

NOTICE OF COMMITTEE MEETING

Sonoma County Fair & Exposition, Inc

Notice is hereby given that meetings of the Sonoma County Fair and Exposition, Inc. will convene at times and locations set forth in this notice.

BUDGET & FINANCE COMMITTEE

February 19, 2019, 4:30 – 5:30
Sonoma County Fairgrounds Board Room

DIRECTORS: Marcia Mickelson, Chair; Max Mickelsen, Vice Chair, Wanda Tapia, Lisa Carreño, Tony Geraldi

1. Call to Order
2. Approval of the Agenda
3. Public Comments
Any member of the audience desiring to address the Board on a matter not on the agenda: Please stand and after receiving recognition from the Chair, please state your name and make your comments. In order that all interested parties have an opportunity to address the Board, each person is granted 3 minutes to speak. While members of the public are welcome to address the Board, under the Brown Act, Board members may not deliberate or take action on items not on the agenda, and generally may only listen. For items that are on the agenda, each person will be allowed to address the topic being discussed, and will be allowed 3 minutes to speak.
4. Discussion and possible action regarding Second Draft Financial Statements, through December, 2018, and Income Statement through January 31, 2019 – **(Attachment #1)** – Michael Margetts
5. Discussion and possible action regarding Draft Income Statement, through January, 2019 – **(Attachment #2)** – Michael Margetts
6. Review detail of US Bank credit card charges paid through January 2019 - **(Attachment #3)** – Michael Margetts
7. Discussion and possible action regarding approval of 2019 Purchase Orders in excess of \$25,000 – **(None)**
8. Discussion and possible action regarding approval of 2019 Contracts in excess of \$25,000 – **(Attachment #4)**
9. Review of January 2019 Harvest Fair financial statements – **(None)** – Michael Margetts
10. Request for future agenda items **(non-discussion items)**
11. Adjournment

For additional information please call Lorna Fox at (707) 545-4200 x 201.

DISABLED ACCOMODATION: If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact 707-545-4200. Advance notification within this guideline will enable the County to make reasonable arrangements to ensure accessibility.

Sonoma County Fair & Exposition, Inc
Balance Sheet

DRAFT - UNAUDITED

DRAFT

	12/31/2018 Calendar YTD	12/31/2017 Calendar YTD
ASSETS		
Current Assets		
Cash in Bank and Treasury	3,828,916	2,178,989
Accounts Receivable, Net	966,061	449,331
Racing Settlement Receivable	12,692	(4,628)
Inventory of Supplies	1,800	1,800
Other Current Assets		90,432
Total Current Assets	4,809,468	2,715,924
Property & Equipment, Net	8,778,980	8,784,101
Construction in Progress	154,716	593,992
Total Property & Equipment, Net of Depreciation	8,933,696	9,378,094
Other Assets		
Restricted Cash	120,916	120,916
Due From/Due (To) County for Vet's	21,931	7,102
GASB 68 Deferred Outflow of Resources	961,078	961,078
Total Other Assets	1,103,925	1,089,096
TOTAL ASSETS	14,847,089	13,183,114
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable	269,421	355,306
Scholarships Payable	3,500	2,000
Accrued Expenses	645,982	618,182
Racing Payable	(54,049)	(41)
Purses Paid - (Over)/Under	(74,151)	(72,097)
Other Short Term Liabilities	22,653	6,658
Deferred Income	746,068	238,168
Total Current Liabilities	1,559,424	1,148,175
Long Term Liabilities		
GASB 68 Deferred Inflow of Resources	139,498	139,498
GASB 68 Net Pension Liability	2,029,925	2,029,925
Total Long Term Liabilites	2,169,423	2,169,423
NET ASSETS		
Investment in Capital Assets	8,784,099	8,784,100
Restricted for Scholarships	19,908	5,208
Restricted for Junior Livestock Auction	61,764	61,764
Retained Earnings - Unrestricted	992,935	943,989
Profit/(Loss) Current Year	1,259,537	70,455
TOTAL LIABILITIES AND EQUITY	14,847,089	13,183,114

**Sonoma County Fair & Exposition, Inc
Income Statement**

DRAFT - UNAUDITED

	12/31/2018 Actual YTD	12/31/2017 Prior Year YTD	Variance	12/31/2018 Budget YTD	Variance
Operating Revenue					
Fair	6,245,343	6,425,050	(179,707)	6,245,415	(72)
Interim - Includes Golf Course	4,831,110	3,382,323	1,448,787	3,491,100	1,340,010
Jockey Club	392,142	379,410	12,732	373,372	18,770
Total Operating Revenue	11,468,595	10,186,783	1,281,812	10,109,887	1,358,708
Operating Expense					
Fair	3,434,490	3,764,108	329,618	3,515,404	80,914
Interim	1,942,537	1,732,235	(210,301)	1,930,889	(11,648)
Jockey Club	402,429	352,552	(49,878)	337,065	(65,364)
General & Administrative	4,009,538	4,114,049	104,511	3,895,412	(114,126)
Allocated Costs - Harvest Fair	(53,000)	(53,000)		(43,000)	10,000
Total Operating Expenses	9,735,993	9,909,943	173,950	9,635,770	(100,223)
Operating Income/(Loss)	1,732,602	276,840	1,455,762	474,117	1,258,485
Other Revenue	44,782	152,287	(107,505)	18,500	26,282
Harvest Fair - Revenue	100,858	136,868	(36,010)	132,000	(31,142)
Harvest Fair - Expense	(100,985)	(111,169)	10,183	(105,900)	4,915
Interest Expense		(12,500)	12,500	(16,000)	16,000
JLA, net	13,343	680	12,663		13,343
Net Affect of GASB 68 Adjustments		1,414	(1,414)		
Prior Year & Misc Expense	189,861	(222,663)	412,523		189,861
Net Income/(Loss)before depreciation and capital	1,980,461	221,758	1,758,703	502,717	1,477,744
Depreciation Expense	725,000	700,329	(24,671)		(725,000)
Net Income(Loss) before capital	1,255,461	(478,571)	1,734,032	502,717	752,744
Gain (loss) on disposal of asset	4,077		4,077		4,077
Capital Expenditures					
Capital Funding		549,026	(549,026)		
Net Income (Loss) incl Capital	1,259,537	70,455	1,189,082	502,717	756,820

