



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

June 3, 2015

F2015-03

TO: All Fair CEOs & Accounting Staff

SUBJECT: FY 2014/2015 STATEMENT OF OPERATIONS

We are pleased to present the FY 2014/2015 Statement of Operations (STOP) instruction package. Please read the enclosed instructions prior to submitting your STOP. All necessary worksheets are available for immediate download on the Fairs & Expositions website at www.cdfa.ca.gov/fe.

The submission of an annual STOP maintains the fair's eligibility to receive funds and is a requirement if the fair is utilizing state assets (B&P 19622). In addition, the information from the STOP is compiled in the annual STOP publication, which is a document that includes all STOP financial information by class size. Fairs utilize the publication for budgeting and networking purposes. Furthermore, the financial information in the STOP for the District Agricultural Associations (DAAs) is compiled into a set of financial statements and submitted to the State Controller's Office for the annual Comprehensive Annual Financial Report (CAFR). The CAFR is a set of governmental financial statements comprising the financial report of the state.

Submittal Deadline

STOP submittals may be made electronically or manually. Electronic STOP submittals must be sent to thanh.nguyen@cdfa.ca.gov by **Monday, September 14, 2015**. Hard copy submittals must be postmarked by the same date, **Monday, September 14, 2015**.

Fairs on the Watch - Additional Reporting Requirements

Additional reporting requirements will be required for all DAAs with negative reserves as stated on the FY 2014/2015 STOP. F&E will contact the DAAs with negative reserves to outline additional reporting requirements.

If you have any questions regarding this package please contact Thanh Nguyen at 916-900-5367 or via email at thanh.nguyen@cdfa.ca.gov.

Sincerely,

John Quiroz
Enclosures



**CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE
DIVISION OF FAIRS & EXPOSITIONS
FY 2014/2015 STATEMENT OF
OPERATIONS**

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Enclosed Documents

- FY 2014/2015 Statement of Operations Cover Letter
- FY 2014/2015 Statement of Operations Preparation Guide
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- FY 2014/2015 Statement of Operations Contents Check Sheet
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- Reminders for Adjusting and Closing Entries

**California Department of Food & Agriculture
Division of Fairs & Expositions
FY 2014/2015 STATEMENT OF
OPERATIONS**

Preparation Guide

This guide is designed to assist fairs with the preparation of their FY 2014/2015 Statement of Operations (STOP). All STOPS must be submitted in accordance with the policies in these instructions.

Please provide all information requested and attach additional pages to explain or list other relevant information as needed. Be sure to reference the attachment with the correct account number and the name of the account. *If a particular section or area does not apply to your fair, please note "not applicable" to indicate it was not overlooked in error.* Refer to Exhibit I to assist with the completion of page 1 of the STOP. Please include your fair's FY 2014/2015 theme, if any, on the bottom of page 1.

Deadline

All STOPS should be **completed and submitted to the Division of Fairs & Expositions (F&E) no later than Monday, September 14, 2015**. Please send an electronic copy to thanh.nguyen@cdfa.ca.gov or mail a hard copy to F&E. F&E's mailing information is as follows: CA Department of Food & Agriculture, Division of Fairs & Expositions 1220 N Street Sacramento, CA 95814.

Please do not request extensions.

What to Submit

Fairs must submit to F&E signed and completed Statement of Operations with appropriate schedules and attachments. Also include a June 30, 2015 *pre-closing* trial balance (after all adjusting entries have been made, but prior to closing revenues and expenses) and a *post-closing* trial balance (after revenues and expenses have been closed out). For a detailed listing of what to submit, see the Statement of Operations checklist included in this package.

All necessary worksheets are available for immediate download on the Division's website at <http://www.cdfa.ca.gov/fe/>.

SCHEDULES

The following schedules are part of the completed STOP package:

Schedule 1 - Statement of Financial Condition

The Statement of Financial Condition reflects all asset, liability and net resources (i.e., reserve) account balances after the revenue and expenditure accounts are closed for FY 2014/2015. In other words, the details of the post-closing trial balance are summarized and recorded on this schedule.

Schedule 4 - FY 2014/2015 Fair Statistics

Please include all line item details requested, including free attendance breakdown and pass information. The total paid admission must agree with the amount reported on page 2, Account 41000. If necessary, attach and label additional pages and be sure to note "See attachments" and record totals on the schedule where indicated.

Schedule 6 - Permanent Positions on Payroll for FY 2014/2015

Please provide the information requested, including account number, class title, number of months employed, and pay rate for each permanent position. District Agricultural Associations should use the exact civil service class title.

Schedule 7 - Property, Plant & Equipment Acquisitions & Dispositions

This form is designed to capture all property, plant & equipment (PP&E) acquisitions and dispositions during FY 2014/2015, and provides the year-end amount of investment in capital assets. For step-by-step instructions on completing this form, please see Exhibit I to this preparation guide.

