.

ITEM #5. CLOSED SESSION:

Pursuant to Government Code (GC) section 11126, the Board is authorized to meet in Closed Session for the purpose of considering matters involving:

- a. Pending Litigation: - Govt. code 11126(e)(2)

ITEM #6. REPORT OUT ON ACTION TAKEN DURING CLOSED SESSION:

- a. Disclosure of any action taken place during the Closed Session Meeting

President Terry Gonsalves reported no closed session will take place.

ITEM #7 PUBLIC COMMENT:

No public comment

ITEM #8. MINUTES: (Action by the Board)

- a. Approve Board Minutes:

1. Regular Board Meetings 09/24/2024

MSP (Flores - Perea) to approve the Board minutes. The vote was unanimous.

Roll Call Vote:

Director	Yes	No	Absent	Abstained
President Gonsalves	X			
Gary Chahil	X			
Frank Flores	X			
Linda Balakian Hunsucker	X			
Jerry Pacheco	X			
Annalisa Perea	X			
Chuck Riojas	X			
Larry Salinas	X			

ITEM #9. ACKNOWLEDGE CONSENT AGENDA (COLORED PAGES) ITEM #20 THRU ITEM #269:

MSP (Pacheco - Riojas) to approve the Consent Agenda. The vote was unanimous.

Roll Call Vote:

Director	Yes	No	Absent	Abstained
President Gonsalves	X			
Gary Chahil	X			
Frank Flores	X			
Linda Balakian Hunsucker	X			
Jerry Pacheco	X			
Annalisa Perea	X			
Chuck Riojas	X			
Larry Salinas	X			

ITEM #10. PROGRAM REPORT: (Informational)

- a. None

ITEM #11. STAFF REPORT: (Informational)

- a. Report on Satellite Racing/Live Racing

Satellite Wagering Ronnie Mobley reported that live racing had started on September 13th and attendance was steady. There are 305 horses on the back side. Satellite racing has slowed but picks up in the evening. Handle percentages were discussed.

- b. Report on CARF Meeting

There was no CARF Meeting Discussion.

- c. Report on Interim Events

Interim Events coordinator Taylor Collins reported fair time street closure was moved up to September 26th. Fire Marshal permitting is moving along with inspections for pipe and drape for the Fair. Taylor asked for volunteers from the Board to hand out awards for Band Review. Beer and Wine Fest plans are going smooth and focus is on keeping people cool. Livin' Local is moving in. Hmong New Year planning in process with the Fire Marshal and Dr Thao.

d. Report on Entertainment/Ticket Sales

Box Office Manager Victor Felan presented up to date numbers for the concert series. Ticket sales are as follows: Dwight Yoakam 2688, G-Eazy 1821, All American Rejects 1246, 311 1216, Walker Hayes 1060, Sheila E/Midnight Star 829, The Righteous Bros. 802, El Flaco vs. El Mimoso 701, George Thorogood 690, Sugar Ray 670, Calibre .50 y Banda Carnavale 331, Big Daddy Weave 258 and Marichi Divas 199.

e. Report on Maintenance

Interim CEO Estrada reported maintenance has been busy preparing for Fair time, placing trailers, gardening and maintaining the grounds.

f. Report on Livestock

Livestock Superintendent Teri O'Leary Collins reported that the dairy show has been cancelled and there will be an online sale as a precaution due to avian flu. The exhibitors will submit a video on judging and the auction sale. Showmanship will be done using a plastic cow. Scale certification is complete and all scales passed. Agventures will include 20 ewes who will be lambing, mom/baby mini donkeys, mom/baby pygmy goats, and baby pigs.

g. Report on Director's Schedule/Packets

Interim CEO Estrada discussed the Directors schedule. Directors can send Tammy a list of guests who will be entering the 2nd floor of the museum if it is available. The wristband policy was discussed, wristbands must be worn when entering the VIP at the Grandstand and the 2nd floor of the museum. Activities that will be happening during the Fair were reviewed and discussed. All Directors are encouraged to attend as many events as possible.

h. Report on Opening Ceremonies/Board Photo

Interim CEO Estrada asked the Board to decide where they would like to take the Board photo. The board decided the photo should be taken in the Courthouse Exhibit on the 2nd floor of the museum wearing dress attire. Director Parking Dash cards and a map of the Director's second parking spot were handed out.

