

Network of California Fairs 2010/2011 Expenditure Plan



October 2010

A. G. Kawamura, Secretary
California Department of Food & Agriculture
Division of Fairs & Expositions



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

June 2010

To: Members, Joint Committee on Fairs Allocation and Classification

Subject: 2010/2011 Expenditure Plan for the Network of California Fairs

Pursuant to Business and Professions Code 19621(c), I respectfully submit the 2010/2011 Expenditure Plan for the Fair and Exposition (F&E) Fund and Satellite Wagering Account. This expenditure plan will serve the interests of the State of California and your constituents, as well as deliver the maximum benefit to California fairs at the local level.

In this year of unprecedented changes and financial challenges within the State of California, it is more important than ever that we support the fairs' efforts to assist their local communities. I believe this plan supports the fairs' local efforts.

The formulation of the plan received significant input from the California fair industry via the California Fair Alliance (CFA), a subsidiary of the Western Fairs Association (WFA). The plan received unanimous approval by the CFA Board of Directors on June 11, 2010.

The Fair and Exposition Fund is administered by the Department of Food & Agriculture (CDFA), which serves as the steward of these funds, ensuring their appropriate use and monitors the fairs' adherence to sound fiscal policies. Several important factors are noteworthy relative to the fairs in California:

First, the State experiences a huge economic return from fair activity statewide. With the approximate \$29 million designated for fair support in the F&E Fund, actual fair budgets total more than \$350 million annually, supported by local user fees including admission charges, event rental fees, sponsorship income, event production, etc. This translates into more than \$136 million in direct state and local income from sales, income and other tax sources; the creation of more than 28,000 jobs; and a total economic impact to the State of more than \$2.55 billion.¹ It is truly a remarkable entrepreneurial accomplishment and one that provides significant educational and social benefits as well. Fairs are an important part of California's economy and a very important investment in our communities.

Second, California fairs provide a significant social impact by connecting communities with their non-profit and charity-based community organizations, providing a venue to raise awareness of their programs and services and to raise funds to support causes for the benefit of local citizens.

¹ *Fairs – Exploring a California Gold Mine*. California Department of Food and Agriculture. 2003.



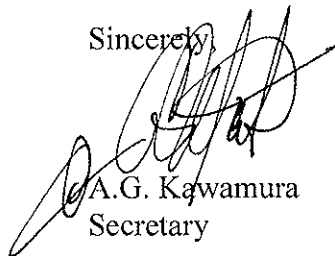
For many local non-profit groups, a majority of their annual charitable budgets are derived from fundraising activities at fairgrounds in California.

Lastly, fairs in California play a pivotal role each year during natural disasters by working closely with the California Emergency Management Agency (CalEMA) and the State's Homeland Security organization to assist with preparedness by serving as heating and cooling centers, staging sites and rescue locations for people and animals during forest fires, floods, earthquakes and other emergencies. For example, several fairgrounds were used as staging areas for CalFire and the U.S. Forest Service during the devastating forest fires of 2009 including the Station and 49 fires. Several years ago, the Governor's Office and Office of Emergency Services tasked the Department to open cooling centers at fairgrounds throughout the state during the height of a grueling July heat-wave and fairgrounds have been available to CalEMA for that purpose every year.

While the benefits of California fairs are clear and quantifiable, economic challenges continue to hamper these 79 revenue-producing enterprises known as California's network of fairs. The F&E Fund provides direct assistance to the fairs to ensure they can continue to provide the basic level of support their communities have come to expect and deserve.

My staff and I look forward to the opportunity to discuss this plan with you. If you would like additional information, please contact Michael Treacy, Director for the Division of Fairs and Expositions, at (916) 263-2952.

Sincerely,



A.G. Kawamura
Secretary

Enclosure

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A golden sunset at the San Bernardino County Fair in Victorville

Executive Summary

The following report presents the 2010/2011 Network of California Fairs Expenditure Plan to the Joint Committee on Fairs Allocation and Classification.

California Fair Network

The network of California fairs includes 80 fairs divided into four categories (the latter three are non-DAA organizations):

- **54 DAAs:** State government entities
 - 52 active DAAs
 - 2 DAAs were deactivated during fiscal year 1997/98
- **23 County Fairs:** County government or not-for-profit organizations
- **2 Citrus Fruit Fairs:** Not-for-profit organizations
- **The California Exposition and State Fair (Cal Expo):** A state department



The Nevada County Fair in Grass Valley



"Aside from their rich history, California's fairgrounds are unheralded community assets that must be preserved, protected and appreciated."

*- A.G. Kawamura,
Secretary, California
Department of Food &
Agriculture*

2010/2011 Expenditure Plan Highlights

A new era for California fairs began in 2009/2010 as the fair industry's 77-year relationship with horse racing as a primary fund source came to an end. The primary fund source for the Fair and Exposition Fund shifted from horse racing license fees to the state General Fund, on July 1, 2009.

This fund shift occurred at a time when horse racing in California was struggling to survive and revenue shortfalls within the Fair and Exposition Fund were at record highs, thereby jeopardizing the solvency of many California fairs.

Through the implementation of SB 16xx in July 2009, funding to the California fair industry was made whole for the first time in five years. With the continuous appropriation from the state General Fund, the Fair and Exposition Fund once again provides opportunities to stimulate the fairs and their local communities:

- Updated classification of fairs for the first time in 17 years recognizing the

fiscal progress of many fairs.

- An increase in base allocations for most fairs under the reclassification (a number of fairs' success resulted in less state support).
- Major funding available for crucial capital improvements and infrastructure for the first time in five years.
- The continuance of support programs established to assist fairs with best business practices.
- The continuance of support program for fairs' role in emergency response and community services.

Guaranteed Return on Investment

California fairs have immense economic, educational, social and cultural impacts. They embody the entrepreneurial excellence, quest for knowledge, innovative drive, and community spirit that is the Golden State.



The Salvation Army's Drought Relief food drive at the Big Fresno Fair



E-waste collection at the Merced County Fair

While the current environment presents reasons for some concern, it has only highlighted the importance of the fairs to their local communities and the state of California as a whole. The state's return on its \$32 million investment in fairs is undeniably positive in all respects, as fairs continue to be a beacon of light for many.

Therefore, the Department of Food and Agriculture and the California fair industry as a whole remain confident that regardless of fund source, the legislature and public at large will continue to see financial support of fairs as a tremendous investment for all of California.

- \$2.55 billion positive economic impact on California based on spending by all participants at fair time and interim events.¹
- \$963 million in attendee direct spending at fair time and interim events annually.¹
- \$791 million in annual income impact from attendee, fair

organization and fair-related business spending.¹

- 28,000 annual jobs created by fairs through direct employment and multiplier impacts.¹
- \$136 million in annual state and local government tax revenues from fair-related activities.¹
- \$30 million in non-profit and community benefits annually.¹
- Fairgrounds are the ideal vehicle for broad-based economic stimulus.
- Fairs serve as community lifelines during natural disasters.
- Fairs play an enormous role in meeting recreational needs throughout the state.
- California's fair network is at the forefront of renewable (solar) energy production in the country.
- Fairs continue to play an essential role in promoting the quality and diversity of California agriculture and community in both rural and urban areas.

Understanding the benefits of having quantifiable data to support the financial and social benefits of fairs, F&E is pursuing an updated economic and social impact study for the California fair network within the next couple of years.

¹California Department of Food and Agriculture, Division of Fairs and Expositions. *Fairs – Exploring a California Gold Mine*, 2002.



Fairs instill a love of agriculture in the youth of California

Emergency Preparedness & Response

California fairs continue to be called upon by federal, state and local public health and safety agencies on a regular basis to assist with emergency preparedness and response. Fairgrounds are an invaluable resource during emergencies such as earthquakes, floods, fires, and other natural or unnatural disasters. The roles fairs play during these exercises and emergencies vary significantly and occur frequently.

Examples of current and past fairground usage include mobilization and emergency staging sites, evacuation centers for people and animals, fire camps, emergency preparedness training locations, and temporary homeless shelters.



Fire Camp on the grounds of the Inter-Mountain Fair of Shasta County in McArthur



Third graders making butter at Youth Ag Day at the Solano County Fair in Vallejo

Agriculture and Education

The heart of the fairs' tradition lies in agriculture. Fairs are the result of the industry's need to showcase its products and educate the public on the basics of where food and fiber come from. Whether it is the annual fair or dedicated Agriculture Days during the school year, agriculture education is at the forefront of the mission of California fairs.

