

**SAN DIEGO CONVENTION CENTER CORPORATION
AUDIT COMMITTEE MEETING
OF THE BOARD OF DIRECTORS**

**Director Allan Farwell, Chair
Director Xema Jacobson
Director Jeff Gattas**

**MONDAY, JUNE 15, 2020, 10:00 A.M.
111 W. Harbor Drive, Executive Boardroom
San Diego, California 92101**

AGENDA

**(Meeting to be held via teleconference pursuant to
State of California Executive Order N-29-20)**

**Telephone number for members of the public
to observe, listen, and address the meeting telephonically:
1(888) 251-2909 – Access code is 6724115#**

1. **Call to order:** Allan Farwell, Chair

2. **Non-Agenda Public Comment:**

This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board that have not previously been before the Board. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.

3. **Approve minutes of February 27, 2020 Audit Committee Meeting**

4. **Action Item:**

a. **Recommendation to Authorize Acceptance of Money Purchase Pension Plan Audited Financial Report for the Plan Year Ended December 31, 2019**

5. **Staff Updates:**

a. **SDCCC Fraud/Complaints Update – Rip Rippetoe**

b. **Finance Update – Mardeen Mattix**

(1) Review of Year- to-Date Financial Variances

(2) Financial audit timeline, new partner expectations and scheduled audit

6. **Audit Committee Comment** [Govt. Code §54954.2(a)(2)]

Adjournment

This information is available in alternative formats upon request. To request an agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device ("ALD") for the meeting, please call Pat Evans at (619) 525-5131 at least five working days prior to the meeting to ensure availability. **Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.**

In compliance with Government Code section 54957.5, non-exempt written material that is distributed to the Board prior to the meeting will be available at the meeting or it may be viewed in advance of the meeting at the corporation's offices at 111 West Harbor Drive, San Diego, CA. Materials distributed to the board after the posting of this agenda also will be available. Please contact Pat Evans at (619)525-5131 or pat.evans @ visitsandiego.com if you would like to pick up a copy of any material related to an item on this agenda.

Action items on this agenda may be consolidated for voting purposes into a single vote of the Board, to the extent they are routine or otherwise do not require further deliberation. A Board member may comment on an action item before it is voted upon as part of the consolidated vote; however, if a Board member wishes to discuss an action item, that item will not be included in the consolidated vote. If a member of the public wishes to comment upon an action item, they should so advise the Board chair at or before the public comment portion of the meeting, in which case that item will not be included in any consolidated vote.

Agenda Item 3

MINUTES

**SAN DIEGO CONVENTION CENTER CORPORATION
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

**TUESDAY, FEBRUARY 27, 2020, 11:00 A.M.
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

**Director Allan Farwell, Chair
Director Xema Jacobson
Director Jeff Gattas**

**BOARD MEMBERS
PRESENT:**

Chair Allan Farwell and Directors Xema Jacobson and Jeff Gattas

**BOARD MEMBERS
ABSENT:**

STAFF PRESENT:

Rip Rippetoe, Mardeen Mattix, Karen Totaro and Pat Evans
(Recorder)

ALSO PRESENT:

Brooke Hawley, RBC Wealth Management Representative

1. Call to Order:

Chair Allan Farwell called the meeting to order at 11:06 a.m. in the Executive Conference Room of the San Diego Convention Center Corporation, San Diego, California. All of the Committee members were present.

2. Non-Agenda Public Comment – None

3. Approve minutes of Audit Committee Meeting of January 21, 2020.

Directors Jacobson and Farwell moved and seconded, respectively, to approve the minutes of the meeting of January 21, 2020. Vote unanimous.

AYES: 2

NAYS: 0

ABSTENTION: 1

4. **Action Item (s):**

- a. **Authorization to Recommend Consolidation of Money Purchase Pension Plan and 403b Plan to a single 403b MPP Plan Instrument and to Replace Current Retirement Funds to Proposed Fund Line-up advised by RBC Wealth Management and to authorize the CEO and CFO to continue the transition time-line.**

Directors Jacobson and Farwell moved and seconded, respectively, to Recommend (1) Consolidation of Money Purchase Pension Plan and 403b Plan to a single 403b MPP Plan Instrument, (2) Replace Current Retirement Funds to Proposed Fund Line-up advised by RBC Wealth Management, (3) Approve authorization of plan administrative fee allocation to participants and (4) Authorize the CEO and CFO to continue the plan transition time-line.