Sonoma County Fair & Exposition, Inc
Fair Income Statement

DRAFT - UNAUDITED

	12/31/2018 Actual YTD	12/31/2017 Prior Year PTD	Variance	12/31/2018 Budget YTD	Variance
Revenue					
Admissions	1,612,041	1,499,502	112,539	1,719,832	(107,791)
Parking	459,304	427,986	31,318	509,498	(50,194)
Commercial Space	403,719	398,177	5,542	410,000	(6,281)
Carnival	738,196	722,179	16,016	714,304	23,892
Concessions	1,163,306	1,114,556	48,750	1,108,091	55,215
Exhibits	88,394	88,415	(20)	86,400	1,994
Racing	1,089,921	1,416,845	(326,924)	1,026,138	63,783
Attractions	189,549	186,820	2,730	175,540	14,009
Sponsorships	404,260	463,515	(59,255)	400,500	3,760
VIP Tent	29,100	30,252	(1,152)	30,252	(1,152)
Miscellaneous	67,552	76,802	(9,250)	64,860	2,692
Total Fair Revenue	6,245,343	6,425,050	(179,707)	6,245,415	(72)
Expense					
Labor and Benefits	1,154,912	1,273,394	118,482	1,187,923	33,011
Advertising & Publicity	300,226	274,942	(25,284)	307,300	7,074
Attendance	331,831	311,838	(19,993)	301,500	(30,331)
Signage/Other/Drinking Water				-	
Premium	263,202	295,034	31,831	279,350	16,148
Hall of Flowers	133,317	144,747	11,431	142,500	9,183
Exhibits	131,943	139,464	7,521	142,500	10,557
Commerical/Concessions Exhibits	8,936	19,912	10,975	20,000	11,064
Racing	438,007	526,002	87,995	453,000	14,993
Attractions	606,350	697,504	91,154	590,731	(15,619)
Miscellaneous	4,290	8,569	4,279	38,600	34,310
VIP Tent	27,488	41,728	14,240	17,000	(10,488)
RV Park - Fair - Contract Services	33,989	30,975	(3,014)	35,000	1,011
Total Expense	3,434,490	3,764,108	329,618	3,515,404	80,914
Fair Income/(Loss)	2,810,853	2,660,942	149,911	2,730,011	80,842

Sonoma County Fair & Exposition, Inc
Interim Income Statement

DRAFT - UNAUDITED

	12/31/2018 Actual YTD	12/31/2017 Prior Year YTD	Variance	12/31/2018 Budget YTD	Variance
Revenue					
Long Term Rentals	78,414	102,477	(24,063)	108,000	(29,586)
Building Rental	640,203	709,161	(68,958)	537,850	102,353
Facility Rental	226,970	276,925	(49,955)	245,250	(18,280)
Equipment Rental	175,509	160,687	14,822	170,000	5,509
Trailer & RV	2,306,750	825,547	1,481,202	1,135,000	1,171,750
Interim Parking	385,606	374,209	11,397	400,000	(14,394)
Insurance/Costs Reimbursed	80,659	90,814	(10,155)	78,000	2,659
Security Reimbursed	300,098	251,916	48,181	220,000	80,098
Food & Other Concessions	187,089	111,466	75,623	221,000	(33,911)
Alcohol Concessions	328,915	364,009	(35,094)	313,000	15,915
Other Interim Revenue	120,898	115,110	5,788	63,000	57,898
Total Revenue	4,831,110	3,382,323	1,448,787	3,491,100	1,340,010
Expense					
Int Wages & Benefits	1,289,827	1,232,374	(57,453)	1,344,403	54,576
Int Pkg Wages & Benefits	70,499	67,133	(3,366)	84,014	13,515
Total Wages & Benefits	1,360,326	1,299,507	(60,820)	1,428,417	68,091
Contract Services-Interim	12,580	6,675	(5,905)	15,000	2,420
Contract Services-RV Park	10,366	13,340	2,974	19,575	9,209
Straw Removal		193	193	-	
Security	46,057	12,400	(33,657)	7,000	(39,057)
Supplies & Equipment	18,212	16,352	(1,859)	21,500	3,288
RV Park Utilities	180,932	111,713	(69,219)	168,209	(12,723)
RV Park Advertising	2,995	3,051	56	818	(2,177)
Miscellaneous RV Parking				8,000	8,000
RV Supplies & Equipment	12,531	8,527	(4,004)	11,870	(661)
Interim Advertising	1,724	3,086	1,362	8,000	6,276
Business Partner Incentive	2,149	6,815	4,666	8,000	5,851
Insurance/Costs Reimbursed	11,148	5,744	(5,403)	11,500	352
Security Costs Reimbursed	269,584	229,835	(39,749)	200,000	(69,584)
Equipment Rental	3,434	4,811	1,377	5,000	1,566
CalTrans Median Strip Rent	10,500	10,187	(313)	15,000	4,500
Special Repairs & Equipment				3,000	3,000
Total Expense	1,942,537	1,732,235	(210,301)	1,930,889	(11,648)
Interim Income/(Loss)	2,888,573	1,650,088	1,238,486	1,560,211	1,328,362
Tayman Invoice (Golf Course)	18,835				

Sonoma County Fair & Exposition, Inc
Jockey Club Income Statement

DRAFT - UNAUDITED

	12/31/2018 Actual YTD	12/31/2017 Prior Year YTD	Variance	12/31/2018 Budget YTD	Variance
Revenue					
Admissions	33,790	33,570	220	34,345	(555)
Turf Club	6,355	6,501	(146)	6,850	(495)
Commissions	264,767	257,364	7,403	250,000	14,767
Programs/Other	2,925	3,118	(193)	2,752	173
Race Forms, etc	71,886	69,293	2,593	68,925	2,961
Concessions	7,150	7,264	(113)	9,000	(1,850)
Costs Recovered				-	
Prior Year Costs Recovered				-	
Interim Rental				-	
ATM Fees	5,270	2,301	2,969	1,500	3,770
Interim Concessions				-	
Total Jockey Club Revenues	392,142	379,410	12,732	373,372	18,770
Expense					
Wages & Benefits	189,082	200,419	11,337	193,206	4,124
Contract Services	37,154	31,563	(5,591)	26,445	(10,709)
Supplies & Expense	43,654	15,168	(28,486)	20,519	(23,135)
Utilities	67,539	44,912	(22,628)	32,330	(35,209)
Cost of Periodicals	55,793	54,661	(1,131)	56,325	532
Garbage	7,707	5,026	(2,681)	5,040	(2,667)
Advertising & Marketing	1,500	802	(698)	3,200	1,700
Total Jockey Club Expenses	402,429	352,552	(49,878)	337,065	(65,364)
Jockey Club Income/(Loss)	(10,287)	26,859	(37,146)	36,307	(46,594)