Other education opportunities found at fairs include fine arts, technology, science, and nutrition using locally grown food. Fairs also provide an opportunity for federal, state and local agencies to educate the public on their programs and services. With tens of thousands of patrons visiting a fair on any one day, fairs are a valuable conduit to agencies and companies looking to reach a lot of people in a short period of time.



A group of East Oakland youth learning about agriculture at the Alameda County Fair in Pleasanton

Funding Strategy

For the past three years, the Department of Food and Agriculture's Division of Fairs and Expositions (F&E) has been implementing an innovative fair funding allocation strategy which revolves around fund growth and sustainability. This strategy was developed to deal with increasing competition from neighboring venues, an ever-decreasing fund source from horse racing, and deteriorating fair facilities.

While the 2010/2011 Expenditure Plan continues to emphasize these renewed areas of focus, attention is also being placed on other support programs to help fairs respond to the troubled economy.

Revenue Source

Beginning in 2009/2010, fair funding that is not self-generated is derived entirely from the state General Fund. Pursuant to Senate Bill 16xx, state horse racing license fees are now retained by racing associations, racing fairs, and horse owners in an effort to stimulate the struggling horse racing industry. The California Horse Racing Board, however, continues to receive an allocation from license fees for its regulatory oversight of racing associations and fairs as well as California's network of satellite wagering facilities.

Expenditures

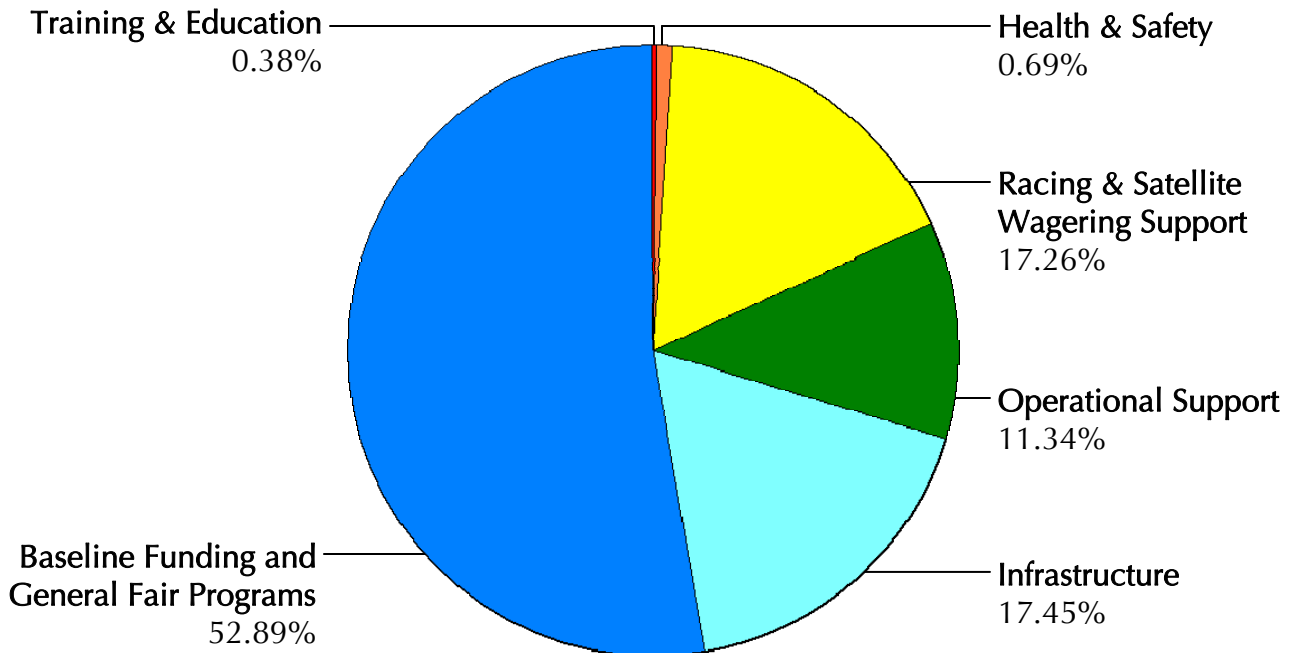
(See pages 22 through 26 for details)

Fair Local Assistance

The expenditure budget has \$43,604,225 (90.8%) earmarked for the direct support of California’s fair network.

- **Baseline Funding and General Fair Programs:** 52.89% of the local assistance budget is earmarked for baseline operational support for fairs, incentive programs, and the Priority Fair Intervention program.
- **Operational Support:** 11.34% of the local assistance budget is earmarked for bond debt service, construction services, and property insurance.
- **Horse Racing Support:** 17.26% of the local assistance budget is earmarked for improvements to live horse racing and satellite wagering programming and facilities, supplemental horse racing purses at California racing fairs (set in statute), and race track preparation costs.

- **Infrastructure/Health & Safety:** 18.14% of the local assistance budget is earmarked for the Division’s infrastructure programs funding by the infrastructure sinking fund, which is intended to generate significant capital to address aging infrastructure at California fairgrounds.
- **Training & Education:** 0.38% of the local assistance budget is earmarked for the development and delivery of training seminars and workshops on emerging fair issues, and professional development for fair personnel and boards of directors.



Introduction

This report presents the 2010/2011 Expenditure Plan to the Joint Committee on Fairs Allocation and Classification within the California State Legislature. This publication includes an overview of the network of California fairs, the roles and responsibilities of various state, county and private organizations, an explanation of the 2009 change in the fund source for fairs, and a comprehensive program list explaining the full range of programs supported by the Expenditure Plan.

Authority

The California Department of Food and Agriculture (CDFA) provides fund administration and broad policy oversight to the network of California fairs through the application of law; development of policies, procedures and regulations; and

broad supervision over fair fiscal and administrative matters.

Business and Professions (B&P) Code Sections 19620 and 19606.1 authorize CDFA oversight of the Fair and Exposition Fund and Satellite Wagering Account, respectively. B&P Code Sections 19621(c) and 19606.1(c) require CDFA to prepare an annual expenditure plan for review and approval by the Joint Committee on Fairs Allocation and Classification. The annual plan also incorporates input from the California fair industry and fair business partners to ensure its relevancy and support by key stakeholders.



Fairs create memories that last a lifetime



Fairs promote California's agricultural heritage

The Division of Fairs and Expositions

CDFA's Division of Fairs & Expositions (F&E) provides fiscal and policy oversight of the network of California fairs and ensures the best use of available funding and other services. F&E is comprised of 18 staff members dedicated to serving California's network of 80 fairs.

Fair Network Oversight

This oversight responsibility includes the following (B&P Code Section 19620):

- Manage and monitor the solvency of the Fair and Exposition Fund and the Satellite Wagering Account.
- Distribute available state resources to the network of California fairs for local (base) allocations, health and safety repair projects, revenue generating projects, horse racing facility improvements, and other fair programs.

- Create a framework for administration of the network of California fairs, allowing for maximum autonomy and local decision making authority.
- Provide incentives for fairs to seek matching funds and generate new revenue from a variety of sources.
- Ensure that annual fiscal audits and biennial compliance audits are performed.
- Support continuous improvement of fair programs to ensure California fairs remain highly relevant community institutions.

F&E provides varying levels of oversight depending on the fair type. Table 2 provides examples of the type of oversight provided to District Agricultural Associations (DAA) and non-DAA fair organizations.

Table 2

Oversight of DAAs	Oversight of Non-DAAs
Approve annual operating budgets	Approve annual operating budgets
Conduct fiscal and compliance audits	Conduct or review fiscal and compliance audits
Review annual end-of-year statements of operations	Review annual end-of-year statements of operations
Define criteria and reporting requirements for funding programs	Define criteria and reporting requirements for funding programs
Provide consultation to boards of directors and staff on state policies and procedures	Provide consultation to boards of directors and staff on applicable state policies and procedures
Analyze fair-related legislation	Approve carnival bid packages
Facilitate personnel transactions	Review contractual agreements between the fair organization and host county
Approve contracts and carnival bid packages	Provide consultation to fairs experiencing managerial, fiscal, or operational challenges
Emergency service coordination	Emergency service coordination
Intervention Authority – provide oversight to fairs experiencing managerial, fiscal, or operational challenges	

Network of California Fairs

Overview

B&P Code Section 19622.1 defines a state-supported fair organization as any fair that conducts an annual fair and adheres to the CDFA's reporting requirements, which include but are not limited to the submittal of an annual operating budget and statement of operations. The generic term of "fairs" refers to DAAs, county fairs, citrus fruit fairs, and the California Exposition and State Fair.