Vote: Unanimous

AYES: 2

NAYS: 0

ABSTENTIONS: 0

Director Gattas was absent from the vote.

5. **Staff Updates:**

- a. **SDCCC Fraud/Complaints Update** – Mr. Rippetoe reported that there have been no fraud complaints received. Human Resources has received a complaint which is being investigated internally. Staff will inform the Audit Committee Chair of the outcome of the investigation.
- b. **Finance Update - None**
(1) Review of Year-to-Date Financial Variances

6. **Audit Committee Comment:**

There being no further business, the meeting adjourned at 11:55 a.m.

CERTIFICATION

I, Allan Farwell, Chair of the Audit Committee of the Board of Directors of San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Audit Committee of the Board of Directors of the San Diego Convention Center Corporation, Inc. at a duly noticed meeting held on February 27, 2020.

Allan Farwell, Audit Committee Chair

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN**

	<u>Pages</u>
I Index	1
II Independent auditor's report	2 - 3
III Statements of net assets available for benefits	4
IV Statements of changes in net assets available for benefits	5
V Notes to the financial statements	6 - 13
VI Required supplemental information:	
- Schedule of assets (held at end of year)	14 - 16

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
San Diego Convention Center Corporation Money Purchase Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of San Diego Convention Center Corporation, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 6, which was certified by Wells Fargo Bank, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the plan trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the plan custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at the end of the year) as of December 31, 2019 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

CONSIDINE & CONSIDINE

An accountancy corporation

June 8, 2020

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2019 AND 2018**

Page 4

	<u>2019</u>	<u>2018</u>
ASSETS		
INVESTMENTS		
Investments at fair value (notes 6 and 7)	\$ 25,142,180	\$ 22,044,073
RECEIVABLES		
Notes receivable from participants	<u>740,709</u>	<u>716,193</u>
TOTAL ASSETS	25,882,889	22,760,266
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 25,882,889</u></u>	<u><u>\$ 22,760,266</u></u>

See accompanying notes

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Page 5

	2019	2018
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
INVESTMENT INCOME (note 6)		
Net appreciation/(depreciation) in fair value of investments	\$ 3,883,446	\$ (1,499,358)
Dividends	396,049	428,458
Mutual fund rebate	50,214	51,400
	4,329,709	(1,019,500)
Interest income on notes receivable from participants	35,853	29,469
CONTRIBUTIONS		
Employer	1,321,683	1,282,170
TOTAL ADDITIONS	5,687,245	292,139
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants (note 5)	2,511,942	1,416,387
Administration fees (note 3)	52,680	53,312
TOTAL DEDUCTIONS	2,564,622	1,469,699
NET INCREASE/(DECREASE)	3,122,623	(1,177,560)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	22,760,266	23,937,826
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 25,882,889	\$ 22,760,266

See accompanying notes

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

Page 6

NOTE 1 DESCRIPTION OF PLAN

The following description of San Diego Convention Center Corporation Money Purchase Pension Plan ("Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan covering all full-time and part-time employees of The San Diego Convention Center (the "Company" or "Employer") who are not covered under a union retirement plan. Full-time employees qualify to participate in the Plan once they have completed 1,000 hours in their first year of service while part-time employees qualify to participate in the Plan once 1,000 hours have been completed each year. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

CONTRIBUTIONS

Contributions to the Plan are as follows:

For each plan year, the Employer is required to contribute an amount equal to 10% of the total annual compensation of all participants who qualified to participate in the Plan. Contributions for any one plan year shall be transferred to the Plan; provided, however, such contributions shall be paid no later than the due date of the Company's corporate tax returns (or any extension thereof). In the event the annual contribution is deposited after the close of the plan year, the employer shall designate the plan year to which such contributions apply. Total payroll for the years ended December 31, 2019 and 2018 was \$18,694,529 and \$17,436,347, respectively. Contributions were calculated using eligible wages of \$13,828,023 for 248 employees and \$13,344,874 for 248 employees for the years ended December 31, 2019 and 2018, respectively. The Plan was fully funded during 2019 and 2018.

