



26th District
Agricultural
Association
**AMADOR
COUNTY
FAIR**

For the Year Ending
December 31, 2016

ANNUAL FINANCIAL REPORT

BOARD OF DIRECTORS
2016

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**26th District Agricultural Association
Amador County Fair**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
26th District Agricultural Association
Amador County Fair
Plymouth, California

I have reviewed the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the 26th District Agricultural Association (Amador County Fair) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Fair's basic financial statements as listed in the table of contents. 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, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance, GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* effective for periods beginning after June 15, 2015.

Report on Summarized Comparative Information

I have previously reviewed the Fair's 2015 financial statements, and my report dated October 27, 2016 stated I was not aware of any material modifications that should be made to the 2015 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. I am not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2015, for it to be consistent with the reviewed financial statements from which it has been derived.

Other Matters

The Amador County Fair has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



Cathy Castillo
Certified Public Accountant

Sutter Creek, California
December 8, 2017

26th District Agricultural Association
Amador County Fair

STATEMENT OF NET POSITION

As of December 31, 2016 with Comparative Totals as of December 31, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2016	2015
Current Assets		
Cash, in banks and on hand	\$ 168,675	\$ 346,629
Accounts receivable, net	14,370	26,897
Grant receivable	16,198	-
Prepaid expenses	3,417	3,541
Due from JLA fund	-	3,126
Total Current Assets	202,660	380,193
Noncurrent Assets		
Capital assets, net	1,176,466	1,123,508
Total Non-current Assets	1,176,466	1,123,508
TOTAL ASSETS	1,379,126	1,503,701
DEFERRED OUTFLOWS OF RESOURCES	38,240	22,219
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,417,366	\$ 1,525,920
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Accounts payable	\$ 40,316	\$ 58,406
Guaranteed deposits	1,200	2,000
Other liabilities	4,022	4,022
Payroll liabilities	3,636	3,392
Long term debt, due within one year	21,029	44,177
Due from JLA Fund	-	3,126
Unearned revenue	1,512	4,541
Total Current Liabilities	71,715	119,664
Non-current Liabilities		
Compensated absences liability	21,542	22,083
CDFFA loan	16,198	-
Photovoltaic loan, net of current portion	21,080	43,858
Net pension liability	228,147	236,871
Total Non-current Liabilities	286,967	302,812
Total Liabilities	358,682	422,476
Total Deferred Inflows of Resources	38,098	46,745
Net Position		
Net investment of capital assets	1,118,159	1,053,931
Unrestricted funds:		
Junior livestock auction fund	(6,249)	62,151
General fund	(91,324)	(59,383)
Total Net Position	1,020,586	1,056,699
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,417,366	\$ 1,525,920

"See accompanying notes and independent accountant's review report"

26th District Agricultural Association
Amador County Fair
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2016 with Comparative Totals
For the Year Ended December 31, 2015

PROGRAM REVENUES	2016	2015
Admissions	\$ 139,455	\$ 154,765
Commercial space	32,651	32,335
Fair entertainment	79,706	81,431
Food concessions	119,286	123,961
Exhibits	49,174	40,589
Horse show	22,666	25,769
JLA revenue	33,750	37,552
Miscellaneous fair	177,970	179,072
Interim revenue	109,291	86,521
Noncash contributions	160,000	160,000
Other revenue	19,407	27,138
Total Operating Revenue	943,356	949,133
OPERATING EXPENSES		
Administration	199,405	200,030
Maintenance and operations	238,111	242,434
Publicity	56,369	62,980
Attendance	52,842	57,602
Miscellaneous fair	21,947	29,609
JLA expense	86,718	42,783
Premiums	31,411	33,254
Exhibits	35,307	39,773
Horse show	17,890	18,193
Fair Entertainment	90,700	93,214
Interim expense	34,636	2,892
Depreciation expense	78,685	71,407
In kind expenses	160,000	160,000
Small equipment	11,780	-
Other expenses	198	-
Total Operating Expenses	1,115,999	1,054,171
TOTAL OPERATING INCOME (LOSS)	(172,643)	(105,038)
NON-OPERATING REVENUE (EXPENSES)		
State allocation	42,009	33,000
Other state funding	25,676	104,000
Interest income	302	162
Interest expense	(122)	(183)
TOTAL NON-OPERATING REVENUE (EXPENSES)	67,865	136,979
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(104,778)	31,941
CAPITAL CONTRIBUTIONS	68,665	89,997
CHANGE IN NET POSITION	(36,113)	121,938
NET POSITION, BEGINNING AS PREVIOUSLY REPORTED	1,056,699	1,200,510
RESTATEMENT	-	(265,749)
NET POSITION, BEGINNING AS RESTATED	1,056,699	934,761
NET POSITION AT END OF YEAR	\$ 1,020,586	\$ 1,056,699