The network of California fairs includes 80 fairs divided into four categories (the latter three are non-DAA organizations):

- **54 DAAs:** State government entities
 - 52 active DAAs
 - 2 DAAs were deactivated during fiscal year 1997/98
- **23 County Fairs:** County government or not-for-profit organizations
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- **The California Exposition and State Fair (Cal Expo):** A state department

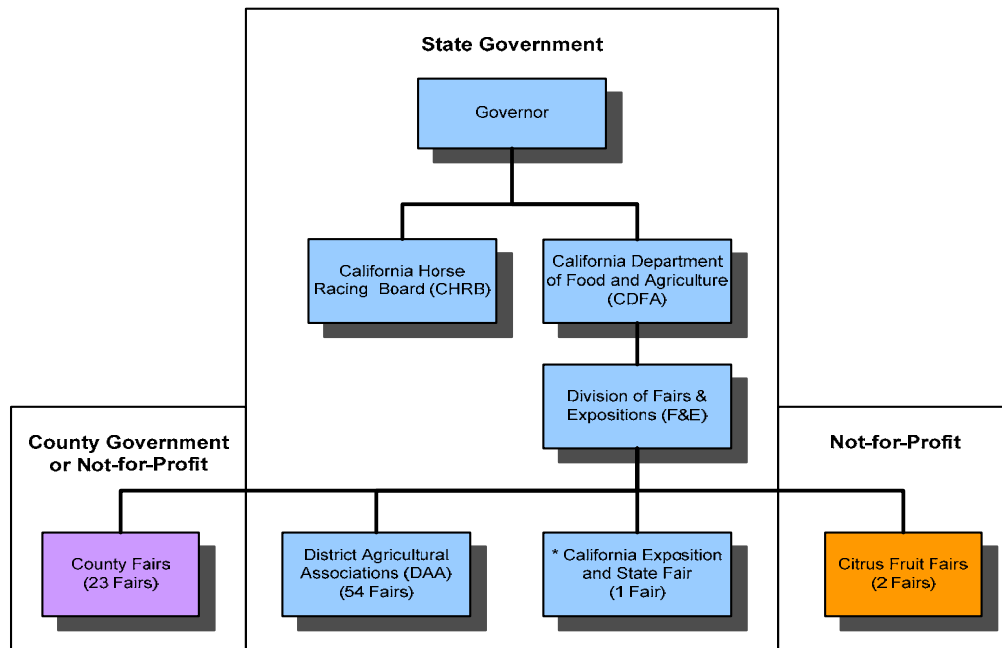


It's all about the animals at California's fairgrounds. Animal lovers rejoice!

Map of California Fairs



Organizational Relationships



* California Exposition and State Fair is a state agency.

State Government

California Department of Food & Agriculture (CDFA): A state department responsible for the oversight of California’s agricultural industry, including the network of California fairs.

Division of Fairs and Expositions (F&E): Division of CDFA that provides fiscal and policy oversight for the network of California fairs and ensures the best use of available funding and services.

California Horse Racing Board (CHRB): Regulates pari-mutuel wagering, promotes the horse racing and breeding industries and maximizes State of California tax revenues from horse racing. CHRB provides regulatory oversight to six privately owned racetracks, nine racing fairs, and 33 simulcast facilities.

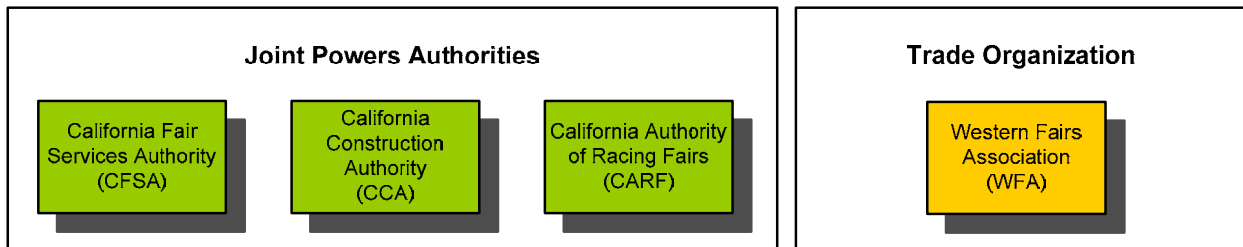
District Agricultural Association (DAA): Holds fairs, expositions, and exhibitions to showcase various industries, enterprises, resources, and products, and to highlight California agriculture. Each DAA is governed by a nine-member gubernatorially appointed board of directors.

California Exposition and State Fair (Cal Expo): A state department in Sacramento responsible for holding the annual California State Fair and exhibitions to highlight various industries, enterprises, resources, and products of the State.

County Government or Not-for-Profit
County Fairs: Holds fairs to highlight a county’s agricultural and natural resources.

Citrus Fruit Fairs: Holds annual fairs to celebrate the citrus fruit harvest.

NETWORK OF CALIFORNIA FAIRS
2010/2011 EXPENDITURE PLAN



In addition to state government, there are other organizations involved with fair operations and industry direction. Abbreviated descriptions of each organization's major roles are described below:

Joint Powers Authorities (JPAs)

Three JPAs have been formed in California to provide specified services to the fair industry. CDFA is a party to the joint powers agreement that authorized the formation of each of the following JPAs:

California Fair Services Authority (CFSA): Administers risk-sharing pools (general liability, workers' compensation, revenue protection and all-risk property) designed to protect the Fair & Exposition Fund and local fair organizations; provides safety programs, facility inspections; and provides accounting, payroll, purchasing, computer, employee benefits, and management services.

California Construction Authority (CCA): Provides financing, design, and construction services for capital infrastructure, deferred maintenance, health and safety improvements, and horse racing facilities on fairgrounds.

California Authority of Racing Fairs (CARF): Provides legislative and operational support and professional

development services for its members, all of which are horse racing fairs; assists CDFA with site selection and development for satellite wagering facilities; manages the track preparation agreement; and recommends an annual Satellite Wagering Account and racing track improvement plan.

Trade Organizations:

The following not-for-profit association provides services to the fair industry:

Western Fairs Association (WFA)/ California Fairs Alliance (CFA): Sacramento-based trade association representing 72 of California's 80 fairs. Services include educational activities, training programs, and legislative advocacy.



Performers showcase traditional Polynesian dance at the Solano County Fair in Vallejo

Fair Organization Classifications

California fairs submit operating budgets to F&E for review and approval annually. These budgets are comprised of both locally generated revenue and state support. Approved budgets are required for state funding eligibility. The state support is distributed as annual local (base) allocations and special programs. See Table 3 on the following page. Local (base) allocations are provided to the fair network to help offset operating costs and infrastructure needs. The amount each fair receives is based on their annual operating budget. Small fair organizations receive a greater percentage of their budget in state support than larger fairs do. This staggered funding takes into account the fair organization's ability to generate enough revenue to be self-sustaining. Regardless of size, all fair organizations augment their operating budgets with revenues received through their year-round events and activities.

To ensure equitable distribution of local (base) allocations, F&E established an allocation policy providing support to fairs within seven budget-related classifications. The result is that the smallest fairs, those in classes I-IV, receive the largest annual (base) allocation of local assistance funding from the General Fund (\$120,000 - \$200,000). Classes I through IV fairs have annual operating budgets of less than \$5 million. The fairs are truly the heart of the community and maintaining state support is critical to their success. For some class I fairs, the annual allocation represents up to 70% of their annual budget.

In 2009/2010, the stabilization of the Fair & Expositions Fund from the state General Fund allowed F&E to increase base allocations for Class I through V fairs for the first time since 2001. In that same year, F&E was able to review and update the fair classification formula for the first time in 17 years. The reclassification resulted in 27 fairs being reclassified, most to a higher class in recognition of their success in increasing operating revenues. The largest fair organizations, those in classes VI and VII, receive zero (base) allocations. Through prior year project cost savings, F&E was able to provide a one-time supplement to the base allocation for all fairs. However, funding to the unemployment insurance and property insurance programs that benefit the largest fairs has remained intact.