The Plan does not permit voluntary contributions.

PARTICIPANT ACCOUNTS

Participants have separate accounts for contributions to the Plan. Annually, each account recognizes appropriate contributions, plan earnings or losses net of fees, and applicable forfeitures upon participant termination.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

Page 7

FORFEITED ACCOUNTS

Forfeitures are used to reduce the employer's liability for current or subsequent contributions to the Plan.

VESTING

Vesting in participant's accounts, based on years of service, is as follows:

<u>Years of service</u>	<u>Vested %</u>
Less than 1 year	None
1 year but less than 2	20
2 years but less than 3	40
3 years but less than 4	60
4 years but less than 5	80
5 years of more	100

LOANS

Participant loans are permitted under the Plan, however, loan amounts may not exceed the lesser of \$50,000 or 50% of the participants vested account balance, subject to a minimum loan amount of \$1,000. Interest charged on the loans is prime rate plus 0.5%.

INVESTMENT OPTIONS

Upon enrollment into the Plan, participants may direct their account balances in any investment alternatives approved by the trustee, including but not limited to mutual funds and the common and collective fund. All earnings and losses on the directed investments are credited directly to the participants' accounts.

PAYMENT OF BENEFITS

Vested benefits are payable in one lump-sum distribution of the entire account balance or in a single sum payment of a portion of the account balance.

For purposes of determining whether or not a withdrawal is being used to provide benefits in accordance with the Plan document, the term "benefits" is limited to amounts becoming payable to the participant due to:

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Page 8

- (A) termination of employment
- (B) retirement
- (C) disability
- (D) death

as defined in the plan document.

Withdrawals for reasons other than those listed above are allowed but may be subject to certain charges and adjustments.

In the event of a mandatory distribution greater than \$1,000, but no more than \$5,000, in accordance with the payment provisions of the Plan, if the participant does not elect to have such distributions paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly under any form of payment allowed under the Plan, then the distribution will be paid in a direct rollover to an individual retirement plan designated by the plan administrator. Mandatory distributions of \$1,000 or less will be paid in cash as directed by the plan administrator, unless the participant elects a direct rollover or elects to receive the distribution under another form permitted by the Plan.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles (GAAP) in the United States of America.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investments Valuation and Income Recognition - Investments are maintained in mutual funds and in a non-fully benefit-responsive common collective trust and are stated at values certified by the institution that holds the Plan's assets as an investment manager and are under the custody of the Plan trustee. Quoted market prices are used to value investments at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. The cost basis of the assets was \$28,022,038 and \$28,201,225 as of December 31, 2019 and 2018, respectively.

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Page 9

Fair Value Measurement - The Plan follows accounting standards consistent with the Financial Accounting Standards Board (FASB) Codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Notes Receivable from Participants - Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Management regularly reviews the collectability of the delinquent loan balances and records an allowance based on circumstances of the individual's underlying loan. Uncollectible loans are written off against the participant's balance at the time the participant leaves the Plan. Notes receivable from participants are reported net of an allowance of \$0 as of December 31, 2019 and 2018.

Benefits - Benefits are recorded when paid. There were no unpaid benefits at December 31, 2019 and 2018.

Income Taxes - The Plan follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the Plan's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or to be taken in a tax return. The Plan is a governmental plan as defined in section 3(32) of ERISA, and thus exempt from Title 1 of ERISA and certain provisions of the Internal Revenue Code. The Plan is subject to the unrelated business income tax (UBIT) in any taxable year its unrelated business taxable income (UBTI) exceeds \$1,000. The Company does not believe it has conducted business which is not substantially related to the Plan's exempt purpose or invested in any non-qualified investments that would be subject to UBIT. As of December 31, 2019 and 2018, the Plan has not accrued interest or penalties related to uncertain tax positions.