ITEM #12. COMMITTEE REPORTS: (Action by the Board)

a. Finance Committee:

- Acknowledge Financial Reports from Price Paige & Company.

MSP (Flores-Chahil) to acknowledge the financial reports as presented. The vote was unanimous.

Lori Clanton with Price Paige & Co. discussed the payroll process, data entry and onboarding. There were 200 employees on the last payroll run. Accounts payable is running smoothly with Bill.com. Kelly D. submits the bills and contracts and the bills get paid on time. Accounts receivable uses Accountingware to track revenue and deposits. Madison S. with PPC will be on grounds two days per week to assist Susan with recording revenue quickly and accurately.

Roll Call Vote:

Director	Yes	No	Absent	Abstained
President Gonsalves	X			
Gary Chahil	X			
Frank Flores	X			
Linda Balakian Hunsucker	X			
Jerry Pacheco	X			
Annalisa Perea	X			
Chuck Riojas	X			
Larry Salinas	X			

ITEM #13. OLD BUSINESS: (Informational/Action by the Board)

- a. none

ITEM #14. NEW BUSINESS: (Action by the Board)

- a. Request Approval for staff and Directors to attend the IAFE Convention in Phoenix Arizona, December 1 - 4, 2025.

MSP (Riojas - Chahil) to approve 4 staff and any Director who would like to attend the IAFE Convention.

Roll Call Vote:

Director	Yes	No	Absent	Abstained
President Gonsalves	X			
Gary Chahil	X			
Frank Flores	X			
Linda Balakian Hunsucker	X			
Jerry Pacheco	X			
Annalisa Perea	X			
Chuck Riojas	X			
Larry Salinas	X			

ITEM #15. CORRESPONDENCE: (Informational)

- a. September 2024 - Biosecurity Practices to Minimize Spreading Highly Pathogenic Avian Influenza (HPAI) H5N1 in Livestock (For Exhibit Organizers)

ITEM #16. MANAGER'S UPDATE: (Informational)

Interim CEO Estrada reported on the following;

1. Reported that the Backside Welcome Brunch was held September 12th, the Horsemen and Jockey's enjoyed the gathering.
2. September Live Racing has been going great, patrons are attending.
3. Informed the Board that Butler and Chance will be closed starting September 26th.
4. Reported that the Box Office is open Monday through Friday 10am-4pm.
5. The Light Tower Platform will be completed this week. The Mexican Heritage Patio panels will be removed, stored and relocated. A new location will be looked into.
6. Reported that Concessions Manager Sara Renee is on grounds and vendors are moving in.

ITEM #17. BOARD RECOMMENDATION FOR FUTURE AGENDA ITEMS:

None

ITEM #18. FOR YOUR INFORMATION:

Next Board Meeting – November 19, 2024, 12 Noon

ITEM #19. ADJOURNMENT:

The Board Meeting adjourned at 2:06 p.m.

Respectfully Submitted,

Christina Estrada
Interim Chief Executive Officer

Terry Gonsalves, President
Board of Directors



FINANCIAL STATEMENTS

Current Year Ending
October 31, 2024

and

Prior Years Ended
December 31,
2019 through 2023

Prepared November 15, 2024

Notes to Financial Statements

Introduction

The attached preliminary financial statements include the balance sheet and income statement as of October 31, 2024, as well as prior years 2019 through 2023. The source of the numbers is the Fair's accounting system, AccountingWare (AW), as of November 12, 2024.

Audits as of December 31, 2019 and 2020

The Fair's accounting system reconciles with the CDFA audited financial statements for 2019 and 2020. The audited years are identified on the attached financial statements.

2021 through 2023

Progress has been made on the review and reconciliation of the Fair's general ledger accounts and transactions for 2021 through 2023. Since the previous financial statements were presented through August 31, over \$2 million in prior year contracts have been settled within the accounting system. These corrections resulted in reducing deferred revenue and recognizing revenue in 2021, 2022, and 2023. PPC and the Fair staff continue to work with AccountingWare to review and correctly settle contracts within AccountingWare.

October 31, 2024

The goal of providing financial statements soon after the conclusion of the Fair is to provide management and the Board with both timely and meaningful financial results. However, not all the information is yet available. Nonetheless, we have been diligent in accounting for as many of the transactions as possible or recording estimates. As of this date, we believe about **85% of the Fair's financial transactions have been recorded**. Known pending items include both revenue and expenses.

