

**EL DORADO COUNTY FAIR
ASSOCIATION**

**ACCOUNTANT'S REVIEW REPORT
Financial Statements – Income Tax Basis and
Supplemental Information
for the year ended December 31, 2024**

ROBERT W. JOHNSON
Certified Public Accountant

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Independent Accountant's Review Report

To the Board of Directors
El Dorado County Fair Association
Placerville, California

We have reviewed the accompanying financial statements of El Dorado County Fair Association (a nonprofit), which comprise the statement of assets, liabilities, and net assets—income tax basis as of December 31, 2024, and the related statements of support, revenues, expenses, and other changes in net assets—income tax basis and of cash flows—income tax basis for the year then ended, and the related notes to the financial statements—income tax basis. A review includes primarily applying analytical procedures to management's financial data and making inquiries of nonprofit management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting the Association uses for income tax purposes; this includes determining that the basis of accounting the Association uses for income tax purposes is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the basis of accounting the Association uses for income tax purposes. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of El Dorado County Fair Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the basis of accounting the Association uses for income tax purposes.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the basis of accounting the Association uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Supplementary Information

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and related directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information.

Robert W. Johnson, An Accountancy Corporation

Citrus Heights, California
May 16, 2025

LIABILITIES AND NET ASSETS

Current liabilities:

Current portion of long-term debt (Note 5)	\$ 22,809
Accounts payable	52,550
Payroll liabilities	927
Guarantee deposits	3,300
Compensated absences	54,215
Deferred revenue	<u>49,920</u>

Total current liabilities	183,721
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Long-term debt, net of current portion (Note 5)	45,618
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Net assets:

Net assets	<u>4,600,903</u>
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	<u><u>\$4,830,242</u></u>
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EL DORADO COUNTY FAIR ASSOCIATION
STATEMENT OF SUPPORT, REVENUES, EXPENSES, AND OTHER CHANGES IN NET
ASSETS – INCOME TAX BASIS
for the year ended December 31, 2024
(See Accountant's Review Report)

Revenues and support:

State allocation and other assistance	\$ 190,350
Grants	195,411
Admissions	334,742
Commercial space	94,559
Concessions	171,712
Carnival	239,889
Exhibits	32,727
Horse show	35,345
Fair attractions - interim	111,142
Miscellaneous Fair	69,695
Capital bar revenue	68,153
Interim buildings & grounds rental	410,568
Interim revenue	181,794
RV space rentals	70,156
Racetrack rental	84,000
Interest income	54,105
Prior year revenue	3,847
Other revenue	<u>6,202</u>
 Total revenues	 2,354,397

Expenses:

Administration	\$ 514,738
Maintenance and operations	745,554
Publicity	42,014
Attendance	94,546
Miscellaneous Fair	65,343
Miscellaneous Non-Fair	69,371
Premiums	24,917
Exhibits	52,758
Horse Show	17,330
Fair entertainment	148,727

See notes to financial statements – Income Tax Basis

EL DORADO COUNTY FAIR ASSOCIATION
STATEMENT OF SUPPORT, REVENUES, EXPENSES, AND OTHER CHANGES IN NET
ASSETS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant's Review Report)

Expenses, continued:		
Interim parking	\$ 25,710	
Cash under (over)	3,325	
Depreciation	<u>187,900</u>	
Total expenses		<u>\$1,992,233</u>
Increase (decrease) in net assets		362,164
Net assets at beginning of year		<u>4,238,739</u>
Net assets at end of year		<u>\$4,600,903</u>

See notes to financial statements – Income Tax Basis

EL DORADO COUNTY FAIR ASSOCIATION
STATEMENT OF CASH FLOWS – INCOME TAX BASIS
for the year ended December 31, 2024
(See Accountant's Review Report)