Note that "Construction in Progress" (CIP) is used to record capital expenditures for projects that are "in progress" and not yet complete. To simplify the accounting of CIP for fairs, F&E only requires fair-funded CIP expenditures to be recorded (i.e., capitalized) in the general ledger during the year incurred. While CIP is an asset account and increases the Fair's investment in capital assets, depreciation of the assets do not commence until the project is fully completed and CIP is reclassified to appropriate capital asset account.

Questions?

Please direct any questions regarding the preparation of the Statement of Operations to:

Thanh Nguyen

Division of Fairs & Expositions

(916) 900-5367 (office)

E-mail: thanh.nguyen@cdfa.ca.gov

**California Department of Food & Agriculture
Division of Fairs & Expositions**

**FY 2014/2015 STATEMENT OF
OPERATIONS**

**Preparation Guide
Exhibit 1**

PAGE 1: Please refer to sample Page 1

- A1** Beginning FY 2014/2015 Unrestricted Net Resources (also referred to as Net Resources-Unrestricted) as of July 1st should equal actual FY 2013/2014 Unrestricted Net Resources at June 30th as shown on FY 2013/2014 STOP.
- A2** Beginning FY 2014/2015 Restricted Net Resources (also referred to as Net Resources-Restricted) as of July 1st should equal any restricted net resources held by the fair as of June 30, 2014. Some fairs account for restricted net resources in separate general ledger sub-accounts (e.g., account 29300). While this is an acceptable option for fairs, it is important that all such accounts roll into total net resources, account 29100, on both Schedule 1 and Page 1 of the FY 2014/2015 STOP.
- A3** Beginning FY 2014/2015 Investment in Capital Assets, Net of Related Debt (also referred to as Net Resources-Capital Assets, less related debt) as of July 1st should equal Actual FY 2013/2014 Investment in Capital Assets, Net of Related Debt at June 30th as shown on FY 2013/2014 STOP.
- A4** Enter any prior year audit adjustments.
- B** This number is automatically calculated by the template and should match the June 30, 2013 amount shown on FY 2013/2014 STOP (with the exception of any prior year audit adjustments).
- C** This number is automatically carried forward by the template and represents Operating Revenues.
- D** Enter the total amount of FY 2014/2015 State (Local/Base) Allocation(s).
- E** Enter the total amount of F&E Supplemental/Fiscal assistance received from F&E in FY 2014/2015.
- F** Enter the total amount of capital project reimbursement funds received in FY 2014/2015.
- G** Enter account number to show one-time revenue sources.
- H** Enter the total amount of governmental funds (excluding F&E funds) received in FY 2014/2015. These funds include county contributions, funds from other State agencies, etc.
- I** Enter account #34000 balance from the general ledger as of June 30, 2015.
- J** This number is automatically calculated by the template and requires no manual entry.
- K** This number is automatically carried forward by the template and represents total operating expenses excluding depreciation expense. This number is used by the template to calculate the fair's Unrestricted Reserve Percentage.

- L** This number is automatically carried forward by the template and represents annual depreciation expense.
- M** This number is automatically calculated by the template and requires no manual entry.
- N** This number is automatically calculated by the template and requires no manual entry.
- O** This number is automatically carried forward by the template and represents the amount of ending unrestricted (or available) net resources (also referred to as Net Resources-Unrestricted).
- P** This number is automatically carried forward by the template and represents any balance remaining in restricted net resources (also referred to as Net Resources-Restricted). If general ledger sub-accounts are used for restricted net resources, then this number represents the aggregate of the sub-accounts.
- Q** This number is automatically carried forward by the template and represents ending investments in capital assets (also referred to as Net Resources-Capital Assets, less related debt).
- R** This number is automatically calculated by the template and requires no manual entry. This number should be used as a check figure to verify the accuracy of the breakdown of Total Net Resources.
- S** The reserve percentage is automatically calculated by dividing Net Resources-Unrestricted by Operating Expenditures ("O"÷"K").