Balance Sheet - Highlights

The Cash in Bank balance of \$11,331,411 is reconciled through October 31, 2024.

The Accounts Receivable (AR) balances since 2022 are still pending full review and reconciliation. One factor for the negative AR balances for 2022 and 2023 is how JLA revenue has been incorporated into the Fair's accounting system. Reconciling JLA will be a specific project over the coming months.

Construction, leasehold improvements and equipment: The Fair has invested almost \$800,000 in 2024 in the following projects: Museum Security System, Paul Paul Spot Light Tower/Mex, HVAC Replacement Project, Evap Cooler General, Grandstand A/C Repair, and \$150k in equipment purchased from California Turf & Equipment, offset by a \$30,000 credit from San Joaquin Valley Air Pollution Control District.

Deferred Income liability is \$486,738 as of 10/31/24, which has been reduced significantly from the \$3 million presented in August. Included in the financial reports is a list of Contracts Deferred Revenue as of 10/31/24 for a total of \$343,057. Contracts for future events are what the Fair reports on as deferred income. The additional \$140k in the deferred income balance is due to prior year contracts not yet closed as of this date. PPC and the Fair staff continue to work on this.

Accounts payable as of 10/31/24 are \$2,032,561, most of which are related to October Fair activities. In the last 90 days, the Fair has processed over 1,000 bills and made 840 payments for a total of \$6.4 million. The bills pending to be paid now are all current except for a few exceeding 30 days.

Since the date of the financial statements 10/31/24, the Fair has disbursed another \$1 million in vendor payments, and another \$1 million will be paid within the next two weeks.

Income Statement – Highlights

Total revenues to date as of 10/31/24 are \$14,023,412.
Total expenses to date as of 10/31/24 are \$12,469,470.
Net income as of 10/31/24 is \$1,553,941.

Fair-time total 2024 revenues are \$11,426,108.
Fair-time total 2024 expenses are \$7,181,266.
Net income from 2024 Fair-time is \$4,244,842.

The revenue and expenses for 2024 are fairly consistent with revenue and expenses in prior years. To further understand changes in specific department or events will required more detailed reports. PPC will work with Fair management to review and report on specific departments and events.

Important: It is estimated that 85% of the revenue and expenses have been recorded as of October 31, 2024. Larger known pending items include the invoice to Padini's for Fair concession commission estimated at \$800,000. Bills from Pardini's for Fair and horse racing catering services are estimated to be around \$70,000. More publicity and media bills for TV and radio are estimated at \$50,000. A variety of bills are still being submitted, and approximately \$150,000 are currently pending review.