Cash flows from operating activities:	
Increase in net assets	\$ 362,164
Adjustments to reconcile increase in net assets to net cash provided to operating activities:	
Depreciation	\$ 187,900
Changes in operating assets and liabilities:	
Accounts receivable	(101,681)
Prepaid expenses	3,310
Accounts payable	29,833
Guarantee deposits	(500)
Compensated absences	(939)
Deferred revenue	<u>(5,863)</u>
Total adjustments	112,060
Cash flows from investing activities:	
Construction in progress and capital improvements	(170,258)
Cash flows from financing activities:	
Decrease – LT debt	<u>(22,809)</u>
Net increase in cash and cash equivalents	281,157
Cash and cash equivalents:	
Beginning of year	<u>1,721,918</u>
End of year	<u>\$2,003,075</u>

See notes to financial statements – Income Tax Basis

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS
for the year ended December 31, 2024
(See Accountant's Review Report)

1. Organization:

El Dorado County Fair Association (the "Association") was formed in 1952, and became a 501(c)(3) non-profit corporation in 1990.

The Association was created to manage the Fairgrounds annually and conduct the County Fair each year in Placerville, CA.

The grounds, buildings, operations and improvements are paid for through revenues created on the fairgrounds for the Fair Association. Revenues are collected during the annual fair, interim rentals, horse shows, fundraisers, such as Crab Feeds, wine awards ceremonies, and collaborations with other groups in El Dorado County.

The Board of Directors is made up of eleven Board Members, all four year terms, no term limits: five are appointed by the five Supervisor Districts in El Dorado County and the remaining six, voted in by Association Members, which pay annual dues to continue membership. The Board of Directors is responsible for hiring the CEO (Secretary/Manager) and setting policy. The CEO is responsible for daily operations.

2. Significant Accounting Policies:

The financial statements of El Dorado County Fair Association have been prepared in conformity with the basis of accounting the Association uses for income tax purposes. The more significant of the Association's accounting policies are described below.

Basis of Accounting

The accounting records and the accompanying financial statements have been maintained and prepared on the accrual method of accounting in accordance with practices permitted for federal income tax purposes, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The following are the more significant differences between tax basis and GAAP:

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant's Review Report)

2. Significant Accounting Policies, continued:

Basis of Accounting, continued

1. As permitted for income tax reporting purposes, the Association records contributions and grants when they are received or pledged. Restricted funds are recognized as revenue in the appropriate fund upon the Associations' compliance with the specific restrictions. Amounts received but not yet recognized are recorded as deferred restricted support in the accompanying statement of assets, liabilities, and net assets – income tax basis. Under GAAP, contributions received would be recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence or nature of any donor restrictions. Contributions with donor restrictions would be reclassified to net assets without donor restrictions upon compliance with the specific restrictions. In addition, GAAP would require pledges receivable to be collected in greater than one year to be recorded at their present value in the accompanying financial statements.
2. As permitted for income tax reporting purposes, the Association has not implemented all of the financial reporting requirements of GAAP. Specifically, the Association has not classified the difference between its assets and liabilities as net assets without donor restrictions and net assets with donor restrictions based on the existence or absence of donor-imposed restrictions. In addition, the Association has not reported the changes in each of those classes of net assets in the accompanying financial statements. That presentation is required by GAAP.
3. The Association received donated services and facilities that are not reflected in the accompanying financial statements. Under GAAP, the fair value of contributed services meeting certain requirements would be recognized as contributions and charged to assets or expenses in the accompanying financial statements.
4. As permitted for income tax reporting purposes, the Association recognizes revenue upon completion of services provided under authorized contractual agreement. Under GAAP, revenue is recognized when its transfers promised goods or services to customers in an amount that reflect the consideration to which the organization expects to be entitled in exchange for those goods or services. In doing so, organizations will need to use more judgement and make more estimates under current guidance. These judgements may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation.

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant's Review Report)

2. Significant Accounting Policies, continued:

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting the Association uses for income tax purposes requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Cash in checking and County cash are considered to be cash and cash equivalents.

Income Taxes

The Association is a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. No activities are considered unrelated business income, thus no provision for income taxes required at December 31, 2024.