NOTE 3 ADMINISTRATIVE EXPENSES

Expenses of the Plan, to the extent that the employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is permitted by law. Certain investment related expenses are included as a reduction of investment return and are not separately reflected. During the years ended December 31, 2019 and 2018, the majority of the administrative expenses of the Plan were paid using assets of the Plan. Amounts totaling \$52,680 and \$53,312 were paid directly by the Plan for trustee fees for the years ended December 31, 2019 and 2018, respectively.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

Page 10

NOTE 4 PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, the rights of all employees to account balances accrued to the date of the termination are fully vested and non-forfeitable.

NOTE 5 BENEFITS PAID TO PARTICIPANTS

For the years ended December 31, 2019 and 2018, \$2,511,942 and \$1,416,387, respectively, have been distributed to participants who have withdrawn from the Plan.

For the years ended December 31, 2019 and 2018, the total amount of forfeitures used for the Plan were \$0. Forfeitures are used to reduce employer contributions to the Plan. At December 31, 2019 and 2018, there were forfeited nonvested accounts totaling \$18,127 and \$17,758, respectively.

NOTE 6 INFORMATION PREPARED AND CERTIFIED BY PLAN TRUSTEE

The following is information prepared and certified by Wells Fargo Bank:

	<u>2019</u>	<u>2018</u>
Investments at fair value:		
Mutual funds	\$ 22,380,194	\$ 18,932,224
Common and collective fund	2,761,986	3,111,849
Notes receivable from participants	740,709	716,193
	<u>\$ 25,882,889</u>	<u>\$ 22,760,266</u>
Investment income:	<u>2019</u>	<u>2018</u>
Net appreciation/(depreciation) in fair value of investments	\$ 3,883,446	\$ (1,499,358)
Dividends	396,049	428,458
Mutual fund rebate	50,214	51,400
Interest income on notes receivable from participants	35,853	29,469
	<u>\$ 4,365,562</u>	<u>\$ (990,031)</u>

During 2019 and 2018, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the years) appreciated/(depreciated) in value by \$3,883,446 and (\$1,499,358), respectively.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

Page 11

NOTE 7 COMMON AND COLLECTIVE FUND

The Plan has a non-fully benefit-responsive common and collective fund with Wells Fargo Bank that is operated as a stable return fund. Wells Fargo Bank maintains Plan contributions in an unallocated account which is part of the general assets of Wells Fargo Bank. The fund is included in the financial statements at fair value as reported to the Plan by Wells Fargo Bank at December 31, 2019 and 2018. The fund is credited with contributions made under the fund, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the fund at December 31, 2019 and 2018 was \$2,761,986 and \$3,111,849, respectively. The crediting interest rate was 1.97% at December 31, 2019 and 2.06% at December 31, 2018. The crediting interest rate is based on the rate in effect when money is deposited in the account.

NOTE 8 FAIR VALUE MEASUREMENT

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

Page 12

The fair value of the interest in the mutual funds is based on the closing price reported in the active market where the individual securities are traded, when available and is classified as Level 1 investments.

The common and collective fund operates as a stable return fund. The fund is valued on the basis of the relative interest of each participating investor in the fair value of the underlying assets of each of the respective common collective trusts. The values of the underlying investments are observable, and accordingly, the investments are classified as Level 2.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.

Financial assets carried at fair value at December 31, 2019 are classified below in one of the three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 22,380,194	\$ -	\$ -	\$ 22,380,194
Common and collective fund	-	2,761,986	-	2,761,986
	<u>\$ 22,380,194</u>	<u>\$ 2,761,986</u>	<u>\$ -</u>	<u>\$ 25,142,180</u>

Financial assets carried at fair value at December 31, 2018 are classified below in one of the three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 18,932,224	\$ -	\$ -	\$ 18,932,224
Common and collective fund	-	3,111,849	-	3,111,849
	<u>\$ 18,932,224</u>	<u>\$ 3,111,849</u>	<u>\$ -</u>	<u>\$ 22,044,073</u>

NOTE 9 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

Page 13

in the near term and that such changes could materially affect participants account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 10 RELATED PARTY TRANSACTIONS

Certain Plan investments include a common and collective fund and shares of money market funds managed by Wells Fargo. Wells Fargo is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Administrative fees incurred by the Plan to the Trustee totaled \$52,680 and \$53,312 for the years ended December 31, 2019 and 2018, respectively. The Company also pays certain administrative fees of the Plan, which are not reimbursed. In addition, the Company provides administrative services to the Plan at no cost to the Plan.