Fairs provide valuable opportunities for charitable fundraising. The Calaveras Follies is a production held at the Calaveras County Fairgrounds that raises money for the Calaveras Youth Mentoring Program

NETWORK OF CALIFORNIA FAIRS
2010/2011 EXPENDITURE PLAN

Table 3 - Local (Base) Allocations for 2010/2011

Profile of Fair Class Levels & 2010/2011 Local (Base) Allocations				
Class Level	Allocation Criteria	# of Fairs Per Class	Local (Base) Allocation	Total Allocation Per Class Level
	Operating Revenue (\$1,000's)			
I	Up to 360	12	\$165,000 - \$199,000	\$2,335,500
II	360 - 550	9	\$172,500 - \$198,000	\$1,603,500
III	550 - 1,000	28	\$143,200 - \$198,000	\$4,326,700
IV	1,500 - 3,000	14	\$72,500 - \$138,200	\$1,656,850
V	5,000 - 6,000	4	\$37,500 - \$115,500	\$215,500
VI	6,000 - 10,000	5	\$0 - \$25,000	\$50,000
VII	Over 10,000	5	\$0	\$0
Special Events (Supplemental allocation):				
	Grand National Rodeo (1A DAA)		140,000	140,000
	Great Western Livestock Show (24th DAA)		50,000	50,000
	San Benito County Saddle Horse Show		50,000	50,000
TOTAL:				\$10,428,050

Benefits of California Fairs

Fairs benefit Californians in a variety of ways from the obvious to the obscure. There is so much more than the fair just “coming to town.” Fairs in most communities are the longest running annual events of the county and fairgrounds provide more services to the public than are realized.

From agriculture and education to emergency preparedness and economic stimulus, fairs are more relevant to the state today than ever before.

Agriculture and Education

The heart of the fairs’ tradition lies in agriculture. Fairs are the result of the industry’s need to showcase its products and educate the public on the basics of where food and fiber come from.



4-H programs at fairs are a great way to get kids involved in agriculture at a young age



A sampling of the county's bountiful harvest on display at the Big Fresno Fair

Nearly 200 years old, American fairs were created to inspire and educate the farmers of America. “The first agencies for agricultural education that had a popular appeal, (fairs) were conducted on the theory that competitive displays of products would prompt the farmers to improve their livestock and crops and to adopt the new agricultural machinery.”¹ That ideal remains true today as fairs are looked to as top components in the agriculture education of the nation.

Numerous fairs in California provide youth agriculture education programs separate from the annual fair. Grade school students are brought to fairgrounds for a day to learn all about how food and fiber is grown and produced right here in their own state. They get to see agriculture in action and they remember their trip to Ag Day for a lifetime.

During the annual fairs, there is a vast amount of agriculture education provided to fair attendees and participants. From the



4-H girls at the Amador County Fair in Plymouth

showing of prize livestock to cooking demonstrations using locally grown food, fairgoers have an abundance of choices when it comes to agriculture education at the fair.

State and local government agencies use fairs to disseminate vital information regarding the protection of California's natural, industrial, and agricultural resources. These public outreach efforts offer communities a first-hand look at California agriculture and the essential role of this \$30 billion-a-year industry.

A central feature of fairs is to teach the public about the importance of agriculture in California.

- 69% of fairgoers surveyed felt that they knew more about agriculture after going to a fair.
- Fairs are a critical part of the junior livestock program, which educates young people about the breeding, raising and grooming of farm animals. Junior livestock auctions at fairs gross more than \$21 million annually. In 2002, 42,000 animals were purchased by nearly 19,000 buyers.

Students receive 95% of auction proceeds and are encouraged to use the funds to further their education.²

Agritourism is another vital part of the California fair industry's contribution in agriculture education. Through annual interim events and/or permanent year-round exhibits, hands-on learning about agriculture is abundant at California fairs.

The Centennial Farm at the Orange County Fair is just one example. Centennial Farm is a three-acre working farm created to educate youth about agriculture and its importance to daily life. The Farm is home to fruit and vegetable gardens, livestock, and the Millennium Barn. Children and adults can view pigs, chickens, cattle, goats and more while strolling through gardens of lush vegetation. The Centennial Farm is open every day and is home to hundreds of school tours annually.



The barn at Centennial Farm at the Orange County Fair in Costa Mesa



The demonstration farm at the California Exposition and State Fair features various exhibits to teach fairgoers about the importance of agriculture

Four fairs have partnered this year to expand the Central Coast Wine Competition to incorporate six counties and more than 100,000 acres of wine grapes. The contest will involve wineries and vineyards from as far south as Ventura all the way up through the San Francisco Bay Area. Such collaborations are extremely beneficial to the California agriculture industry.

Specialty crops are being showcased more and more at California fairs. Current exhibits include small demonstration farms and gardens featuring local and regional specialty crops. Planned exhibits include vast enhancements of specialty crop promotion through expanded gardens, farming and cooking with local food demonstrations, and children's activities.

Locally grown, farm to table, and slow food methods of production and marketing are also being highlighted at fairs throughout the state. Make no mistake that California fairs are one of the agriculture industry's best and most affordable avenues of marketing to the public.

Fairs entertain, but they also educate people about each other and the contributions that all segments of our society make to California. Through this vital education come the understanding, appreciation and social harmony so necessary for a healthy and productive society. "Obviously the fair in whatever age and of whatever type has furnished informally the opportunity for broadening the experiences of those who have in one way or another participated in it." ¹

Fairs serve as a conduit for other industries, trades, government agencies and public policy makers to reach the public. The vast numbers of people who can be reached in very short periods of time make fairs an ideal marketing tool for both the private and public sector.

Fairs are a place to learn about history and cutting-edge technology. Fair patrons can learn how to paint a picture, where to recycle, the pros and cons of a ballot initiative, and what courses are being offered by the local community college—the opportunities are endless.



California's fairs help strengthen our community ties



The San Diego County Fairgrounds in Del Mar is just one of the fairs that has served as an evacuation center for people and their animals

Emergency Preparedness & Response

California fairs are regularly called upon by federal, state and local public health and safety agencies to assist with emergency preparedness and response. The roles fairs play during these exercises and emergencies vary significantly and occur frequently. Fairs serve as community lifelines during earthquakes, floods, and wildfires.

Fairgrounds often serve as command centers for CalFire, CalEMA, Homeland Security, Law Enforcement and FEMA.



A drive-thru flu vaccine clinic at the Siskiyou Golden Fairgrounds in Yreka

Examples of current and past fairground use for emergency preparedness and response include:

- Command center, mobilization and emergency staging sites (e.g., Office of Emergency Services, U.S. Dept. of Defense, Dept. of Homeland Security, local police and fire)
- Essential shelters and evacuation centers for people, pets and livestock
- Fire camps
- Strategic National Stockpile



The Earl Warren Showgrounds, home of the Santa Barbara Fair & Expo, served as base camp for firefighters during the devastating 2009 Jesuita fire

- Emergency preparedness training (e.g., police, fire, SWAT, county health, homeland security drills)
- Cooling and warming centers
- Military staging sites for natural disaster response
- Life-flight staging sites
- Mass vaccination training and county inoculation sites
- Temporary homeless shelters

- National Veterinary Stockpile sites related to the CDC Strategic National Stockpile use.

In 2010, the California Mid-Winter Fair & Imperial Valley Expo in Imperial was used as a staging site for supplies being sent into Mexico following the 7.9 magnitude earthquake near Mexicali. Despite the fair having been over for less than 10 days, the fair staff and volunteers from the community stepped up and worked with CalEMA to create a streamlined supply distribution center.



Fairs are unique in that they can provide shelter to both people and their beloved animals during times of crisis

CDFA and the Division of Fairs and Expositions was successful in 2009/2010 in obtaining Homeland Security grant funding to house facility backup generators at four strategically selected fairgrounds throughout the state. The grant also provided funding for generator operated light towers at an additional five fairgrounds to be used at fair facilities as needed in emergency responses all over California.



Solar panels line the rooftops at the Marin County Fair & Exposition in San Rafael

Environmental Leadership

Because of its network of fairs, California once again leads the nation in renewable energy sources through solar power generation.

By converting the Golden State's plentiful sunlight into solar power, 26 California fairs generate 8.1 megawatts of electricity statewide, enough to power 6,400 homes or a city of 22,000 people. The photovoltaic systems, which convert light into electricity, are mounted on the expansive roofs of the fairs' exhibit buildings and barns.

The incredible achievement was initiated in 2001, and is a joint effort of the State of California and its network of California fairs, with grants from the California Energy Commission, local electrical utilities, and the Fair & Exposition Fund.



Recycling bins at the San Diego County Fair



*Delicious fair food at the
Riverside County Fair in Indio*

Guaranteed Return on Investment

California fairs have immense economic, educational, social and cultural impacts. They embody the entrepreneurial excellence, the quest for knowledge, the innovative drive, and the community spirit that is the Golden State.