Input Fair Name _____ Input Fair Code _____ Input City _____
 Fair Name Fair Code Location

STATEMENT OF OPERATIONS - OPERATING FUND			Reference	Account Number(s)	July 1, 2014 to June 30, 2015
TOTAL NET RESOURCES, July 1					
Net Resources-Unrestricted	Prior Year	29100			A1
Net Resources-Restricted	Prior Year	29300			A2
Net Resources-Capital Assets, Less Related Debt	Prior Year	29000			A3
Prior Year Audit Adjustment(s)	Prior Year	various			A4
TOTAL NET RESOURCES, July 1					B
RESOURCES ACQUIRED:					
Operating Revenues	from page 2	various			C
State (Local/Base) Allocation(s)	to page 2	31200			D
Supplemental Allocation/Fiscal & Admin Assistance (F&E)	to page 2	31300			E
Capital Project Reimbursement Funds	to page 2	31900			F
One-time Revenue Sources	to page 2	32500			G
(fire camp, sale of property, capital project audit adj)					
Contributions from Other Gov't (non-F&E) Sources	to page 2	33000			H
Other (e.g. Flex Capital)	to page 2	34000			I
TOTAL RESOURCES ACQUIRED					J
RESOURCES APPLIED:					
Operating Expenditures	from page 2	various			K
Depreciation Expense	from page 2	90000			L
TOTAL RESOURCES APPLIED					M
INCREASE/(DECREASE) IN NET RESOURCES DURING THE YEAR					
TOTAL NET RESOURCES, June 30					N
Net Resources-Unrestricted	from Sch 1	29100			O
Net Resources-Restricted	from Sch 1	29300			P
Net Resources-Capital Assets, Less Related Debt	from Sch 1	29000			Q
TOTAL NET RESOURCES, June 30					R
Unrestricted Reserve Percentage					S
CEO's Signature _____		Date _____		FY 2014/2015 Fair Theme	

SCHEDULE 7: Please refer to sample Schedule 7

- 1** This number is manually entered using the following formula:
 - Account 19000 (Construction in Progress) + Account 19100 (Land) + Account 19200 (Buildings & Improvements) + Account 19300 (Equipment) + Account 19400 (Leasehold Improvements) as of July 1, 2014.
 - Amount entered should match PP&E, June 30 from Schedule 7 of FY 2013/2014 STOP.
- 2** List all acquisitions (purchases, new construction, etc.) occurring in FY 2014/2015. Include all F&E/CCA funded projects, projects funded by outside entities (county, Friends of the Fair, etc.), and projects funded by the fair. Completed project amounts for F&E/CCA projects may be pulled from Project Close-Out sheets provided to the fair at completion of projects.
- 3** List all assets disposed of in FY 2014/2015. Dispositions include lost, salvaged, sold and stolen assets, plus destruction of buildings.
- 4** This number is automatically calculated by the template and represents total Property, Plant and Equipment as of June 30, 2015, before depreciation.
- 5** This number is manually entered using the following formula:
 - Account 19201 (Accumulated Depreciation–Buildings & Improvements) + Account 19301 (Accumulated Depreciation–Equipment) + Account 19401 (Accumulated Depreciation–Leasehold Improvements) as of July 1, 2014.
 - Amount entered should match Accumulated Depreciation, June 30 from Schedule 7 of FY 2013/2014 STOP.
- 6** Enter Accumulated Depreciation on disposition of fixed assets, if any.
- 7** This number is automatically carried forward by the template and represents annual depreciation expense.
- 8** This number is automatically calculated by the template and represents the total accumulated depreciation as of June 30, 2015. This number should match the total of Account 19201 (Accumulated Depreciation–Buildings & Improvements) + Account 19301 (Accumulated Depreciation–Equipment) + Account 19401 (Accumulated Depreciation–Leasehold Improvements) from Schedule 1 (Balance Sheet) as of June 30, 2015.
- 9** This number is automatically calculated by the template and represents the total Property, Plant & Equipment less depreciation (i.e., net book value), as of June 30, 2015.
- 10** Enter the total liability balance of any long-term debt associated with fixed assets as of June 30, 2015.
- 11** This number is automatically calculated by the template and represents Net Resources-Capital Assets, less related debt as of June 30, 2015.

Input Fair Name _____
Fair Name

Input Fair Code _____
Fair Code

SAMPLE Schedule 7

PROPERTY, PLANT & EQUIPMENT ACQUISITIONS & DISPOSITIONS-FY 2014/2015	Reference	July 1, 2014 to June 30, 2015	July 1, 2014 to June 30, 2015
PROPERTY, PLANT & EQUIPMENT, July 1:	Prior Year		
ACQUISITIONS OF FIXED ASSETS:			
Land			
Buildings & Improvements:			
Major Maintenance Projects (MMP)			
ADA Projects			
Building Improvements			
Land Improvements			
Leasehold Improvements			
New Construction			
Construction in Progress			
Net Buildings & Improvements			0
Equipment			
Other Fixed Assets			
Other (provide description):			
TOTAL ACQUISITIONS OF FIXED ASSETS			0
DISPOSITIONS OF FIXED ASSETS (Salvaged, Sold, etc.):			
Land			
Buildings & Improvements			
Equipment			
Other Fixed Assets			
Other (provide description):			
TOTAL DISPOSITIONS OF FIXED ASSETS			0
PROPERTY, PLANT & EQUIPMENT, June 30			0
DEPRECIATION:			
Accumulated Depreciation, July 1	Prior Year		
Less: A/D on Dispositions of Fixed Assets above			
Add: Annual Depreciation Expense	from page 2		0
ACCUMULATED DEPRECIATION, June 30			0
PROPERTY, PLANT & EQUIPMENT, NET OF DEPRECIATION, June 30			0
DEBT (ASSOCIATED WITH FIXED ASSETS)			
NET RESOURCES-CAPITAL ASSETS (less related debt), June 30:	from Sch 1		\$0

NOTE: Enter all numbers as positive.