Sonoma County Fair & Exposition, Inc
Harvest Fair
DRAFT - UNAUDITED

	12/31/2018 Actual YTD	12/31/2017 Prior Year YTD	Variance	12/31/2018 Budget YTD	Variance
Cost Recovered Harvest Fair	100,858	136,868	(36,010)	132,000	(31,142)
Total Revenue	100,858	136,868	(36,010)	132,000	(31,142)
Expense					
Admin Wages and Benefits	5,972	5,972	0	6,500	528
Publicity Wages and Benefits	0	3,234	3,234	11,400	11,400
Maintenance Wages and Benefits	17,917	17,917	0	32,000	14,083
Interim Wages and Benefits	19,209	19,733	525	14,000	(5,209)
Exhibits Wages and Benefits	4,778	6,619	1,842	32,000	27,222
Attendants Wages and Benefits	43,110	47,693	4,583	7,000	(36,110)
Attractions Wages and Benefits	0	0	0	2,000	2,000
Miscellaneous	10,000	10,000	0	1,000	(9,000)
Total Expenses	100,985	111,169	10,183	105,900	4,915
Harvest Fair Income(Loss)	(127)	25,699	(25,827)	26,100	(26,227)

Sonoma County Fair & Exposition, Inc
General & Administrative Expenses

DRAFT - UNAUDITED

	12/31/2018 Actual YTD	12/31/2017 Prior Year YTD	Variance	12/31/2018 Budget YTD	Variance
Expense					
Wages & Benefits-Admin	997,067	1,008,505	11,438	1,008,647	11,580
Contract Services-Admin	75,246	173,015	97,769	80,000	4,754
County Indirect Services	92,376	132,936	40,561	65,000	(27,376)
Legal	58,425	17,978	(40,447)	15,000	(43,425)
Office Expense-Admin	136,408	119,294	(17,114)	112,250	(24,158)
Postage & Telephone	55,917	50,483	(5,434)	48,600	(7,317)
Director's Expense & Travel	28,112	27,590	(522)	25,000	(3,112)
Donations		946	946	-	
Insurance	84,112	63,397	(20,715)	67,000	(17,112)
Audit Fee	37,100	59,500	22,400	40,000	2,900
Bad Debt and Cash Short/Over	(5,304)	13,163	18,468	1,000	6,304
Administration Expenses	1,559,459	1,666,808	107,349	1,462,497	(96,962)
Wages & Benefits-Maint	1,559,745	1,546,866	(12,879)	1,558,415	(1,330)
Contract Services-Maint	100,872	98,580	(2,292)	87,000	(13,872)
Equipment Rental-Maint	34,542	30,253	(4,288)	35,000	458
Utilities	287,528	304,983	17,454	270,000	(17,528)
Utilities - Harvest Fair(Reimbursed)				-	
Trash Removal	80,613	89,236	8,623	80,000	(613)
Maintenance Supplies	263,579	281,858	18,279	321,000	57,421
Repairs & Maintenance	69,410	57,308	(12,103)	36,500	(32,910)
Equipment Repairs	53,789	38,158	(15,631)	45,000	(8,789)
Maintenance Expenses	2,450,079	2,447,241	(2,838)	2,432,915	(17,164)
General & Administrative Expenses	4,009,538	4,114,049	104,511	3,895,412	(114,126)

Sonoma County Fair & Exposition, Inc
Salary & Benefit Expenses

DRAFT - UNAUDITED

	12/31/2018 Actual YTD	12/31/2017 Prior Year YTD	Variance	12/31/2018 Budget YTD	Variance
Permanent Salaries					
Fair	166,381	92,807	(73,575)	163,231	(3,150)
Interim	626,875	595,920	(30,955)	656,716	29,841
Jockey Club	62,844	59,572	(3,272)	59,870	(2,974)
Golf Course				-	
Administration	587,172	582,340	(4,832)	580,591	(6,581)
Maintenance	680,033	708,584	28,551	735,169	55,136
Total Permanent Salaries	2,123,305	2,039,222	(84,084)	2,195,577	72,272
Temporary Salaries					
Fair	747,521	940,339	192,818	790,547	43,026
Interim	228,179	213,098	(15,081)	252,600	24,421
Jockey Club	56,626	70,990	14,364	60,000	3,374
Golf Course				-	
Administration	13,446	16,527	3,082	18,000	4,554
Maintenance	201,938	206,633	4,695	227,000	25,062
Total Temporary Salaries	1,247,709	1,447,588	199,879	1,348,147	100,438
Health Benefits					
Fair	75,539	71,788	(3,751)	59,839	(15,700)
Interim	94,568	77,638	(16,930)	91,422	(3,146)
Jockey Club	22,370	20,489	(1,881)	21,536	(834)
Golf Course				-	
Administration	60,819	58,516	(2,303)	67,750	6,931
Maintenance	134,263	122,272	(11,991)	134,178	(85)
Total Health Benefits	387,559	350,702	(36,856)	374,725	(12,834)
FICA, Medicare & Workers Comp					
Fair	97,829	116,119	18,290	104,538	6,709
Interim	97,169	107,797	10,628	113,130	15,961
Jockey Club	11,888	14,702	2,814	14,744	2,856
Golf Course				-	
Administration	53,928	64,926	10,997	69,316	15,388
Maintenance	207,205	168,431	(38,774)	118,311	(88,894)
Total Workers Comp & Payroll Taxes	468,021	471,975	3,955	420,039	(47,982)
Retirement, UI, Other					
Fair	113,826	105,041	(8,785)	110,768	(3,058)
Interim	333,432	323,964	(9,468)	326,549	(6,883)
Jockey Club	34,891	33,481	(1,410)	35,756	865
Golf Course				-	
Administration	286,605	291,197	4,592	277,690	(8,915)
Maintenance	352,593	358,622	6,029	375,457	22,864
Total Retirement & Other Benefits	1,121,346	1,112,304	(9,042)	1,126,220	4,874
TOTAL	5,347,940	5,421,791	73,852	5,464,708	116,768
TOTAL BY DEPT					
Fair	1,201,096	1,326,093	124,997	1,228,923	27,827
Interim	1,380,223	1,318,417	(61,806)	1,440,417	60,194
Jockey Club	188,619	199,234	10,614	191,906	3,287
Golf Course					
Administration	1,001,969	1,013,505	11,536	1,013,347	11,378
Maintenance	1,576,032	1,564,542	(11,489)	1,590,115	14,083
TOTAL ALL DEPARTMENTS	5,347,940	5,421,791	73,852	5,464,708	116,768