While the current environment presents reasons for some concern, it has only highlighted the importance of fairs to the state of California and to their local communities. The state's return on its \$32 million investment in fairs is undeniably positive in all respects as fairs continue to be a beacon of light for many.

Therefore, the Department of Food and Agriculture and the California fair industry

as a whole remains confident that regardless of fund source, the legislature and public at large will continue to see its financial support of fairs as a tremendous investment for all of California.

The following highlights from a 2002 economic impact study provide quantifiable answers to the question "What is California's return on this \$27 million investment into the fair network?"

- \$2.55 billion positive economic impact on California based on spending by all participants at fair time and interim events. ²
- \$963 million in attendee direct spending at fair time and interim events annually. ²
- \$791 million in annual income impact from attendee, fair organization and fair-related business spending. ²
- 28,000 annual jobs created by fairs through direct employment and multiplier impacts. ²



*Shop 'til you drop at the Sonoma County
Fair & Exposition in Santa Rosa*

- \$136 million in annual state and local government tax revenues from fair-related activities. ²
- For each worker the fair organization and related business employ, an estimated 2.62 jobs are created. For each dollar that economic participants pay their employees, an estimated \$2.10 in income is produced. ²
- Each dollar spent by fairs and interim event participants generates an estimated \$0.39 of additional spending in the state, for a total impact of \$1.39 per dollar spent. ²



A traditional dance performance at Festival de la Familia, an annual event celebrating Hispanic culture held at CalExpo



A high school prom hosted at the Antelope Valley Fairgrounds in Lancaster

The Fair Community

Fairs provide a location for cultural and social interaction as well as a focal point for community members to:

- Celebrate their heritage
- Compete in a variety of events
- Hold family reunions
- Display and view artwork
- Learn about other cultures
- Demonstrate new technology
- Showcase the best of California

In addition to providing facilities and activities for educational purposes and broad community services, fairs also provide valuable community activities such as:

- Field trips
- Agriculture in the classroom
- Cultural events
- Concerts
- Head Start programs
- Pre-school programs
- Before/after school programs
- Charitable activities
- Weddings & other celebrations
- Auto shows
- Livestock events
- Farmers markets

As an added benefit, California fairs promote awareness of the Golden State's cultural diversity. Approximately 33 million people attend fairground events held in rural, suburban, and urban settings annually. These events attract people from various ethnic and age groups, creating a diverse cultural representation.



The Drought Relief Food Drive at the Big Fresno Fair. For three cans of food, patrons were given free admission on Thursday, October 15 from 11:30 AM to 5:30 PM. The fair raised over 28 tons of food which, according to the Salvation Army, is the largest single day food drive in the state.

Community Groups

California's fairs are major venues for community groups and nonprofit organizations to raise money and awareness of their programs.

- \$8 million raised for community programs by nonprofit groups at California fairs.²
- The Sonoma County Farm Bureau raises 90% of its agriculture education budget through fundraising at the Sonoma County Fairgrounds and in turn uses the fairgrounds to put on an Ag Days for 6,000 students and their parents every year. The agriculture education funds are also used for scholarships.
- The Hammond Ranch Volunteer Fire Department raises thousands of dollars each year through the Siskiyou Golden Fair in Yreka. The funds are used to pay for training, uniforms and equipment necessary to keep the fire department up to date.

Attendees

Californians love their fairs and fairground events.

- Annual paid fair time attendance exceeds 11 million people, and interim events attract another 21 million people. Total annual attendance on fairgrounds is almost 33 million people—roughly the same as California's population of nearly 35 million people.²
- King City—with a population of 11,094—hosts the Salinas Valley Fair, which draws more than 120,000 attendees throughout the year. Napa—with a population of 77,106—is home to the Napa Town & Country Fairgrounds, which draws more than 380,000 attendees year-round.
- The average visitor attends the fair 2.1 times per year and lives within 100 miles of the fair.²



Events like the flea market at the Madera District Fair keep Californians visiting their local fairgrounds year-round.



Healthy snack options at the Riverside County Fair in Indio

Fair-Related Businesses

Fair related businesses provide many goods and services that are essential to the fair experience.

- Carnival companies generate more than \$41 million in total annual spending, \$18 million in personal income and \$2 million in state and local taxes.²
- Fair time and master concessionaires create \$131 million in total annual spending, \$66 million in personal income, and \$10 million in state and local taxes. Attendee direct spending on food and beverages exceeds \$120 million annually, which generates more than \$5 million in state and local taxes.²
- Commercial exhibitors generate in excess of \$491 million in total spending, \$219 million in personal income and nearly \$17 million in state and local taxes. Attendee spending on commercial exhibitor merchandise totals more than \$406 million, which generates \$32 million in state and local taxes.²
- Entertainers at fairs create in excess of \$28 million in total annual spending, \$17 million in personal income, and \$1.6 million in state and local taxes.²

Social and Cultural Impacts

While the economic impact of fairs is noteworthy, it is the social and cultural impacts of fairs that may leave the most lasting impression on Californians.

Central to being human is creating community. Community is created for a purpose and the needs of faith, meaning, family, civic culture, and neighborhood.

The creator of what American fairs are known for today, Elkanah Watson took all of that into account when he organized the first agricultural fair in Berkshire, MA in 1811. "Recognizing the contemporary social, economic and religious status of his community, Watson formulated his plan to serve the interests of (all). No one was forgotten."¹



A good time is had by all at California's fairs

Fairs play a critical role in creating community by:

- Being meaningful and relevant
- Creating and celebrating points of connection
- Providing a safe haven
- Being a place of civic responsibility
- Recognizing and uplifting excellence
- Supporting activities that are meaningful to the community
- Building community relationships



A local chapter of the Boys and Girls Club enjoys a day of fun at the Solano County Fair in Vallejo



A young fairgoer proudly displays a blue ribbon at the Solano County Fair in Vallejo

The 2002 economic and social impact study also revealed the following:

- 95% of attendees surveyed agreed that the fair they attended provided worthwhile community benefits.
- More than 1.2 million people, 11 percent of total fair time attendance, participates in fair events and organized activities such as shows, exhibit programs, stage performances and contests.

Many fairs offer free tours to schools, free youth admission on certain days, and valuable educational experiences throughout the year.

¹ Neely, Wayne Caldwell. *The Agricultural Fair*. New York: AMS Press Inc., 1967

² California Department of Food and Agriculture, Division of Fairs and Expositions. *Fairs – Exploring a California Gold Mine*, 2002.

Funding

Fund Administration

F&E applies the following accounting principles to administer local assistance funding from the Fair and Exposition Fund (F&E Fund) and Satellite Wagering Account (SWA) on behalf of California's network of fairs.

Since the F&E Fund and SWA are continuously appropriated, unencumbered reserves at fiscal year end and prior year project savings will be included in the total available resources in the following year's expenditure plan. Expenditures may also be adjusted during the year to accommodate funding fluctuations among local assistance programs, upon approval by the Secretary of Food and Agriculture.



*Fairs are about more than just fun and games.
A free H1N1 flu vaccine clinic at the
Riverside County Fair in Indio*

Revenue Source

A new era for California fairs began in 2009/2010 as the fair industry's 77-year relationship with horse racing as a primary fund source came to an end.

Beginning on July 1, 2009, fair funding that is not self-generated is derived from the state General Fund, as required in SB x2 16 (Ashburn, Chapter 12, Statutes of 2010). On this date, and every year thereafter, the General Fund is required by law, to pay \$32 million into the Fair and Exposition Fund to support the California fair network. As a continuous appropriation set in statute, this funding is not a component of the states annual budget process.

Fairs remain special fund agencies as the General Fund is obligated to only a fixed sum. Local fair deficits and/or surpluses remain a local responsibility.

All other components of the fair funding structure including the annual expenditure plan review process by the Joint Committee on Fairs Allocation and Classification and the role of the Division of Fairs and Expositions in fund management remain intact.



*Fairgoers enjoy the bustling midway
at the Big Fresno Fair*

Programs

All programs within the Expenditure Plan are reevaluated annually to determine highest and best use of existing resources that is consistent with the spirit of F&E's funding strategy and goal of administering its programs with a business-like approach.



A new restroom with showers at the Mariposa County Fairgrounds. Shower facilities are an important feature for fairs being utilized as emergency staging areas.

Capital Investment and Infrastructure

Aging facilities have an impact on competition and continued traditions as well as meeting vital operations such as emergency response.