The Big Fresno Fair, 21st DAA

Balance Sheet

As of October 31, 2024

	As of 10/31/2024	Year Ending 12/31/2023	Year Ending 12/31/2022	Year Ending 12/31/2021	Audited Year Ending 12/31/2020	Audited Year Ending 12/31/2019
Assets						
Current Assets						
Cash in Bank	\$ 11,331,411	\$ 12,242,496	\$ 10,942,596	\$ 8,080,918	\$ 2,407,456	\$ 3,754,630
Accounts Receivable, Net	1,187,697	(862,901)	(2,141,052)	591,100	106,956	500,678
Deferred Charges	-	-	-	-	-	-
Prepays	125,882	45,642	12,532	21,043	8,289	37,667
Current Assets Total	12,644,989	11,425,237	8,814,076	8,693,061	2,522,701	4,292,974
Noncurrent Assets						
Construction in Progress	1,193,352	742,596	267,860	8,305	-	-
Equipment Net	183,063	69,081	149,335	197,003	202,365	139,461
Land	244,077	244,077	244,077	244,077	244,077	244,077
Leasehold Improvements, Net	6,635,329	6,401,694	6,976,417	7,352,802	7,901,990	8,470,733
Noncurrent Assets Total	8,255,820	7,457,448	7,637,689	7,802,186	8,348,432	8,854,271
Deferred Outflow of Resources						
Deferred Outflow of Resources	629,615	629,615	1,118,214	1,118,214	1,118,214	1,202,782
Deferred Outflow of Resources Total	629,615	629,615	1,118,214	1,118,214	1,118,214	1,202,782
Total Assets	\$ 21,530,425	\$ 19,512,300	\$ 17,569,980	\$ 17,613,461	\$ 11,989,347	\$ 14,350,027
Liabilities and Net Resources						
Liabilities						
Current Liabilities						
Deferred Income	486,738	255,087	778,801	899,236	453,317	109,261
Accounts Payable	2,032,561	1,847,401	1,127,420	1,249,468	639,061	1,231,145
Accounts Payable Other	18,615	17,748	113,809	26,470	46,863	584,575
Current Portion of LTD/Capital Lease	762,922	764,587	563,021	384,124	324,783	216,007
Guarantee Deposits	92,735	65,476	39,916	36,375	18,900	24,500
Payroll Liabilities	387,744	368,481	409,222	190,840	68,467	139,444
Current Liabilities Total	3,781,314	3,318,781	3,032,189	2,786,513	1,551,391	2,304,931
Noncurrent Liabilities						
Compensated Absences	119,852	119,852	216,229	216,229	296,916	448,081
Long Term Debt (LTD) / Capital Lease	521,777	521,777	521,777	1,113,799	1,433,331	1,091,348
Pension	2,779,678	2,779,678	4,481,632	4,481,632	4,481,632	3,989,645
Noncurrent Liabilities Total	3,421,306	3,421,306	5,219,637	5,811,659	6,211,879	5,529,074
Deferred Inflow of Resources						
Deferred Inflow of Resources	32,014	32,014	140,279	140,279	140,279	160,074
Deferred Inflow of Resources Total	32,014	32,014	140,279	140,279	140,279	160,074
Net Resources						
Net Resources						
Net Resources by Restriction	13,952,134	12,973,682	8,635,854	3,898,355	6,168,575	6,232,967
Prior Year change prior to close	-	-	-	-	-	-
Unrestricted-Junior Livestock Auction	(1,211,935)	(981,119)	(967,922)	187,372	187,372	173,862
Net Resources Total	12,740,199	11,992,563	7,667,932	4,085,727	6,355,948	6,406,829
Total Liabilities and Net Resources	\$ 19,974,833	\$ 18,764,665	\$ 16,060,037	\$ 12,824,179	\$ 14,259,497	\$ 14,400,908
Change in Net Assets (Loss)	\$ 1,555,591	\$ 747,635	\$ 1,509,943	\$ 4,789,282	\$ (2,270,149)	\$ (50,881)
Total Liabilities, Net Resources, and Change	\$ 21,530,425	\$ 19,512,300	\$ 17,569,980	\$ 17,613,461	\$ 11,989,347	\$ 14,350,027