Sonoma County Fair & Exposition, Inc
Salary & Benefit Expenses - Fair Only

	Actual YTD	Prior Year YTD	Variance	Budget YTD	Variance
Salaries					
Fair					
Hall of Flowers	49,438	65,136	15,699	45,000	(4,438)
Publicity	29,513	40,973	11,460	23,553	(5,960)
Parking	61,073	64,048	2,975	70,048	8,975
Admissions	56,160	64,401	8,241	67,446	11,286
Exhibits - Temp	152,307	194,278	41,971	175,000	22,693
Exhibits - Perm	162,381	88,807	(73,575)	159,231	(3,150)
Attractions	32,053	34,392	2,339	35,000	2,947
Concessions Auditor	8,197	8,063	(134)	8,500	303
Racing	317,375	421,627	104,252	329,000	11,625
Total Salaries	868,496	981,724	113,228	912,778	44,282
Health Benefits					
Fair					
Exhibits - Perm	15,172	9,633	(5,539)	16,839	1,667
Racing	60,367	62,154	1,788	43,000	(17,367)
Total Health Benefits	75,539	71,788	(3,751)	59,839	(15,700)
FICA, Medicare & Workers Comp					
Fair					
Hall of Flowers	5,821	7,670	1,849	5,536	(285)
Publicity	3,475	4,825	1,349	2,862	(613)
Parking	7,191	7,542	350	8,616	1,425
Admissions	8,006	8,533	527	9,341	1,335
Exhibits	31,428	32,656	1,228	33,409	1,981
Attractions	3,787	4,067	280	4,306	519
Racing	37,343	49,647	12,304	40,468	3,125
Total Workers Comp & Payroll Taxes	97,052	114,938	17,887	104,538	7,486
TOTAL	1,041,087	1,168,450	127,364	1,077,155	36,068
Retirement, UI, Other					
Fair					
Hall of Flowers	2,185	2,907	722	2,709	524
Publicity	910	889	(21)	1,418	508
Parking	3,446	3,404	(41)	4,217	771
Admissions	5,612	6,024	412	6,679	1,067
Exhibits - Perm	64,532	40,920	(23,612)	62,939	(1,593)
Attractions				-	
Racing	37,141	50,800	13,659	32,806	(4,335)
Total Retirement & Other Benefits	113,826	104,944	(8,882)	110,768	(3,058)

Sonoma County Fair & Exposition, Inc
Income Statement

DRAFT - UNAUDITED

	1/31/2019 Actual YTD	1/31/2018 Prior Year YTD	Variance	1/31/2019 Budget YTD	Variance
Operating Revenue					
Fair		445	(445)		
Interim - Includes Golf Course	274,773	327,189	(52,415)	225,859	48,914
Jockey Club	31,898	28,920	2,978	29,685	2,214
Total Operating Revenue	306,671	356,553	(49,882)	255,544	51,128
Operating Expense					
Fair	36,312	49,246	12,933	32,759	(3,553)
Interim	56,845	44,811	(12,034)	81,154	24,309
Jockey Club	13,550	12,160	(1,390)	15,807	2,257
General & Administrative	119,523	99,553	(19,970)	129,487	9,964
Allocated Costs - Harvest Fair					
Total Operating Expenses	226,229	205,769	(20,461)	259,207	32,978
Operating Income/(Loss)	80,442	150,785	(70,343)	(3,663)	84,105
Other Revenue	1,128	1,807	(679)	1,915	(787)
Harvest Fair - Revenue					
Harvest Fair - Expense					
Interest Expense					
JLA, net					
Net Affect of GASB 68 Adjustments					
Prior Year & Misc Expense					
Net Income/(Loss)before depreciation and capital	81,570	152,591	(71,021)	(1,748)	83,319
Depreciation Expense					
Net Income(Loss) before capital	81,570	152,591	(71,021)	(1,748)	83,319
Gain (loss) on disposal of asset					
Capital Expenditures					
Capital Funding					
Net Income (Loss) incl Capital	81,570	152,591	(71,021)	(1,748)	83,319

Sonoma County Fair & Exposition, Inc
Fair Income Statement

DRAFT - UNAUDITED

	1/31/2019 Actual YTD	1/31/2018 Prior Year PTD	Variance	1/31/2019 Budget YTD	Variance
Revenue					
Admissions				-	
Parking		445	(445)	-	
Commercial Space				-	
Carnival				-	
Concessions				-	
Exhibits				-	
Racing				-	
Attractions				-	
Sponsorships				-	
VIP Tent				-	
Miscellaneous				-	
Total Fair Revenue		445	(445)		
Expense					
Labor and Benefits	33,710	44,851	11,141	29,759	(3,951)
Advertising & Publicity	285		(285)	-	(285)
Attendance	157	63	(94)	-	(157)
Signage/Other/Drinking Water				-	
Premium				-	
Hall of Flowers				-	
Exhibits				-	
Commerical/Concessions Exhibits				-	
Racing		42	42	-	
Attractions	325		(325)	-	(325)
Miscellaneous				-	
VIP Tent				-	
RV Park - Fair - Contract Services	1,836	4,290	2,455	3,000	1,165
Total Expense	36,312	49,246	12,933	32,759	(3,553)
Fair Income/(Loss)	(36,312)	(48,801)	12,488	(32,759)	(3,553)

Sonoma County Fair & Exposition, Inc
Interim Income Statement

DRAFT - UNAUDITED

	1/31/2019 Actual YTD	1/31/2018 Prior Year YTD	Variance	1/31/2019 Budget YTD	Variance
Revenue					
Long Term Rentals	4,983	6,315	(1,332)	7,824	(2,841)
Building Rental	35,000	28,409	6,591	24,700	10,300
Facility Rental	12,735	9,385	3,350	9,768	2,967
Equipment Rental	8,374	8,590	(216)	8,631	(257)
Trailer & RV	164,774	248,708	(83,934)	145,000	19,774
Interim Parking	10,850	5,400	5,450	8,000	2,850
Insurance/Costs Reimbursed	2,986	3,075	(89)	2,734	252
Security Reimbursed	5,902	4,074	1,828	3,897	2,005
Food & Other Concessions	14,569	120	14,449	2,122	12,447
Alcohol Concessions	3,351	3,113	238	3,183	168
Other Interim Revenue	11,250	10,000	1,250	10,000	1,250
Total Revenue	274,773	327,189	(52,415)	225,859	48,914
Expense					
Int Wages & Benefits	47,440	37,455	(9,985)	50,829	3,389
Int Pkg Wages & Benefits	5,109	1,678	(3,431)	4,760	(349)
Total Wages & Benefits	52,549	39,132	(13,416)	55,589	3,040
Contract Services-Interim	1,000	1,000		1,250	250
Contract Services-RV Park				4,875	4,875
Straw Removal				-	
Security				800	800
Supplies & Equipment		581	581	-	
RV Park Utilities				15,000	15,000
RV Park Advertising				-	
Miscellaneous RV Parking				-	
RV Supplies & Equipment	311	2,398	2,086	640	329
Interim Advertising				-	
Business Partner Incentive				-	
Insurance/Costs Reimbursed	109		(109)	-	(109)
Security Costs Reimbursed	2,876	1,700	(1,176)	3,000	124
Equipment Rental				-	
CalTrans Median Strip Rent				-	
Special Repairs & Equipment				-	
Total Expense	56,845	44,811	(12,034)	81,154	24,309
Interim Income/(Loss)	217,929	282,378	(64,449)	144,705	73,224
Tayman Invoice (Golf Course)	18,835				