The preparation of the financial statements in conformity with the basis of accounting the Association uses for income tax purposes requires the Association to report information regarding its exposure to various tax positions taken. The Association has evaluated its uncertain tax positions and related income tax contingencies. The Association does not believe that any material uncertain tax positions exist. The Association's returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California tax authorities.

Investments

Investments consist of deposits in an investment pool maintained by the El Dorado County Treasurer. The Association also maintains checking and saving accounts with local banks.

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant's Review Report)

2. Significant Accounting Policies, continued:

Revenue Recognition

Generally, the Association recognizes revenues upon completion of services provided under authorized contractual agreements.

Deferred Revenue

The Association's deferred revenue represents prepaid rent received in advance and will be recognized as revenue in future periods.

Donated Services

The Association receives donated services from a variety of unpaid volunteers for both program and supporting services. No amounts have been recognized in the accompanying financial statements.

Property and Equipment

Construction-in-progress, land, buildings and improvements, and equipment are acquired with operating funds and funds allocated by the State. Any acquired asset, if greater than \$5,000 and a useful life of one or more years, is recorded at cost.

Depreciation is computed using the straight-line method over the estimated useful life of the asset. Buildings and improvements are depreciated over 5 to 30 years, and equipment is depreciated over 5 years. Capitalized infrastructure assets, such as drainage systems and paving, may be depreciated over 20 to 40 years.

Compensated Absences

Vested or accumulated vacation, personal leave and compensatory time off that are expected to be liquidated with expendable available financial resources are reported as an expense and as a current liability. Sick pay is not vested.

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant’s Review Report)

3. Cash and Investments:

Cash and investments as of December 31, 2024 consisted of the following:

Petty cash	\$ 100
Checking accounts	167,544
Cash with County – operating	<u>1,835,431</u>
Total cash and investments	<u>\$2,003,075</u>

At December 31, 2024, the carrying amount of the Association’s deposits was \$167,544 and the balance in financial institutions was \$207,460. The balance in the financial institutions was covered by federal depository insurance and was collateralized as required by State Law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the Association and other agencies, but not in the name of the Association.

Investments:

California statutes authorize the Association to invest in a variety of credit instruments as provided for in the California Government Code Section 53600, Chapter 4 – Financial Affairs. The Government Code allows investments in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor’s or P-1 by Moody’s Commercial Paper Record, bankers’ acceptances, repurchase agreements, medium-term corporate notes, mutual funds and the State Treasurer’s Local Agency Investment Fund (LAIF). The investments at December 31, 2024 consist of:

	<u>Carrying Amount</u>	<u>Maturity - 12 months or less</u>
County of El Dorado Treasury	<u>\$1,835,431</u>	<u>\$1,835,431</u>

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant's Review Report)

3. Cash and Investments, continued:

The District's funds in El Dorado County Treasurer's Pooled Investment are invested in a diversified portfolio (of underlying investments e.g. U.S. Treasury obligations) such that it considers the risk of material loss to be minimal. The funds held in El Dorado County Treasurer's Pooled Investment can be withdrawn on demand. The Association reports its investments in El Dorado County Treasurer's investment pool at fair value.

4. Capital Assets:

Changes in capital assets for the year ended December 31, 2024 are as follows:

	Balance, January 1, <u>2024</u>	<u>Additions</u>	<u>Disposals</u>	Balance, December 31, <u>2024</u>
Land	\$ 90,987	\$ -	\$ -	\$ 90,987
Buildings	6,360,125	85,510	-	6,445,635
Equipment	<u>427,764</u>	<u>83,155</u>	<u>-</u>	<u>510,919</u>
	<u>\$6,878,876</u>	<u>\$ 168,665</u>	<u>\$ -</u>	<u>\$7,047,541</u>