Annual infrastructure sinking fund resources are allocated among the following primary infrastructure programs:

Infrastructure Fund: Focuses on repairs and maintenance needs at all fairs and may require matching funds from fairs. In 2010/2011 \$5.1 million has been allocated to this program.

Replenishment Fund (Investment Capital): F&E will serve as a "venture capitalist" by providing working capital for strategically identified projects at fairs with a demonstrated history of success. Program replenishment features are based partly on the success of the project. In 2010/2011, \$1.6 million has been allocated to this program.

Fair Intervention Program

As with many businesses, the effects of the uncertain economy have taken a toll on some of California's fairs. Currently, the single largest number of fairs in any given year is experiencing financial challenges, prompting swift action by the Department of Food and Agriculture.

Operating under its statutory intervention authority, the Department of Food and Agriculture's Division of Fairs and Exposition operates a business unit focused strictly on assisting and rehabilitating fairs



Base camp for firefighters at the Earl Warren Showgrounds, home of the Santa Barbara Fair & Expo, during the 2009 Jesuita fire. Many of California's fairgrounds are aging and need renovations to safely accommodate emergency personnel and evacuees.

that are experiencing operational and/or financial difficulties.

Under the law, the Division may assume full responsibilities of the board of directors at a district agricultural association (state-owned) fair or the California Exposition and State Fair if the Division deems there to be a lack of administrative and/or fiscal control at the local fair level. While this authority grants the Division broad powers, the Division has chosen to take a cooperative approach with its intervention program that seeks remedies for these fairs in equal partnership with the respective boards of directors.

In 2010/2011, \$500,000 has been allocated to this program.

Emergency Response Program

Within the last three years, every fair in California has been used in some capacity as an emergency response center. Examples of fairground uses include, but were not limited to, evacuation centers for floods, fires and mudslides to cooling centers and refuge from freezing temperatures. In local or regional emergencies, there is often no source of reimbursement funding to help the fairs



Firefighters mobilizing at the Earl Warren Showgrounds, home of the Santa Barbara County Fair.

defray the expenses incurred by opening and operating their buildings and grounds to assist during these extreme conditions. This program offers reimbursements to fairs for actual expenses incurred, such as utility and personnel costs, etc. that are not recouped from external fund sources.

In 2010/2011, \$100,000 has been allocated to this program.



Solar panels shade the parking lot at CalExpo, home of the California Exposition & State Fair

Green Energy Initiatives Program

This funding source is used to sustain successful environmental programs at fairs. Fairs in California are currently the top producer of solar energy of any organization in the United States. Twenty-six fairs in our state now produce solar energy at their fairgrounds. This fund will assist these fairs to maintain and improve their photovoltaic systems..

In 2010/2011, \$700,000 has been allocated to this program.

Program Descriptions

The following briefly describes programs recommended for funding in the 2010/2011 Network of California Fairs Expenditure Plan.

Local Assistance Total: \$43,604,225

Operational Support: \$4,950,000

California Construction Authority (CCA) \$2,300,000	Funds 100% of the operational support of CCA, a Joint Powers Authority, which provides design, engineering, construction, and inspection services to fairs.
Property Insurance \$1,000,000	Provides funding for the purchase of property insurance to protect fair facilities.
Unemployment Insurance \$950,000	Budget Act appropriation to offset fairs' unemployment costs (B&P Code section 19620.1(b)).
DAA Vehicle Insurance Assistance \$700,000	Provides assistance to the DAAs for their vehicle insurance fees from the Department of General Services, Office of Risk & Insurance Management during the three-year claim settlement period.

General Fair Programs & Funding: \$23,095,389

Local (Base) Allocation \$10,428,050	Provides funds to fairs for discretionary use based on classification criteria that assign greater support to smaller fairs.
Supplemental Base Allocation \$9,112,339	Through prior year project cost savings, funds became available for a one-time supplement to base allocations to help the fairs offset negative impacts from the declining economy.

NETWORK OF CALIFORNIA FAIRS
2010/2011 EXPENDITURE PLAN

General Fair Programs & Funding (Cont'd)

Fair Performance Rating Program (Previously known as Flex Capital) \$2,165,000	<p>An incentive program by which fairs are eligible to receive funding based on their annual performance rating.</p> <p>Funding is available for all fairs with an acceptable performance rating as established by F&E. Funds may be spent on a variety of items including, but not limited to:</p> <ul style="list-style-type: none">• Training for staff and board members• Information technology upgrades• Real estate analysis, development, and planning• Equipment purchases• Address audit concerns• Modernization of operations• Capital improvements / Health and safety projects
Cal Expo Pro Rata Reimbursement \$265,000	Reimburses Cal Expo pro rata costs (overhead), not to exceed \$265,000 annually. (B&P Code Section 19620.1(a))
Contingencies and Special Projects \$500,000	Includes funding for carnival contract, insurance and payroll review from California Fair Services Authority; Department of Justice legal fees; Employee Assistance Program cost for DAAs; funding for special projects and economic uncertainties and liabilities.
Priority Fair Intervention Program \$500,000	<p>Funding was increased this year, due to the increased number of priority fairs, to support the Department of Food and Agriculture's statutory intervention authority to assist a DAA, county fair or Cal Expo in the event of administrative and/or fiscal challenges. Program involves a host of resources to the fair and fair board of directors that includes, but is not limited to:</p> <ul style="list-style-type: none">• Statewide and regional best practices consultation from industry experts• Facilitation of strategic planning sessions• Development of a business continuity plan• Financial and cash flow management consultation• Reimbursement of interim personnel resources

NETWORK OF CALIFORNIA FAIRS
2010/2011 EXPENDITURE PLAN

General Fair Programs & Funding (Cont'd)

Regional and Statewide Marketing Program
\$125,000

Funding to support statewide or regional marketing campaign to promote DAAs, county fairs, citrus fruit fairs, and Cal Expo. In addition to extend and broaden the 2009/2010 marketing campaign.

Health & Safety: \$300,000

Emergency Response Program
\$100,000

Provides funding to fairs to cover non-reimbursable costs associated with their emergency response efforts during fires, floods, mandatory evacuations, and other similar emergency situations within their local communities.

Health Department Program
\$50,000

Provides funding for inspection of fair facilities by the California Department of Health Services to ensure they meet recognized standards for health and safety including storm water runoff, backflow devices, and safe drinking water.

Urgent Needs Fund
\$150,000

Provides funding to fairs for urgent, unexpected expenses related to damage caused by natural disaster, financial hardship caused by facility failures, and other unexpected one-time circumstances that create an urgent need.

Infrastructure: \$7,617,597

Infrastructure Fund
\$5,119,289

Provides funding for to fairs repairs and maintenance, accessibility upgrades, revenue generating projects, emergency projects, and major capital improvements. Program is on a three-year cycle. 2010-2011 is the year for larger fairs which there are fewer of.

Replenishment Fund (Investment Capital)
\$1,578,308

Provides venture capital to fairs for strategic projects proposed by fairs. Fund increase due to prior year project cost savings.

NETWORK OF CALIFORNIA FAIRS
2010/2011 EXPENDITURE PLAN

Infrastructure (Cont'd)

Project Planning
\$220,000

Provides planning funds to the Division for implementation of its new funding model for California fairs. Costs include, but are not limited to, project scoping and budgeting, preliminary plans, construction documents and bidding.

Green Energy Initiatives
\$700,000

With 26 fairs statewide now producing solar energy fairs in California are currently one of the top producers of solar energy in the United States. This program provides incentive funding to promote continued environmental leadership in the areas of alternative energy and green building technologies at fair facilities.

Training & Education: \$163,837

Professional Development & Compliance
\$163,837

This portion of Professional Development and Compliance provides training funds for fair staffs in the areas of exhibits and maintenance.

- Exhibit Supers' School: Exhibit program ideas, techniques and design.
- Maintenance Mania: Technical updates and proficiency training (CPR, Cal OSHA, forklift, networking, etc.)

Racing & Satellite Wagering Support: \$7,537,402

Race Track Preparation
\$4,237,402

Provides funds to live racing fairs to supplement the purchase and installation of track preparation materials. Program ensures consistency in track preparation, reducing the risk of injury to horse and jockey. Fund increase due to prior year project cost savings.

Supplemental Purses
\$1,300,000

Provides funds to live racing fairs as identified in statute to supplement purses at Northern California fairs and Los Angeles County area (B&P Code Sections 19605.9 and 19606.3).

Wagering Facility Improvements
\$2,000,000

Provides funds to support improvements to live horse racing and satellite wagering programming and facilities based upon the priorities identified in industry-wide facility surveys (backstretch, paddock, grandstand, etc.).