Sonoma County Fair & Exposition, Inc
Jockey Club Income Statement

DRAFT - UNAUDITED

	1/31/2019 Actual YTD	1/31/2018 Prior Year YTD	Variance	1/31/2019 Budget YTD	Variance
Revenue					
Admissions	2,250	2,235	15	2,000	250
Turf Club	279	66	213	300	(21)
Commissions	23,172	21,265	1,907	22,000	1,172
Programs/Other	131	133	(3)	133	(3)
Race Forms, etc	5,462	5,221	241	5,251	211
Concessions	604		604	-	604
Costs Recovered				-	
Prior Year Costs Recovered				-	
Interim Rental				-	
ATM Fees				-	
Interim Concessions				-	
Total Jockey Club Revenues	31,898	28,920	2,978	29,685	2,214
Expense					
Wages & Benefits	10,336	7,145	(3,191)	8,907	(1,429)
Contract Services				2,000	2,000
Supplies & Expense	1,042	854	(187)	1,825	783
Utilities				2,750	2,750
Cost of Periodicals	2,172	4,160	1,988	-	(2,172)
Garbage				325	325
Advertising & Marketing				-	
Total Jockey Club Expenses	13,550	12,160	(1,390)	15,807	2,257
Jockey Club Income/(Loss)	18,348	16,760	1,588	13,878	4,471

Sonoma County Fair & Exposition, Inc
Harvest Fair

DRAFT - UNAUDITED

	1/31/2019 Actual YTD	1/31/2018 Prior Year YTD	Variance	1/31/2019 Budget YTD	Variance
Cost Recovered Harvest Fair	0	0	0	-	0
Total Revenue	0	0	0	0	0
Expense					
Admin Wages and Benefits	0	0	0	-	0
Publicity Wages and Benefits	0	0	0	-	0
Maintenance Wages and Benefits	0	0	0	-	0
Interim Wages and Benefits	0	0	0	-	0
Exhibits Wages and Benefits	0	0	0	-	0
Attendants Wages and Benefits	0	0	0	-	0
Attractions Wages and Benefits	0	0	0	-	0
Miscellaneous	0	0	0	-	0
Total Expenses	0	0	0	0	0
Harvest Fair Income(Loss)	0	0	0	0	0

Sonoma County Fair & Exposition, Inc
General & Administrative Expenses

DRAFT - UNAUDITED

	1/31/2019 Actual YTD	1/31/2018 Prior Year YTD	Variance	1/31/2019 Budget YTD	Variance
Expense					
Wages & Benefits-Admin	36,684	37,677	993	36,168	(516)
Contract Services-Admin	566	2,295	1,730	2,500	1,934
County Indirect Services	7,166	5,416	(1,750)	7,162	(4)
Legal				-	
Office Expense-Admin	3,888	4,210	321	4,615	727
Postage & Telephone		127	127	3,000	3,000
Director's Expense & Travel	264		(264)	250	(14)
Donations				-	
Insurance	5,417	5,583	166	5,416	(1)
Audit Fee		(4,000)	(4,000)	-	
Bad Debt and Cash Short/Over	(44)	(600)	(556)	83	127
Administration Expenses	53,941	50,707	(3,234)	59,194	5,253
Wages & Benefits-Maint	51,936	41,217	(10,719)	56,298	4,362
Contract Services-Maint	3,819	(1,526)	(5,345)	3,000	(819)
Equipment Rental-Maint				-	
Utilities				-	
Utilities - Harvest Fair(Reimbursed)				-	
Trash Removal	1,694		(1,694)	1,700	6
Maintenance Supplies	5,309	2,440	(2,869)	5,795	486
Repairs & Maintenance	2,535	3,844	1,309	2,500	(35)
Equipment Repairs	288	2,870	2,582	1,000	712
Maintenance Expenses	65,581	48,846	(16,736)	70,293	4,712
General & Administrative Expenses	119,523	99,553	(19,970)	129,487	9,964

**Sonoma County Fair & Exposition, Inc
 Salary & Benefit Expenses**

DRAFT - UNAUDITED

	1/31/2019 Actual YTD	1/31/2018 Prior Year YTD	Variance	1/31/2019 Budget YTD	Variance
Permanent Salaries					
Fair	6,331	3,671	(2,660)	5,799	(532)
Interim	17,406	18,797	1,391	24,053	6,647
Jockey Club	2,668	2,513	(155)	2,702	34
Golf Course				-	
Administration	20,740	22,298	1,559	20,824	84
Maintenance	23,826	18,301	(5,525)	26,000	2,174
Total Permanent Salaries	70,972	65,582	(5,390)	79,378	8,406
Temporary Salaries					
Fair	3,377		(3,377)	-	(3,377)
Interim	14,321	4,479	(9,842)	10,400	(3,921)
Jockey Club	4,416	2,113	(2,302)	3,000	(1,416)
Golf Course				-	
Administration				-	
Maintenance	2,345	849	(1,496)	2,000	(345)
Total Temporary Salaries	24,458	7,441	(17,017)	15,400	(9,058)
Health Benefits					
Fair	20,666	39,546	18,880	21,305	639
Interim	4,012	3,153	(859)	4,700	688
Jockey Club	973	808	(165)	892	(81)
Golf Course				-	
Administration	2,814	2,442	(372)	2,888	74
Maintenance	6,012	4,806	(1,207)	6,674	662
Total Health Benefits	34,478	50,755	16,277	36,459	1,981
FICA, Medicare & Workers Comp					
Fair	916	293	(622)	501	(415)
Interim	3,871	2,328	(1,543)	3,834	(37)
Jockey Club	738	440	(298)	700	(38)
Golf Course				-	
Administration	1,975	1,954	(21)	1,800	(175)
Maintenance	6,818	5,662	(1,156)	7,660	842
Total Workers Comp & Payroll Taxes	14,319	10,678	(3,641)	14,495	176
Retirement, UI, Other					
Fair	2,420	1,340	(1,080)	2,154	(266)
Interim	12,938	10,320	(2,618)	12,602	(336)
Jockey Club	1,541	1,270	(271)	1,573	32
Golf Course				-	
Administration	11,155	10,983	(173)	10,656	(499)
Maintenance	12,934	11,599	(1,335)	13,964	1,030
Total Retirement & Other Benefits	40,989	35,513	(5,476)	40,949	(40)
TOTAL	185,215	169,968	(15,247)	186,681	1,466
TOTAL BY DEPT					
Fair	33,710	44,851	11,141	29,759	(3,951)
Interim	52,549	39,077	(13,471)	55,589	3,040
Jockey Club	10,336	7,145	(3,191)	8,867	(1,469)
Golf Course					
Administration	36,684	37,677	993	36,168	(516)
Maintenance	51,936	41,217	(10,719)	56,298	4,362
TOTAL ALL DEPARTMENTS	185,215	169,968	(15,247)	186,681	1,466