NOTE 11 SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through June 8, 2020, the date which the financial statements were available to be issued.

As a result of the spread of the COVID-19 Coronavirus and the resulting health orders, operations may be significantly impacted during 2020. Participants and the amount of contributions may be reduced but we cannot quantify this potential impact.

Subsequent to December 31, 2019, the stock market experienced a significant decline in value due to the impact of the Covid-19 Coronavirus. As of June 8, 2020, the Dow Jones Industrial Average declined 3.70% since December 31, 2019. It is estimated that the Plan's investments declined by approximately 5%, or approximately \$1.1 million, as of May 31, 2020. The Company will continue to monitor its investments as it has successfully done in the past, but has no immediate plans to change its investment portfolio.

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i -- SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2019

Plan Sponsor's EIN: 33-0107636
 Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	WF Dow Jones Target 2025-R4 #4605	Mutual fund	**	\$ 4,699,715
*	WF Dow Jones Target 2040-R4 #4608	Mutual fund	**	3,950,210
*	WF Stable Return Fund N35	Common and collective funds	**	2,761,986
*	Janus Henderson Enterprise- T #1050	Mutual fund	**	1,874,302
*	WF Dow Jones Target 2030-R4 #4606	Mutual fund	**	1,469,526
*	WF Dow Jones Target Today-R4 #4601	Mutual fund	**	1,245,951
*	WF Index Fund-Admin #88	Mutual fund	**	1,088,471
*	Artisan Mid Cap Fund #962	Mutual fund	**	1,050,870
*	WF Dow Jones Targ 2050-R4 #4610	Mutual fund	**	1,011,898
*	WF Dow Jones Target 2035-R4 #4607	Mutual fund	**	901,432
*	Mainstay L/C Growth FD CL-RI #1484	Mutual fund	**	761,533
*	WF Dow Jones Target 2020-R4 #4604	Mutual fund	**	650,199
*	WF Dow Jones Target 2045-R4 #4609	Mutual fund	**	619,140
*	Goldman Sachs Mid Cap Value-I #864	Mutual fund	**	478,882
*	MFS Value Fund Class-A #93	Mutual fund	**	354,129
*	BNYM Insight Core Plus-A	Mutual fund	**	307,898
*	Invesco Small Cap Grwth FD-A #1564	Mutual fund	**	303,727
*	WF Dow Jones Targ 2055-R4 #461	Mutual fund	**	270,264
*	WF Small Company Value-A #1815	Mutual fund	**	235,638
*	WF Govt Securities - ADM #3708	Mutual fund	**	224,935
*	WF Dow Jones Targ 2015-R4 #4603	Mutual fund	**	218,596

See accompanying independent auditor's report

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2019

Plan Sponsor's EIN: 33-0107636
 Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	Goldman Sachs Small Cap Value I #651	Mutual fund	**	202,157
	American Europac Growth - R4 #2416	Mutual fund	**	172,459
	American Century Intl Growth-Adv #741	Mutual fund	**	73,258
*	WF Dow Jones Targ 2060-R4	Mutual fund	**	65,918
*	American Growth FD of Amer-R4 #2405	Mutual fund	**	61,305
*	WF Dow Jones Targ 2010-R4 #4602	Mutual fund	**	55,398
	WF Special M/C Value ADM #3704	Mutual fund	**	19,360
	Hotchikis & Wiley M/C Val CL-A #1069	Mutual fund	**	13,023
				\$ 25,142,180

* Indicates an identified person known to be a party-in-interest to the Plan.

** Cost has been omitted as investment is participant directed.

See accompanying independent auditor's report

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2019

Plan Sponsor's EIN: 33-0107636
 Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Notes receivable from participants	Various maturity dates Interest rate 3.75% - 8.25%	**	\$ <u>740,709</u>

* Indicates an identified person known to be a party-in-interest to the Plan.

** Cost has been omitted as investment is participant directed.

See accompanying independent auditor's report