California Department of Food & Agriculture
Division of Fairs & Expositions
FY 2014/2015 STATEMENT OF OPERATIONS
Due Monday, September 14, 2015

2014 Statement of Operations:

- Pages 1-2 (Signature required on page 1)
- Schedule 1, Statement of Financial Condition
- Schedule 4, FY 2014/2015 Fair Statistics
- Schedule 6, Permanent Positions on Payroll for FY 2014/2015
- Schedule 7, Property, Plant & Equipment – Acquisitions & Dispositions

DAA's only:

- Federal Labor Standard Act (FLSA) Recreational Exemption

Reports:

- June 30, 2015 Pre-closing Summary Trial Balance
- June 30, 2015 Post-closing Summary Trial Balance

An electronic copy should be sent to thanh.nguyen@cdfa.ca.gov. A hard copy is not required when an electronic copy is submitted.

If mailing a hard copy, please do not staple pages together; instead please use a binder clip on the completed package.

California Department of Food & Agriculture
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Review Check Sheet

Fair Name: _____

Fair Code: _____ Fair Class: _____

Some of the most common errors associated with Statement of Operations (STOP) preparation may be avoided by double checking the following:

Page 1 - Statement of Operations

- July 1 Unrestricted Net Resources, Restricted Net Resources, and Investment in Capital Assets matches last year's STOP ending reserves
- Signed copy

Page 2 - Summary of Operations

- Trace Admissions to Grounds and Depreciation Expense accounts to Pre-Closing Trial Balance

Schedule 1 – Statement of Financial Condition

- Total Net Resources matches page 1 Ending Resources
- Unrestricted, Restricted and Investment in Capital Assets matches page 1 Ending Resources
- Subtotal of Property accounts minus any Long-Term Debt related to Fixed Assets equals Investment in Capital Assets, Net of Related Debt
- Trace Cash, A/R-Net, Net PP&E, Accounts Payable, Long-Term Debt and Net Resources to Post-Closing Trial Balance

Schedule 4 – FY 14/15 Fair Statistics

- Total admissions to fairgrounds agrees to Page 2, admissions to grounds
- Courtesy pass admissions as percent of prior year gross paid admissions does not exceed 4%

Schedule 6 – Permanent Positions on Payroll for FY 14/15

- Total # of permanent positions listed
- Payroll data for individual employees listed

Schedule 7 - Property, Plant & Equipment Acquisitions & Dispositions

- Beginning PP&E matches ending PP&E, before depreciation from prior year STOP Schedule 7
- PP&E, Net of Depreciation, December 31 matches Sub-total Property accounts on Schedule 1
- Ending A/D matches total A/D for Buildings and Improvements, Equipment, and Leasehold Improvements on Schedule 1
- Annual Depreciation Expense matches Depreciation Expense on Pages 1 and 2
- Ending Investment in Capital Assets matches Page 1 and Schedule 1

Federal Labor Standard Act (FLSA) Recreational Exemption-required for DAAs only

- Lowest six months divided by highest six months is lower than 33.3%

Fairs on the Watch Program

- Prior year participant? Yes _____ No _____
- Current year reserve % _____

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Reminders for Adjusting & Closing Entries

- Analyze any asset account that contains a credit balance – there may be posting errors.
- Analyze any liability account that contains a debit balance – there may be posting errors.
- Accrue 4th quarter interest on all savings accounts.
- Accrue all bank fees.
- Accrue all revenue earned but not received as of June 30, 2015.
- Accrue expenses incurred but not paid as of June 30, 2015.
- Adjust compensated absence liability to actual at June 30, 2015: If account 24500 in the general ledger is greater than actual liability, debit account 24500 and credit account 50300; if the general ledger account is less, debit account 50300 and credit account 24500.
- Verify that all depreciation expense for current year has been posted to account 90000.
- Close JLA accounts to auction reserve, account 25100.
- Close local base (State) allocations, account 31200, to net resources, account 29100.
- Close all general operating revenue and expense accounts to account 29100.
- Analyze special project revenue and expense accounts and make appropriate adjusting entries. Close any balance of these accounts to net resources, account 29100.