**Sonoma County Fair & Exposition, Inc
Salary & Benefit Expenses - Fair Only**

	Actual YTD	Prior Year YTD	Variance	Budget YTD	Variance
Salaries					
Fair					
Hall of Flowers				-	
Publicity	2,464		(2,464)	-	(2,464)
Parking				-	
Admissions	113		(113)	-	(113)
Exhibits - Temp				-	
Exhibits - Perm	6,331	3,671	(2,660)	5,799	(532)
Attractions				-	
Concessions Auditor				-	
Racing	800		(800)	-	(800)
Total Salaries	9,708	3,671	(6,036)	5,799	(3,909)
Health Benefits					
Fair					
Exhibits - Perm	666	341	(326)	1,305	639
Racing	20,000	39,206	19,206	20,000	
Total Health Benefits	20,666	39,546	18,880	21,305	639
FICA, Medicare & Workers Comp					
Fair					
Hall of Flowers				-	
Publicity	290		(290)	-	(290)
Parking				-	
Admissions				-	
Exhibits	518	293	(225)	501	(17)
Attractions				-	
Racing	107		(107)	-	(107)
Total Workers Comp & Payroll Taxes	916	293	(622)	501	(415)
TOTAL	31,290	43,511	12,221	27,605	(3,685)
Retirement, UI, Other					
Fair					
Hall of Flowers				-	
Publicity	153		(153)	-	(153)
Parking				-	
Admissions				-	
Exhibits - Perm	2,211	1,340	(871)	2,154	(57)
Attractions				-	
Racing	57		(57)	-	(57)
Total Retirement & Other Benefits	2,420	1,340	(1,080)	2,154	(266)



Post Office Box 1536
1350 Bennett Valley Road
Santa Rosa, California 95403
Tel (707) 545-4200 Fax (707) 573-9342

January 31, 2019

To: Board of Directors
From: Michael Margetts

January

Computer generated checks:

January
Total Payables Dispersed: \$ 47,701.92

Payroll

County Payroll-PD's 1/9/19 & 1/23/19	\$ 280,049.74
Temp Payroll - PD's 1/4/19 & 1/18/19	\$ <u>50,017.30</u>
	\$ 330,067.04

Total disbursements:

\$ 377,768.96

County Counsel Cost for January 2019:

\$ 3,072.00

January 2019 - Accounts Receivable Over 60 Days				
Customer Name	61-90 Days	91-120 Days	Over 120 Days	Comments
Ales for Austims (ratebeerbest.com)			\$ 6,940.50	Michael to send to collections per B&G Finance Committee request. Too large for small claims court. Considering reducing to \$5K to take to small claims court
Local Sesh			\$ 26,177.15	Kaitlyn received message from them that they will not be able to pay this until 2019. Michael sent contract to County Counsel to write an initial demand letter
Spectra by Comcast	\$ 7.73			Mistake on Spectra billing, this should be paid with their next check
Total Owing as of January 2019:	\$ 7.73	\$ -	\$ 33,117.65	

V-81983 U.S. Bank Corporate Payment Systems December 2018

Invoice: 42460445556798551218, U.S. Bank Corporate Payment Systems (00006275), 12/31/18, \$14,729.00

GL Account	GL Account Description	Reference	Amount	
620503010	Tickets & Credentials	CSandersComcastAdmin	148.31	
700451080	Fuel Supplies	CSandersFlyers	75.00	
700501080	Grounds Supplies	CSandersGPSBayAreaAirQuality	2,484.00	
700351080	Carpentry/Plumbing Supplies	CSandersLoweConcreteWoodetc.	1,352.55	
730201080	Buildings & Grounds Repair	CSandersLoweUNF30"x35"	831.53	
620209080	Telephone	CSandersVZRV	57.00	
560759080	Computer Support	CSandersVZWireless	215.75	5,164.14
620305010	Supplies- Exhibits	HBorckAmericanRabbit	20.00	
620305010	Supplies- Exhibits	HBorckCreativeCloud	33.99	
680709080	Directors Expense	HBorckLAZPkgOakland	90.00	
680709080	Directors Expense	HBorckMarriott	12.39	
680709080	Directors Expense	HBorckMarriott	16.80	
680709080	Directors Expense	HBorckMarriott	661.56	
680709080	Directors Expense	HBorckTheRKCulinary	3.00	
680709080	Directors Expense	HBorckTheRKCulinary	18.00	855.74
620308010	Supplies- Attractions	JEngdahlAmazonPlaydoh	42.88	
620308010	Supplies- Attractions	JEngdahlAmazonPresentsUnvrslBnd	67.65	
620511010	Sign Machine - Fair	JEngdahlAmazonHvyWghtPaper	89.40	
680709080	Directors Expense	JEngdahlCostcoChristmasParty	920.50	
620308010	Supplies- Attractions	JEngdahlDollarTree	40.42	
680909080	Travel and Training	JEngdahlGrandSierra	-77.97	
620308010	Supplies- Attractions	JEngdahlLucky	15.23	
680909080	Travel and Training	JEngdahlMarriott	6.22	
680909080	Travel and Training	JEngdahlMarriott	766.61	
620308010	Supplies- Attractions	JEngdahlMichael's	120.98	
680709080	Directors Expense	JEngdahlSmartFoodservice	28.36	
680909080	Travel and Training	JEngdahlSteak&Shake	25.06	
620309080	Office Supplies- Administration	JEngdahlTSTSChilosDeli	20.07	
680909080	Travel and Training	JEngdahlYardHouse	33.28	2,098.69
620313060	Office Supplies Interim	KFindleyThornAmazon Rain Ponchos	43.95	
620313060	Office Supplies Interim	KFindleyThornCostPlus	31.90	
680909080	Travel and Training	KFindleyThornDunkin	7.56	
680109080	Dues & Subscriptions	KFindleyThornIAVMInc	620.00	
680909080	Travel and Training	KFindleyThornMarriott	7.36	
680909080	Travel and Training	KFindleyThornMarriott	10.93	
680909080	Travel and Training	KFindleyThornMarriott	7.36	
680909080	Travel and Training	KFindleyThornMarriott	10.66	
680909080	Travel and Training	KFindleyThornMarriott	811.40	
680909080	Travel and Training	KFindleyThornMcD's	7.99	