**The Big Fresno Fair, 21st DAA
Income Statement
As of October 31, 2024**

Income Statement	As of 10/31/2024	Year Ending 12/31/2023	Year Ending 12/31/2022	Year Ending 12/31/2021	Audited Year Ending 12/31/2020	Audited Year Ending 12/31/2019
Revenue						
Fair						
100 Fair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
101 Fair Admissions	2,892,411	3,656,029	3,075,571	2,923,898	-	2,627,957
105 Fair Acts & Entertainment	965,769	968,115	1,004,703	300,801	-	973,708
110 Fair Concessions	1,901,917	2,797,328	2,895,801	2,345,086	276,122	2,452,702
120 Carnival	1,477,903	1,027,348	1,341,692	1,340,000	-	1,313,515
122 Competitive Exhibits	320	315	5,910	365	2	2,628
124 Fair Sponsorships	1,529,608	1,557,784	1,592,951	1,057,706	457,617	1,526,956
130 Fair Fine Arts	9,668	8,806	4,764	4,059	199	535
131 Fair Floriculture	876	539	770	827	51	1,608
134 Fair Home Arts	2,532	3,206	2,178	1,590	217	12,407
135 Fair Jr. Exhibits	25,936	5,533	24,271	2,102	159	4,586
140 Fair Commerce Bldg.	112,250	110,950	146,750	114,950	-	134,567
141 Fair Grounds	154,408	147,300	157,280	121,054	-	193,964
142 Fair Ind Commerce	119,500	131,000	140,100	106,033	1,061	146,382
143 Fair Ag Bldg.	6,753	5,177	4,672	6,213	56	8,088
144 Fair Gem and Mineral	3,067	4,545	35	(15)	-	4,575
145 Fair Senior Booth	-	7,400	11,250	6,840	-	13,290
146 Fair Tent Rental	-	-	250	2,640	-	2,675
147 Fair Free Speech Area	-	-	100	1,600	-	400
150 Fair Olive Oil	3,548	3,780	4,113	2,691	1,260	2,262
180 Fair Livestock	31,985	68,880	41,699	30,921	15,645	39,185
190 Fair Horse Racing	1,918,620	1,034,868	733,452	1,064,266	-	1,025,926
148 Livin' Local	26,038	-	17,851	15,491	-	-
Fair Total	11,183,108	11,538,903	11,206,163	9,449,117	752,388	10,487,916
Parking						
100 Fair	995,324	765,641	766,933	648,685	-	809,047
122 Competitive Exhibits	-	-	-	-	-	-
180 Fair Livestock	2,320	12,699	14,575	11,640	-	10,477
300 Interim Events	93,050	109,694	250,902	130,881	152,162	177,416
302 Hmong New Year	-	-	-	-	-	-
303 Fresno Home Shows	75,671	-	-	-	-	-
307 Garlic Festival	-	-	-	-	-	-
Parking Total	1,166,366	888,034	1,032,410	791,206	152,162	996,940
Satellite Wagering	400,404	437,612	518,977	424,860	858,143	430,019
Non-Fair Interim Events	766,339	1,174,454	1,305,710	972,173	906,703	1,478,368
Jr. Livestock Auction	-	-	-	85,285	55,943	55,052
Museum (FOF)	-	-	-	-	-	-
Non-Operating						
000 General	-	-	1,848	(19,179)	7,033	1,397
000 General Interest Mmkt	250,582	163,456	14,797	15,665	5,725	24,274
000 General Suspense	13,612	25,080	12,388	(30,851)	-	-
000 General State	-	-	577,650	2,532,614	1,240,183	-
Non-Operating Total	264,195	188,537	606,683	2,498,250	1,252,940	25,671
Total Revenue	13,780,412	14,227,539	14,669,943	14,220,891	3,978,279	13,473,966

Income Statement	As of 10/31/2024	Year Ending 12/31/2023	Year Ending 12/31/2022	Year Ending 12/31/2021	Audited Year Ending 12/31/2020	Audited Year Ending 12/31/2019
Expenses						
Fair						
100 Fair	23,431	21,511	(102)	(249)	-	8,245
101 Fair Admissions	956,910	2,138,731	2,186,725	1,642,412	142,200	1,933,112
105 Fair Acts & Entertainment	2,801,792	2,305,289	1,829,370	1,332,932	65,550	2,338,303
110 Fair Concessions	-	-	-	3,623	714	4,355
121 Fair Commercial	10,000	40,618	20,000	29,210	2,836	36,425
122 Competitive Exhibits	312,244	190,008	164,217	32,616	22,345	28,061
123 Fair Publicity	360,928	556,994	534,958	352,455	142,794	604,590
124 Fair Sponsorships	60,439	141,747	272,735	289,488	118,912	426,281
130 Fair Fine Arts	52,697	25,362	31,660	29,159	463	36,340
131 Fair Floriculture	34,819	31,835	29,631	23,252	-	33,650
132 Fair Fur & Feather	1,761	3,653	3,422	2,930	-	12,993
134 Fair Home Arts	47,664	41,433	42,614	28,173	-	39,095
135 Fair Jr. Exhibits	3,443	3,923	9,264	30,957	234	58,234
140 Fair Commerce Bldg.	9,200	59,609	60,139	22,644	-	29,877
141 Fair Grounds	23,918	48,836	31,741	27,686	-	21,490
142 Fair Ind Commerce	-	-	-	-	-	-
143 Fair Ag Bldg.	30,161	57,459	44,319	27,113	47	54,302
144 Fair Gem and Mineral	2,715	7,502	7,816	7,998	-	10,591
146 Fair Tent Rental	-	-	-	4,860	-	17,688
150 Fair Olive Oil	-	4,209	4,538	3,923	740	4,015
160 Fair AgventurLand	333	1,479	5,000	5,535	3,190	22,804
170 Fair Agriculture	870	-	-	82,946	-	128,092
180 Fair Livestock	213,842	138,939	166,818	124,587	17,186	90,541
181 Fair Livestock Barn	67,416	89,577	86,893	66,445	3,203	123,656
190 Fair Horse Racing	1,923,215	1,759,870	1,046,549	1,111,913	69,592	1,251,176
148 Livin' Local	468	-	-	-	-	-
Fair Total	6,938,266	7,668,584	6,578,308	5,282,609	590,007	7,313,916
Administration	1,516,179	1,262,925	1,347,067	1,183,777	1,612,192	1,818,084
Maintenance	2,924,914	2,622,445	2,542,279	1,544,567	1,349,158	2,262,193
Publicity	-	-	-	-	-	-
Satellite Wagering	297,439	296,914	230,984	203,149	415,118	392,772
Unknown	-	-	-	-	-	-
Non-Fair Interim Events	285,871	67,163	376,784	276,176	287,039	288,023
Jr. Livestock Auction	20,991	230,817	1,220,274	20,221	42,433	22,775
Museum (FOF)	54,341	11,845	45,352	26,202	(2,157)	50,203
Non-Operating						
000 General	188,468	1,319,212	818,953	894,907	1,954,638	1,376,881
Non-Operating Total	188,468	1,319,212	818,953	894,907	1,954,638	1,376,881
Total Expenses	12,226,470	13,479,904	13,160,000	9,431,609	6,248,428	13,524,847
Net Income (Loss)	1,553,941	747,635	1,509,943	4,789,282	(2,270,149)	(50,881)



