



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

January 31, 2012

David Kegebein, CEO
14th DAA, Santa Cruz Country Fair
2601 E. Lake Ave.
Watsonville, CA 95076

RE: Requirement of Fairs on the Watch Additional Reporting

Dear Mr. Kegebein:

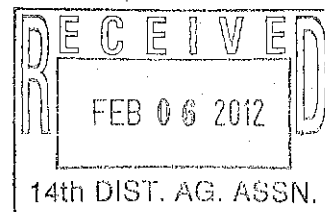
This letter is to notify you that the 14th DAA, Santa Cruz County Fair is now part of the Fairs on the Watch Program and is subject to the additional reporting requirement established by the Division of Fairs & Expositions (F&E). This requirement applies only to fairs that F&E identifies as having financial challenges.

Criteria used by F&E to select subject fairs includes negative reserves, low cash availability, history of decreasing reserves, and history of exceeding budgeted expenses without corresponding increases in revenue. F&E has determined that the 14th DAA, Santa Cruz County Fair, meets one or more of the listed criteria, therefore, is subject to the priority reporting requirement.

Be assured that F&E's primary interest is seeing that the fair succeeds and remains financially solvent. As such, the additional reporting will serve as a tool to adequately monitor your financial condition and ensure that the fair remains a going concern.

Enclosed you will find the Fairs on the Watch Reporting Preparation Guide. Reports required to be submitted are as follows:

- Board Meeting Minutes
- Summary Trial Balance
- Balance Sheet
- Income Statement
- CEO Representation
- Transfer of Budget Allotment (DAA s only)



These reports are to be submitted to F&E on a **monthly** basis by the end of each month. The first set of reports for January 2012 will be due by February 29, 2012.





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Should you have questions regarding the Fairs on the Watch criteria or need assistance, please contact Diana Paluszak via e-mail at Dpaluszak@cdfa.ca.gov or by phone at 916-263-2967. If you have suggestions for improvements to the program please do not hesitate to call me at 916-263-2459.

Sincerely,

Rebecca Desmond, Director
Division of Fairs & Expositions

Enclosure



California Department of Food & Agriculture
Division of Fairs & Expositions
FAIRS ON THE WATCH PROGRAM

Preparation Guide

This guide is designed to assist fairs included in the Fairs on the Watch program with the preparation of all additional reports. All additional reports must be prepared in accordance with these instructions provided by the Division of Fairs & Expositions (F&E).

Reporting

Fairs will submit additional reports based on the fairs year-end reserve percentage from the current Statement of Operations (see criteria below).

Additional Reporting (Negative Reserve)

As of July 1, 2011, fairs will submit additional reports if the current year-end STOP reserve percentage was negative, on a monthly basis.

Deadline

Additional Reporting

Fairs Additional reports will be due by the end of each month.

What to Submit

Fairs Additional Reporting must submit the following reports:

- Complete Board Package
- Financials (Balance Sheet, Income Statement, Trial Balance, etc.)
- Board Meeting Minutes including Closed Session Report

Where to send

Reports may be submitted in hard copy form by mailing them to:

Department of Food & Agriculture
Division of Fairs & Expositions
Attn: Diana Paluszak
1010 Hurley Way, Suite 200
Sacramento CA 95825

Reports may also be submitted electronically via email to: Dpaluszak@cdfa.ca.gov
Please do not fax your reports --- fax transmission causes distortion and reports become illegible.

For questions and/or comments

We are constantly updating and improving these reports and their related templates. Updates will be provided to you as they become available. F&E encourages you to call us with any input and/or suggestions you may have. Please direct any questions and/or comments regarding preparation of additional reports to:

Diana Paluszak
(916) 263-2967 Office
(916) 263-2969 Fax
Email: dpaluszak@cdfa.ca.gov