V-81983 U.S. Bank Corporate Payment Systems December 2018

Invoice: 42460445556798551218, U.S. Bank Corporate Payment Systems (00006275), 12/31/18, \$14,729.00

GL Account	GL Account Description	Reference	Amount	
680909080	Travel and Training	KFindleyThornProtatechInc	15.00	
680909080	Travel and Training	KFindleyThornTheRkCulinary	10.00	
680909080	Travel and Training	KFindleyThornTheRkCulinary	5.00	
680909080	Travel and Training	KFindleyThorntheRkCulinary	19.00	
680909080	Travel and Training	KFindleyThornUber	2.00	
680909080	Travel and Training	KFindleyThornUber	15.16	
680909080	Travel and Training	KFindleyThornWhichWich	13.87	
680909080	Travel and Training	KFindleyThornWhichWich	13.87	1,653.01
620309080	Office Supplies- Administration	LFoxAmazon Hanging Boxes	33.27	
620309080	Office Supplies- Administration	LFoxAmazon Storage Boxes	48.87	
620309080	Office Supplies- Administration	LFoxAmazon Prong Fasteners	40.62	
620309080	Office Supplies- Administration	LFoxAmazon MagazineDocRack	38.00	
620309080	Office Supplies- Administration	LFoxAmazon CldnrsBndrsFldsTabs	140.00	
620309080	Office Supplies- Administration	LFoxAmazon Hanging Folders	36.06	
620323060	Supplies - RV Park	LFoxAmazon DogWasteBgs4RVPark	60.99	
620323060	Supplies - RV Park	LFoxAmazonReflective#'sForRVPark	64.71	
620323060	Supplies - RV Park	LFoxAmazonDogWasteBgs4RVPark	187.14	
680909080	Travel and Training	LFoxCCIHOTelResTX	294.40	
620323060	Supplies - RV Park	LFoxComplianceSigns for RV Park	161.50	
680909080	Travel and Training	LFoxGrandSierra	77.97	
680109080	Dues & Subscriptions	LFoxPDPacSitNBBJ	223.12	
488101080	Costs Recovered- Other	LFoxPersoanIPurchaseToBeReimb	17.20	
620301080	Office Supplies-Maintenance	LFoxTimeClocks Time Cards	52.00	
620309080	Office Supplies- Administration	LFoxTuesdayMorningKnives4Kitchen	14.08	
680909080	Travel and Training	LFoxWesternFairsAssoc	475.00	
680909080	Travel and Training	LFoxWesternFairsAssoc	475.00	
660408010	Rodeo	LFoxWomensPRCA	160.00	2,599.93
620342010	Supplies-Publicity	MMargettsAdobeCreativeCloud	52.99	
560007070	Contract Services- Satellite	MMargettsComcastJC	117.21	
650302010	Multi-Media Advertising	MMargettsConstantContact	415.00	
228360000	Due To/Due From Foundation	MMargettsFoundationNonProfitEa	20.00	
620305010	Supplies- Exhibits	MMargettsShopkeep	89.00	
620305010	Supplies- Exhibits	MMargettsShopkeep	29.99	
650852010	Website	MMargettsSonic.net	19.95	744.14
680909080	Travel and Training	RBartlingMarriott	689.03	
680909080	Travel and Training	RBartlingSouthwest	116.82	805.85
700301080	Electrical Supplies	RCrouchBatteriesPlus	156.83	
680709080	Directors Expense	RCrouchCompleteWelders	245.06	
730201080	Buildings & Grounds Repair	RCrouchKTool	199.10	

V-81983 U.S. Bank Corporate Payment Systems December 2018**Invoice: 42460445556798551218, U.S. Bank Corporate Payment Systems (00006275), 12/31/18, \$14,729.00**

GL Account	GL Account Description	Reference	Amount	
730201080	Buildings & Grounds Repair	RCrouchRCRepairClinic	94.16	695.15
620303060	Supplies-Interim	RGarciaHarborFreight Rain Gear	69.40	
700501080	Grounds Supplies	RGarciaMissionAceHardwareAntSpry	42.95	112.35
			Total	14,729.00

SONOMA COUNTY FAIR & EXPOSITION, INC.
1350 Bennett Valley Road
Santa Rosa, CA 95404
Phone – 707.545.4200

Standard Professional Services Agreement (“PSA”)
Revision G – June 2016

This agreement ("Agreement"), dated as of February 15, 2019 (“Effective Date”) is by and between SONOMA COUNTY FAIR & EXPOSITION, INC. (hereinafter "Association"), and Lance, Soll & Lunghard, LLP (hereinafter "Consultant").

R E C I T A L S

WHEREAS, Consultant represents that it is a duly qualified public accounting firm, licensed by the State of California, experienced in performing audits of governmental agencies and related services; and

WHEREAS, in the judgment of the Association, it is necessary and desirable to employ the services of Consultant to perform audits on, and prepare taxes for; Sonoma County Fair & Exposition, Inc., Sonoma County Harvest Fair Association, and Sonoma County Fair Foundation.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

A G R E E M E N T

1. Scope of Services.

1.1 Consultant's Specified Services.

Consultant shall perform the following services within the times or by the dates provided below and pursuant to Article 7, Prosecution of Work:

1. Independent Auditors Report with Supplementary Information. Final report due to Controller by July 15, of each of the agreement years, for the audit of the period ending December 31 of the prior year. Report to be provided in electronic form and in hard copy, with 20 bound copies.
2. Timely filing of forms 990 and 199. Extensions to file to be approved, in advance, by the Controller of Association.

3. Management letter presented to Controller, and CEO, of Association, and, at the request of the CEO, presented to Board of Directors of Association.
4. Annual audit “wrap-up” presentation to Audit Committee and/or Board of Directors of Association, at the request of Controller, or CEO of Association.

1.2 Cooperation With Association. Consultant shall cooperate with Association and Association staff in the performance of all work hereunder.

1.3 Performance Standard. Consultant shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Consultant's profession. Association has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees to provide all services under this Agreement in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor’s work by Association shall not operate as a waiver or release. If Association determines that any of Consultant's work is not in accordance with such level of competency and standard of care, Association, in its sole discretion, shall have the right to do any or all of the following: (a) require Consultant to meet with Association to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 4; or (d) pursue any and all other remedies at law or in equity.