	Balance, January 1, <u>2024</u>	<u>Additions</u>	<u>Transfers</u>	Balance, December 31, <u>2024</u>
Construction in progress:				
Office	\$ -	\$ 11,868	\$ -	\$ 11,868
Water Project (ARPA)	-	29,674	-	29,674
Blue Gate	3,100	-	-	3,100
Board room renovation	<u>39,948</u>	<u>452</u>	<u>(40,400)</u>	<u>-</u>
	<u>\$ 43,048</u>	<u>\$ 41,994</u>	<u>\$ (40,400)</u>	<u>\$ 44,642</u>

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant’s Review Report)

5. Long-term Debt:

Long-term debt activities for the year ended December 31, 2024 are as follows:

	<u>2023</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>2024</u>	<u>Current Portion</u>
EDC Risk Management	\$ <u>91,236</u>	\$ <u>-</u>	\$ <u>22,809</u>	\$ <u>68,427</u>	\$ <u>22,809</u>

In 2017-18 fiscal year, the cumulative general liability allocated insurance and allocated claims payments totaled \$228,087, due to El Dorado County (EDC Risk Management). El Dorado County agreed to have the Association pay the liability in 10 equal payments of \$22,809, payable on June 1 of each year, and bears no interest.

The future annual maturities of all long-term borrowings as of December 31, 2024 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 22,809	\$ -	\$ 22,809
2026	22,809	-	22,809
2027	<u>22,809</u>	<u>-</u>	<u>22,809</u>
	\$ <u>68,427</u>	\$ <u>-</u>	\$ <u>68,427</u>

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant’s Review Report)

6. Defined Benefit Retirement Plan:

CalPERS

Plan Description

The Association contributes to the Miscellaneous Employer Pool under the California Public Employees’ Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees’ Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained on the CalPERS website.

Funding Policy

Active plan members are required to contribute, depending on whether or not they are classic CalPERS (7.00%) or PEPRA (8.25%), and the Association is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rates are as follows:

January 1, 2024-June 30, 2024	10.21%
July 1, 2024-December 31, 2024	9.95%

The Association’s contributions to CalPERS for fiscal year ending December 31, 2024, were \$91,466, and equal 100 percent of the required contributions for each year.

7. Subsequent Events:

Management has evaluated subsequent events through May 16, 2025, the date these December 31, 2024 financial statements were available to be issued.

EL DORADO COUNTY FAIR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS – INCOME TAX BASIS, continued
for the year ended December 31, 2024
(See Accountant’s Review Report)

8. Accounts Receivable – Other:

Accounts receivable – other at December 31, 2024 consisted of the following:

US Forest Service	\$ 37,500
American Rescue Plan Act (ARPA)	135,170
Other	<u>3,846</u>
Total	<u>\$176,516</u>

SUPPLEMENTAL INFORMATION

EL DORADO COUNTY FAIR ASSOCIATION
SCHEDULE OF AGED ACCOUNTS RECEIVABLE – INCOME TAX BASIS
December 31, 2024
(See Accountant's Review Report)

	<u>Amount</u>
1 - 30 days	\$ 7,650
31 - 60 days	5,571
61 - 90 days	2,836
91 days and over	<u>6,428</u>
Total	\$ <u>22,485</u>

EL DORADO COUNTY FAIR ASSOCIATION
SUMMARY COMPARISON – BUDGET – INCOME TAX BASIS
for the year Ended December 31, 2024
(See Accountant's Review Report)

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Operating revenues and support	\$1,652,350	\$2,164,047	\$ 511,697
Operating expenses	<u>1,675,116</u>	<u>1,804,333</u>	<u>(129,217)</u>
	<u>(22,766)</u>	<u>359,714</u>	<u>382,480</u>
Other income (expense):			
State allocation and other	41,350	190,350	149,000
Depreciation expense	<u>(153,812)</u>	<u>(187,900)</u>	<u>(34,088)</u>
	<u>(112,462)</u>	<u>2,450</u>	<u>114,912</u>
Increase (decrease) in net assets	<u>\$ (135,228)</u>	<u>\$ 362,164</u>	<u>\$ 497,392</u>