Administrative Oversight Total: \$4,424,000

CDFA Support – Fairs and Expositions (F&E)
\$3,268,000

Budget Act appropriation for operational support of F&E (B&P Code Sections 19620.1 (b)). Operational support budget includes the assessment pro rata (share of State's overhead costs) imposed by the Department of Finance.

Also includes majority of Professional Development and Compliance funding for the development and delivery of seminars and workshops on emerging fair issues. The following is a listing of all training opportunities provided to the fair industry annually in which F&E provides training funds:

- Annual Western Fairs Association Convention and Trade Show: Industry trends and issues and mandatory compliance training
- Executive Development Program - fair management training program
- California Fairs Alliance Fall Managers Conference: Industry trends and issues and mandatory compliance training
- Fair Administrative Services Training (FAST): Hands-on accounting, contracts, personnel, insurance, and human resources training
- Fair internship program –provides training and employment opportunities for students interested in the fair industry

CDFA Support – Audit Program
\$1,156,000

Budget Act appropriation for annual fiscal and biennial compliance audits of all DAAs and selected county fairs. Assures individuals entrusted with public resources are accountable to the public and other levels and branches of government.

Division of Fairs & Expositions
Fair & Exposition Fund (191) and Satellite Wagering Account (192)
2010/2011 Revenue and Expenditure Plan

	Actual 2008/2009	(a) Budgeted 2009/2010	Actual 2009/2010	(b) Proposed 2010/2011	(b - a) Variance
Beginning Balance					
Fairs and Expositions (F&E)	\$3,225,392	\$571,371	\$481,039	\$2,397,965	\$1,826,594
Revenues					
General Fund (B&P 19620.2)	0	32,000,000	32,000,000	32,000,000	0
License Fees					
Live Racing (B&P 19620.1(a))	1,893,553	1,215,000	0	0	(1,215,000)
1.0% Live Racing Fair Handle (B&P 19614(a))	946,102	1,000,000	877,885	300,000	(700,000)
Off-Track - Satellite Wagering (B&P 19605.9)	26,423,295	1,300,000	229,971	200,000	(1,100,000)
Other Revenue					
Prior Year Live Racing (B&P 19620.1(a))	0	0	2,104,433 ¹	0	0
Prior Year License Fees Guarantee Recapture	0	0	813,178 ²	916,667	916,667
ADW Fees	0	0	36,042	0	0
SMIF Interest Revenue	177,981	250,000	95,143	75,000	(175,000)
Total Revenues	<u>29,440,931</u>	<u>35,765,000</u>	<u>36,156,653</u>	<u>33,491,666</u>	<u>(\$2,273,333)</u>
Fund Transfers & Other Receipts					
Transfers in					
Project Cost Savings	5,500,000	0	0	12,476,278 ³	12,476,278
Generators & Light Towers	0	0	645,000	0	0
Transfers to Other Funds					
Retired DAA Employee Benefits	(246,000)	(246,000)	(246,000)	(246,000)	0
Total Available Resources	<u>\$37,920,323</u>	<u>\$36,090,371</u>	<u>\$37,036,692</u>	<u>\$48,119,909</u>	<u>\$12,029,539</u>
Expenditures					
Local Assistance					
Operational Support					
Bond Debt Service	2,711,021	2,750,000	2,750,000	0	(2,750,000)
California Construction Authority (CCA)	1,613,400	2,500,000	2,500,000	2,300,000	(200,000)
Property Insurance	950,000	550,000	750,000	1,000,000	450,000
Unemployment Insurance	950,000	1,150,000	1,150,000	950,000	(200,000)
DAA Vehicle Insurance Assistance	0	0	0	700,000	700,000
	<u>6,224,421</u>	<u>6,950,000</u>	<u>7,150,000</u>	<u>4,950,000</u>	<u>(2,000,000)</u>
General Fair Programs & Funding					
Local (Base) Allocations	8,951,000	9,985,600	9,985,600	10,428,050	442,450
Supplemental Local (Base) Allocations	0	0	0	9,112,339 ⁴	9,112,339
Fair Performance Rating Program	1,682,500	2,130,000	2,050,000	2,165,000	35,000
Cal-Expo Pro Rata Reimbursement	265,000	265,000	265,000	265,000	0
Contingencies and Special Projects	614,394	400,000	322,047	500,000	100,000
Priority Fair Intervention Program	0	225,000	208,425	500,000	275,000
Regional Marketing Support Program	0	125,000	125,000	125,000	0
Rural Healthcare Equity Program	60,031	0	40,831	0	0
Generators & Light Towers	0	0	645,000	0	0
	<u>11,572,925</u>	<u>13,130,600</u>	<u>13,641,904</u>	<u>23,095,389</u>	<u>9,964,789</u>
Health & Safety					
Emergency Response Program	0	100,000	100,000	100,000	0
Health Department Program	100,000	100,000	100,000	50,000	(50,000)
Urgent Needs Fund	85,000	150,000	150,000	150,000	0
	<u>185,000</u>	<u>350,000</u>	<u>350,000</u>	<u>300,000</u>	<u>(\$50,000)</u>
Infrastructure					
Infrastructure Fund	2,550,000	6,150,000	5,050,000	5,119,289 ⁵	(1,030,711)
Replenishment Fund (Investment Capital)	0	350,000	350,000	1,578,308 ⁶	1,228,308
Environmental Investment Program	0	75,000	75,000	0	(75,000)
Project Planning	0	300,000	300,000	220,000	(80,000)
Green Energy Initiatives	0	0	0	700,000	700,000
	<u>2,550,000</u>	<u>6,875,000</u>	<u>5,775,000</u>	<u>7,617,597</u>	<u>\$742,597</u>
Training & Education					
Professional Development & Compliance	236,499	430,000	0	163,837 ⁷	(266,163)
	<u>236,499</u>	<u>430,000</u>	<u>0</u>	<u>163,837</u>	<u>(\$266,163)</u>
Racing & Satellite Wagering Support					
Race Track Preparation	600,000	600,000	600,000	4,237,402 ⁸	3,637,402
Supplemental Purses	1,294,049	1,300,000	1,329,971	1,300,000	0
Wagering Facility Improvements	2,000,000	2,000,000	2,000,000	2,000,000	0
Horse Racing Transition Assistance	0	0	672,527	0	0
	<u>3,894,049</u>	<u>3,900,000</u>	<u>4,602,498</u>	<u>7,537,402</u>	<u>3,637,402</u>
Abatements & Accrual Adjustments					
	(55,586)	(35,000)	(69,791)	(60,000)	(25,000)
Total Local Assistance	<u>24,607,308</u>	<u>31,600,600</u>	<u>31,449,611</u>	<u>43,604,225</u>	<u>12,003,625</u>
Administrative Oversight					
California Horse Racing Board Support (CHRB)	9,596,566	0	0	0	0
CDFA Support - Fairs & Expositions (F&E)	1,975,641	3,240,000	1,537,606	2,839,757	(400,243)
Professional Development & Compliance	172,207	0	404,652	428,243	428,243
Pro Rata Assessment	152,812	0	90,857	0	0
CDFA Support - Audit Program	1,146,000	1,156,000	1,156,000	1,156,000	0
Total Administrative Oversight	<u>13,043,226</u>	<u>4,396,000</u>	<u>3,189,116</u>	<u>4,424,000</u>	<u>\$28,000</u>
Total Current Year Expenditures	<u>37,650,534</u>	<u>35,996,600</u>	<u>34,638,727</u>	<u>48,028,225</u>	<u>12,031,625</u>
Total Prior Year Adjustments	(211,250)	0	0	0	0
Total Expenditures	<u>\$37,439,284</u>	<u>\$35,996,600</u>	<u>\$34,638,727</u>	<u>\$48,028,225</u>	<u>\$12,031,625</u>
Ending Balance	<u>\$481,039</u>	<u>\$93,771</u>	<u>\$2,397,965</u>	<u>\$91,684</u>	<u>(\$2,086)</u>

¹ FY 08/09 License fees from 08/09 racing collected by CHRB in 09/10

² B&P Code Section 19616.52 - \$5.5M over a period of six years

³ Project Cost Savings - Includes PY project funds

⁴ Supplemental Local (base) Allocations - funds from project cost savings and PY savings

⁵ Infrastructure Fund - \$1.7M is from project cost savings

⁶ Replenishment Fund - \$828K is from project cost savings

⁷ Professional Development - \$118K is from project cost savings

⁸ Racetrack Preparation - \$3.7M is from project cost savings

NETWORK OF CALIFORNIA FAIRS
2010/2011 EXPENDITURE PLAN

CALIFORNIA FAIR LISTING

(Sorted by District Agricultural Association No. or County Abbreviation)