1.4 Assigned Personnel.

- a. Consultant shall assign only competent personnel to perform work hereunder. In the event that at any time Association, in its sole discretion, desires the removal of any person or persons assigned by Consultant to perform work hereunder, Consultant shall remove such person or persons immediately upon receiving written notice from Association.
- b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by Association to be key personnel whose services were a material inducement to Association to enter into this Agreement, and without whose services Association would not have entered into this Agreement. Consultant shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of Association.
- c. In the event that any of Consultant’s personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or

other factors outside of Consultant's control, Consultant shall be responsible for timely provision of adequately qualified replacements.

2. Payment.

For all services and incidental costs required hereunder, Consultant shall be paid in accordance with the following terms:

Flat fee for audit and tax services:

- 2019 for year ending December 31, 2018 - \$22,500
- 2020 for year ending December 31, 2019 - \$23,500
- 2021 for year ending December 31, 2020 - \$25,000

Unless otherwise noted in this Agreement, payments shall be made within the normal course of Association business after presentation of an invoice in a form approved by the Association for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by the Association.

Pursuant to California Revenue and Taxation code (R&TC) Section 18662, the Association shall withhold seven percent of the income paid to Consultant for services performed within the State of California under this agreement, for payment and reporting to the California Franchise Tax Board, if Consultant does not qualify as: (1) a corporation with its principal place of business in California, (2) an LLC or Partnership with a permanent place of business in California, (3) a corporation/LLC or Partnership qualified to do business in California by the Secretary of State, or (4) an individual with a permanent residence in the State of California.

If Consultant does not qualify, Association requires that a completed and signed Form 587 be provided by the Consultant in order for payments to be made. If Consultant is qualified, then the Association requires a completed Form 590. Forms 587 and 590 remain valid for the duration of the Agreement provided there is no material change in facts. By signing either form, the Consultant agrees to promptly notify the Association of any changes in the facts. Forms should be sent to the Association pursuant to Article 12. To reduce the amount withheld, Consultant has the option to provide Association with either a full or partial waiver from the State of California.

3. Term of Agreement. The term of this Agreement shall be from March 01, 2019 to December 31, 2021 unless terminated earlier in accordance with the provisions of Article 4 below.

4. Termination.

4.1 Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, Association shall have the right, in its sole discretion, to terminate this Agreement by giving 5 days written notice to Consultant.

4.2 Termination for Cause. Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, Association may immediately terminate this Agreement by giving Consultant written notice of such termination, stating the reason for termination.

5. Indemnification. Consultant agrees to accept all responsibility for loss or damage to any person or entity, including Association, and to indemnify, hold harmless, and release Association, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Consultant, that arise out of, pertain to, or relate to Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant agrees to provide a complete defense for any claim or action brought against Association based upon a claim relating to such Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant's obligations under this Section apply whether or not there is concurrent or contributory negligence on Association's part, but to the extent required by law, excluding liability due to Association's conduct. Association shall have the right to select its legal counsel at Consultant's expense, subject to Consultant's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

6. Insurance. With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Attachment #2, which is attached hereto and incorporated herein by this reference.

7. Prosecution of Work. The execution of this Agreement shall constitute Consultant's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Consultant's performance of this Agreement shall be extended by a number of days equal to the number of days Consultant has been delayed.

8. Extra or Changed Work. Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties.

9. Representations of Consultant.

9.1 Standard of Care. Association has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Consultant's work by Association shall not operate as a waiver or release.

9.2 Status of Consultant. The parties intend that Consultant, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of Association and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits Association provides its employees. In the event Association exercises its right to terminate this Agreement pursuant to Article 4, above, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

9.3 No Suspension or Debarment. Consultant warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Consultant also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration. If the Consultant becomes debarred, consultant has the obligation to inform the Association

9.4 Taxes. Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Consultant agrees to indemnify and hold Association harmless from any liability which it may incur to the United States or to the State of California as a consequence of Consultant's failure to pay, when due, all such taxes and obligations. In case Association is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to furnish Association with proof of payment of taxes on these earnings.

9.5 Records Maintenance. Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to Association for inspection at any reasonable time. Consultant shall maintain such records for a period of four (4) years following completion of work hereunder.

9.6 Conflict of Interest. Consultant covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial

conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if requested to do so by Association, Consultant shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with Association disclosing Consultant's or such other person's financial interests.

9.7 Statutory Compliance/Living Wage Ordinance. Consultant agrees to comply with all applicable federal, state and local laws, regulations, statutes and policies, including but not limited to the County of Sonoma Living Wage Ordinance, applicable to the services provided under this Agreement as they exist now and as they are changed, amended or modified during the term of this Agreement.

9.8 Nondiscrimination. Without limiting any other provision hereunder, Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis, including without limitation, the Association's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

9.9 AIDS Discrimination. Consultant agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma Association Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

9.10 Assignment of Rights. Consultant assigns to Association all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Consultant in connection with this Agreement. Consultant agrees to take such actions as are necessary to protect the rights assigned to Association in this Agreement, and to refrain from taking any action which would impair those rights. Consultant's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as Association may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of Association. Consultant shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of Association.

9.12 Authority. The undersigned hereby represents and warrants that he or she has authority to execute and deliver this Agreement on behalf of Consultant.

10. Demand for Assurance. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When

reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article limits Association's right to terminate this Agreement pursuant to Article 4.

11. Assignment and Delegation. Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

12. Method and Place of Giving Notice, Submitting Bills and Making Payments. All notices, bills, and payments shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

TO: ASSOCIATION:

Sonoma County Fair & Exposition, Inc.
1350 Bennett Valley Road
Santa Rosa, CA 95404
controller@sonomacountyfair.com
Fax: 707.573.9342

TO: CONSULTANT:

Kenneth A Macias
2151 River Plaza Dr., Suite 150
Sacramento, CA 95833
Phone: (916) 503-5691

When a notice, bill or payment is given by a generally recognized overnight courier service, the notice, bill or payment shall be deemed received on the next business day. When a copy of a notice, bill or payment is sent by facsimile or email, the notice, bill or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, bill or payment is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills

and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

13. Miscellaneous Provisions.

13.1 No Waiver of Breach. The waiver by Association of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

13.2 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Consultant and Association acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Consultant and Association acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

13.3 Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

13.4 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

13.5 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or the forum nearest to the city of Santa Rosa, in the Association of Sonoma.

13.6 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

13.7 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

13.8. Survival of Terms. All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

13.9 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CONSULTANT: _____

ASSOCIATION:

By: _____

By: _____

Department Head or Designee

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____