



## Agenda Submittal

**Agenda #:** 22 **Status:** Regular Calendar  
**Type:** Report **Department:** Auditor-Controller  
**File #:** 18-773 **Contact:** Kirk Starkey, 784-3057  
**Agenda date:** 11/6/2018 **Final action:** 11/6/2018  
**Title:** Receive the Audit Report of the Solano County Fair for the years ended December 31, 2017 & 2016

**Governing body:** Board of Supervisors

**District:** All

**Attachments:** 1. A - SCF Audit Report, 2. B - SCF Mgmt Memo, 3. C - SCF Mgmt Memo Addendum, 4. Minute Order

Date	Ver.	Action By	Action	Result
11/6/2018	1	Board of Supervisors	Received	

Published Notice Required? Yes ☐ No ☒  
Public Hearing Required? Yes ☐ No ☒

### **DEPARTMENTAL RECOMMENDATION:**

The Auditor-Controller's Office (ACO) recommends the Board of Supervisors receive the Audit Report of the Solano County Fair for the years ended December 31, 2017 & 2016.

### **SUMMARY AND DISCUSSION:**

The Solano County Fair (Fair) serves all citizens of Solano County and is managed by the Solano County Fair Association (Association). The Association was established as a 501(c) (3) nonprofit corporation in 1949 to conduct the annual County Fair and oversee the day-to-day operations of the County's fairgrounds property. The Fair is governed by the Solano County Board of Supervisors via an appointed Fair Association Board of Directors.

The activities of the Fair are accounted for in an enterprise fund, a proprietary fund type, which appears as a discretely presented component unit in the Comprehensive Annual Financial Report of the County of Solano, the reporting entity. An enterprise fund is used to account for those operations financed and operated in a manner similar to private businesses where the intent is that all costs (including depreciation and overhead) are financed or recovered through user charges.

In accordance with the Memorandum of Understanding between the Association and the County, the ACO performed the audit of the Fair for the calendar years ended December 31, 2017 & 2016. The audit was conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that the ACO plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Based on the audit, the ACO issued an unmodified opinion ("clean" opinion) on the financial statements as of and for the years ended December 31, 2017 & 2016. An unmodified opinion indicates the financial statements are presented fairly in accordance with accounting principles generally accepted in the United States of

America.

In addition, the ACO issued a Management Memo based on observations during the audit and is included as Attachment B. However, subsequent to the release of the audit report, management brought to the ACO's attention a potential issue regarding the Fair's compliance with CalPERS enrollment requirements. This matter is disclosed in Attachment C.

**FINANCIAL IMPACT:**

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2018/19 Adopted Budget.

**ALTERNATIVES:**

The Board of Supervisors could elect to not receive the report. This alternative is not consistent with sound public policy and is therefore not recommended.

**OTHER AGENCY INVOLVEMENT:**

The Solano County Fair Association's Board of Directors has reviewed and accepted the report on October 17, 2018. The County Administrator's Office (CAO) has reviewed the report.

**CAO RECOMMENDATION:**

APPROVE DEPARTMENTAL RECOMMENDATION