Class	DAA No.	Fair Name	City	County	Fair Start Date	Fair End Date
	1	Oakland Fair *	Oakland	Alameda	N/A	N/A
V	01A	Grand National Rodeo, Horse & Stock Show	Daly City	San Francisco	10/20/10	10/24/10
IV+	02	San Joaquin County Fair	Stockton	San Joaquin	6/16/10	6/20/10
III+	03	Silver Dollar Fair	Chico	Butte	5/27/10	5/31/10
III+	04	Sonoma-Marin Fair	Petaluma	Sonoma	6/23/10	6/27/10
	5	San Francisco Fair *	San Francisco	San Francisco	N/A	N/A
IV	07	Monterey County Fair	Monterey	Monterey	9/1/10	9/6/10
III	09	Redwood Acres Fair	Eureka	Humboldt	6/23/10	6/27/10
III	10	Siskiyou Golden Fair	Yreka	Siskiyou	8/11/10	8/15/10
I	10A	Tulelake-Butte Valley Fair	Tulelake	Siskiyou	9/9/10	9/12/10
III	12	Redwood Empire Fair	Ukiah	Mendocino	8/5/10	8/8/10
III	13	Yuba-Sutter Fair	Yuba City	Sutter	7/28/10	8/1/10
III+	14	Santa Cruz County Fair	Watsonville	Santa Cruz	9/14/10	9/19/10
V	15	Kern County Fair	Bakersfield	Kern	9/22/10	10/3/10
VI	16	California Mid-State Fair	Paso Robles	San Luis Obispo	7/21/10	8/1/10
IV	17	Nevada County Fair	Grass Valley	Nevada	8/11/10	8/15/10
III	18	Eastern Sierra Tri-County Fair	Bishop	Inyo	9/3/10	9/7/10
IV	19	Santa Barbara Fair and Expo	Santa Barbara	Santa Barbara	4/28/10	5/2/10
III	20	Gold Country Fair	Auburn	Placer	9/9/10	9/12/10
VI	21	Big Fresno Fair	Fresno	Fresno	10/6/10	10/17/10
III+	21A	Madera District Fair	Madera	Madera	9/9/10	9/12/10
VII	22	San Diego County Fair	Del Mar	San Diego	6/11/10	7/5/10
III+	23	Contra Costa County Fair	Antioch	Contra Costa	6/3/10	6/6/10
IV	24	Tulare County Fair	Tulare	Tulare	9/15/10	9/19/10
III	24A	Kings Fair	Hanford	Kings	7/8/10	7/11/10
III+	25	Napa Town and Country Fair	Napa	Napa	8/11/10	8/15/10
III	26	Amador County Fair	Plymouth	Amador	7/29/10	8/1/10
III+	27	Shasta District Fair	Anderson	Shasta	6/16/10	6/20/10
IV	28	San Bernardino County Fair	Victorville	San Bernardino	5/15/10	5/23/10
II	29	Mother Lode Fair	Sonora	Tuolumne	6/25/10	6/27/10
III	30	Tehama District Fair	Red Bluff	Tehama	9/23/10	9/26/10
VI	31	Ventura County Fair	Ventura	Ventura	8/4/10	8/15/10
VII	32	Orange County Fair	Costa Mesa	Orange	7/16/10	8/15/10
I	33	San Benito County Fair	Tres Pinos	San Benito	10/1/10	10/3/10
I	34	Modoc District Fair	Cedarville	Modoc	8/19/10	8/22/10
IV	35	Merced County Fair	Merced	Merced	6/15/10	6/20/10
II	35A	Mariposa County Fair & Homecoming	Mariposa	Mariposa	9/3/10	9/6/10
III+	36	Dixon May Fair	Dixon	Solano	5/6/10	5/9/10
IV	37	Santa Barbara County Fair (at the Santa Maria Fairpark)	Santa Maria	Santa Barbara	7/14/10	7/18/10
IV+	38	Stanislaus County Fair	Turlock	Stanislaus	7/16/10	7/25/10
III	39	Calaveras Co. Fair & Jumping Frog Jubilee	Angels Camp	Calaveras	5/13/10	5/16/10
III	40	Yolo County Fair	Woodland	Yolo	8/18/10	8/22/10
II	41	Del Norte County Fair	Crescent City	Del Norte	8/5/10	8/8/10
II	42	Glenn County Fair	Orland	Glenn	5/20/10	5/23/10
II	44	Colusa County Fair	Colusa	Colusa	6/10/10	6/13/10
III+	45	California Mid-Winter Fair & Fiesta	Imperial	Imperial	2/26/10	3/7/10
IV+	46	Southern California Fair	Perris	Riverside	10/9/10	10/17/10
I-X	48	Schools Involvement Fair	Walnut	Los Angeles	4/20/10	4/24/10
II	49	Lake County Fair	Lakeport	Lake	9/2/10	9/5/10
V	50	Antelope Valley Fair	Lancaster	Los Angeles	8/20/10	8/29/10
I-X	51	The Valley Fair	Burbank	Los Angeles	6/17/10	6/20/10
I-X	52	Sacramento County Fair	Sacramento	Sacramento	5/27/10	5/31/10
I	53	Desert Empire Fair	Ridgecrest	Kern	10/21/10	10/24/10
I	54	Colorado River Fair	Blythe	Riverside	4/8/10	4/11/10

* Fair not in operation. Deactivated during fiscal year 1997/1998.

NETWORK OF CALIFORNIA FAIRS
2010/2011 EXPENDITURE PLAN

CALIFORNIA FAIR LISTING

(Sorted by District Agricultural Association No. or County Abbreviation)

Class	County Abbr.	Fair Name	City	County	Fair Start Date	Fair End Date
VII	ALA	Alameda County Fair	Pleasanton	Alameda	6/23/10	7/11/10
II	BUT	Butte County Fair	Gridley	Butte	8/25/10	8/29/10
III	CLO	Cloverdale Citrus Fair	Cloverdale	Sonoma	2/12/10	2/15/10
III+	EDO	El Dorado County Fair	Placerville	El Dorado	6/17/10	6/20/10
III+	HUM	Humboldt County Fair	Ferndale	Humboldt	8/12/10	8/22/10
VII	LAN	Los Angeles County Fair	Pomona	Los Angeles	9/4/10	10/3/10
II	LAS	Lassen County Fair	Susanville	Lassen	7/21/10	7/25/10
I	MAD	Chowchilla-Madera County Fair	Chowchilla	Madera	5/13/10	5/16/10
IV	MAR	Marin County Fair & Exposition	San Rafael	Marin	7/1/10	7/5/10
I	MEN	Mendocino County Fair & Apple Show	Boonville	Mendocino	9/17/10	9/19/10
III	MER	Merced County Spring Fair	Los Banos	Merced	4/28/10	5/2/10
III+	MON	Salinas Valley Fair	King City	Monterey	5/13/10	5/16/10
III+	NAP	Napa County Fair	Calistoga	Napa	7/1/10	7/4/10
VI	NOS	National Orange Show	San Bernardino	San Bernardino	5/27/10	5/31/10
III+	PLA	Placer County Fair	Roseville	Placer	6/24/10	6/27/10
II	PLU	Plumas-Sierra County Fair	Quincy	Plumas	8/11/10	8/15/10
IV+	RIV	Riverside County Fair & National Date Festival	Indio	Riverside	2/12/10	2/21/10
IV+	SBE	San Benito County Saddle Horse Show & Rodeo	Tres Pinos	San Benito	6/25/10	6/27/10
IV+	SCL	Santa Clara County Fair	San Jose	Santa Clara	8/5/10	8/8/10
I	SHA	Inter-Mountain Fair of Shasta County	McArthur	Shasta	9/2/10	9/6/10
III	SJO	Lodi Grape Festival & Harvest Fair	Lodi	San Joaquin	9/16/10	9/19/10
V	SMA	San Mateo County Fair	San Mateo	San Mateo	6/12/10	6/20/10
IV+	SOL	Solano County Fair	Vallejo	Solano	6/23/10	6/27/10
VI	SON	Sonoma County Fair	Santa Rosa	Sonoma	7/27/10	8/8/10
I	TRI	Trinity County Fair	Hayfork	Trinity	8/27/10	8/29/10
VII	XPO	California Exposition & State Fair	Sacramento	Sacramento	7/14/10	8/1/10

