



## Agenda Submittal

**Agenda #:** 32 **Status:** Regular Calendar  
**Type:** Report **Department:** Auditor-Controller  
**File #:** 20-540 **Contact:** Denny Cheuk, 784-3057  
**Agenda date:** 7/28/2020 **Final action:** 7/28/2020  
**Title:** Receive the Audit Report of the Solano County Fair for the years ended December 31, 2019 & 2018

**Governing body:** Board of Supervisors

**District:** All

**Attachments:** 1. A - Solano County Fair - December 31, 2019 and 2018 Final Audit Report, 2. B - Solano County Fair - December 31, 2019 and 2018 Management Letter, 3. Minute Order

Date	Ver.	Action By	Action	Result
7/28/2020	1	Board of Supervisors		

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, 2019 & 2018.

### **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 Internal Audit Division performed the audit of the Fair for the calendar years ended December 31, 2019 & 2018. The audit was conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that the Internal Audit Division plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Based on the audit, the Internal Audit Division issued an unmodified opinion ("clean" opinion) on the financial statements as of and for the years ended December 31, 2019 & 2018 and is included as Attachment A. 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 Internal Audit Division issued a Management Letter based on observations during the audit and is included as Attachment B.

**FINANCIAL IMPACT:**

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2020/21 Preliminary 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 July 21, 2020. The County Administrator Office has reviewed the report.

**CAO RECOMMENDATION:**

APPROVE DEPARTMENTAL RECOMMENDATION