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

September 30, 2024

F2024-06

TO: All Fair CEOs

SUBJECT: AB1499 Funds Allocation: Distribution Policy Framework

The purpose of this letter is to provide clarification and information on the policy framework utilized in the most recent disbursement of the funds, commonly referred to as "AB1499 funds," to eligible fairgrounds within the network of California fairs. As you are most likely aware, Assembly Bill 1499 (AB1499) (Chapter 798, Statute year 2017) codified Business and Professions Code 19620.15, which allowed three-quarters of one percent of the total amount of gross receipts for sales and use tax purposes generated on state-designated fairgrounds to be transferred to the California Department of Food and Agriculture (CDFA). With the AB1499 funds accumulating over several years, CDFA's Fairs & Expositions Branch (F&E) was directed to create a policy framework for allocations moving forward. As a result, in May of 2023, various concepts for the distribution framework were presented to the fairground CEOs for their consideration. Since then and throughout 2023, CDFA engaged in additional conversations with the industry for input and feedback, which were taken into consideration for the development and finalization of the policy framework. Subsequently, F&E made a determination on the amounts to be distributed from the AB1499 funds in late 2023.

Distribution Policy Framework

Being mindful of distribution balances to the industry without being overly complex, the framework consists of three pools of funds with distinct characteristics: Base Minimum, Operating Revenues, and Bonus/Profitability. Each pool is allotted a percentage of the total planned distribution. The policy framework was developed by incorporating ideas from varying philosophies as conveyed in the three different pools, where each pool can be thought of as having an allocation method independent of the other. For more information on requirements to be eligible, in general, to receive the AB1499 funds from this framework, please refer to the section labeled "Eligibility" later in this letter.

The **Base Minimum** pool will equally distribute the funds to all eligible fairgrounds. This method seeks to provide stability within the industry, which is especially meaningful for smaller fairgrounds given that smaller fairgrounds on average tend to have more difficulties increasing revenues and being profitable.

Example: If there are 73 eligible fairgrounds in the base minimum pool, then each fairground will receive approximately 1.4 percent of the total amount allocated to this pool.



The **Operating Revenue** pool allocates funds based on the fairground's operating revenue relative to the total pool's operating revenue. This method provides an allocation that would be considered meaningful relative to the scale of the fairground's operation, i.e., larger fairgrounds will generally receive more. An emphasis on the operating revenues will encourage additional economic activity to potentially increase the fairground's share of the allocation while increasing the tax revenues generated on the fairground.

Example: If the fairground's operating revenue is \$1,000,000 and the total operating revenue in the pool is \$400,000,000, then the fairground will receive 0.25 percent of the total amount allocated to this pool.

The **Bonus/Profitability** pool provides fairgrounds with additional funds based on achieving profitability, i.e., fairgrounds will receive a bonus for being profitable. Fairgrounds will qualify for this pool if they make at least one dollar in operating profit. The bonus amount will be based on the methodologies described for base minimum and operating revenue. The bonus amount is not based on the level of profitability but whether the fairground is profitable or not. This method will provide incentives for managers to be fiscally disciplined in their operations.

Clarification on Distribution

With the finalization of the policy, F&E determined the amounts for each fairground and initiated the allocation process in late 2023. The total amount allocated for distribution was approximately \$12 million. Most eligible fairgrounds received these funds in the first quarter of 2024. For this distribution, the weighting allocated to each pool are shown below:

Pool Characteristic	Percentage of Total Allocation	\$12 Million Allocation*
Base Minimum	40%	4,800,000
Operating Revenue	45%	5,400,000
Bonus/Profitability	15%	1,800,000
<i>Base Minimum (Bonus)</i>	<i>20% of Bonus pool</i>	<i>360,000</i>
<i>Operating Revenue (Bonus)</i>	<i>80% of Bonus pool</i>	<i>1,440,000</i>

**The actual total allocation was slightly higher than \$12 million due to rounding in each individual allocation. The figures shown above were calculated based on exactly \$12 million for ease of displaying amounts per pool.*

73 fairgrounds were determined to be eligible for this distribution. Within the distribution, 34 fairgrounds were eligible for the bonus pool.

To calculate the operating revenue and determine eligibility for the bonus pool, F&E used financial information from 2017, 2018, and 2019. The three-year average and

three-year median were averaged for these calculations. A graphic representing the methodology described in this letter is attached for your convenience.

Future Distributions and STOP Submission Impact

F&E plans to utilize information from 2019, 2022, and 2023 for the next distribution expected in the fourth quarter of 2024. Furthermore, future distributions are expected to be released in the fourth quarter on an annual basis. However, it is important to mention that while the framework was developed to create a methodology on how future distribution policies may look like, material changes to the amount transferred to CDFA, significant imbalances in the distribution, new legislations affecting the industry, or other various factors may bring about changes to the framework or percentages allocated to each pool.

With the distribution policy utilizing financial information from the fairgrounds, timely submission of financial information is critical for this process. Furthermore, Business and Professions Code 19622 subdivision (a) requires an annual submission of the Statement of Operations (STOP) to maintain eligibility to receive funds or to utilize state assets. Consequently, we urge you to make the necessary arrangements to submit the annual STOP in a timely manner, thus avoiding having the allocation for your fairground from being negatively impacted.

Annual STOPs are typically due within the first three months of the year. Failure to submit the STOP by the end of June each year will result in the Operating Revenue pool using \$0 for calculation purposes and disqualification from the Bonus pool. Failure to submit the STOP by the end of September each year will disqualify your fairground from receiving the AB1499 funds for that year's distribution cycle¹. By setting these timelines, F&E will be in a better position to aggregate the information that is necessary to finalize the calculations and distribute the AB1499 funds to the industry in a timely manner.

Eligibility

As a reminder, in addition to submitting the annual STOP, to maintain eligibility for the AB1499 funds, fairgrounds are expected to abide by working conditions prescribed in Business and Professions Code 19620.15. Currently, F&E considers fairgrounds to be opted in unless they have previously explicitly opted out of receiving AB1499 funds. Furthermore, a disqualification from the year's AB1499 distribution cycle does not exempt your fairground from the application of required working conditions.

To opt out from receiving the AB1499 funds, board action must be taken to opt out of AB1499 funds and must be communicated to F&E. Additionally, if the intention to opt

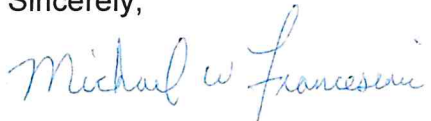
¹ For the next distribution, expected in the fourth quarter of 2024, the penalties described in this letter regarding delinquent submissions will take effect if the STOP is not received by F&E by **October 31, 2024**.

F2024-06 AB1499 Funds Allocation: Distribution Policy Framework
9/30/2024
Page 4

out from AB1499 funds is to remove the fairground's working condition requirements as prescribed in Business and Profession Code 19620.15, the board should also take action to remove the working condition policy.

If you have any questions, please contact me at 916-900-5365 or via email at mike.francesconi@cdfa.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Michael W. Francesconi". The signature is written in a cursive, flowing style.

Michael Francesconi
Branch Chief

Enclosure

AB1499 Allocations

Distribution Policy - Weighting