"See accompanying notes and independent accountant's review report"

26th District Agricultural Association
Amador County Fair

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016 with Comparative Totals
For the Year Ended December 31, 2015

	2016	2015
Cash flows from operating activities		
Cash received from customers	\$ 817,017	\$ 864,061
Cash paid to suppliers and vendors	(667,292)	(526,102)
Cash paid to employees	(286,640)	(283,546)
Net cash provided (used) by operating activities	<u>(136,915)</u>	<u>54,413</u>
Cash flows from capital and related financing activities		
Acquisition of property and equipment	(131,643)	(57,478)
Proceeds from capital contributions	68,666	17,134
Proceeds from line of credit	16,198	-
Payments on long term debt	(20,977)	(20,925)
CalPers Liability	(24,950)	(4,990)
Interest paid on debt	(122)	(183)
Net cash provided by capital and financing activities	<u>(92,828)</u>	<u>(66,442)</u>
Cash flows from non- capital and related financing activities		
Cash received from state government	51,487	137,000
Net cash provided by capital and financing activities	<u>51,487</u>	<u>137,000</u>
Cash flows from investing activities		
Interest income	302	162
Net cash provided from investing activities	<u>302</u>	<u>162</u>
Net increase (decrease) in cash	(177,954)	125,133
Cash beginning of year	346,629	221,496
Cash end of year	<u>\$ 168,675</u>	<u>\$ 346,629</u>
Reconciliation of Operating Income to		
Net Cash Flows From Operating Activities		
Net Operating Income (Loss)	\$ (172,643)	\$ (105,038)
Adjustment to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation	78,685	71,407
Pension Expense	-	4,319
Change in:		
Accounts receivable	12,527	21,134
Prepaid expenses	124	6,031
Deferred outflows	(16,021)	(22,219)
Compensated absences	(541)	3,819
Accounts payable	(18,090)	30,528
Guaranteed deposits	(800)	(5,675)
Deferred income	(3,029)	3,209
Deferred inflows	(8,647)	46,745
Net pension liability	(8,724)	-
Payroll liabilities	244	153
Net Cash Provided by Operating Activities	<u>\$ (136,915)</u>	<u>\$ 54,413</u>

"See accompanying notes and independent accountant's review report"

26th District Agricultural Association
Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity-

The 26th District Agricultural Association was formed for the purpose of sponsoring, managing and conducting the Amador County Fair (Fair) which has been held in Plymouth, California since 1938. The fairgrounds are also used throughout the year for various organizational and private events. The Fair is governed by a nine (9) member board. Board Members are appointed by the Governor of California to serve a four-year term. The State of California through the Department of Food and Agriculture, Division of Fairs and Expositions, provides fiscal and policy oversight to the Fair. The Fair is subject to the policies, procedures, and regulations established by the California Government Code, California Business and Professional Code, Public Contracts Code, Food and Agricultural Code, State Administrative Manual, and the Accounting Procedures Manual established by the Division of Fair and Expositions.

B. Fund Accounting, Basis of Accounting and Presentation-

The accounting records of the Fair are organized on the generally accepted basis of accounting for an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The Fair has one operating fund.

Enterprise funds are reported using the economic measurement focus and the accrual basis of accounting. Revenues are reported in the year earned, rather than collected, and expenses are reported in the year incurred, regardless of the timing of the related cash flows. Accordingly, these statements reflect all significant receivables, payables, and other liabilities.

Enterprise funds distinguish between operating revenues and expenses from non-operating items. Operating revenues are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operation of the fund. All other expenses are reported as non-operating expenses.

C. Net Position-

Net position comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following three components:

Net investment in capital assets- This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted- This component of net position consists of constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Fair had no restricted earnings in 2016.

Unrestricted- This component of net position consists of net assets that do not meet the definition of "restricted" or "net investment in capital assets". The Junior Livestock Auction (JLA) fund does not meet the definition of "restricted", however the Board has designated this fund to separately account for all JLA activities.

26th District Agricultural Association
Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Net Position- continued

When both restricted and unrestricted resources are available, it is the Fair's policy to use restricted resources first, then unrestricted resources of most to least restricted as they are needed.

D. Change in Accounting Principle-

The Fair applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. The Fair implemented the following statement for the year ended December 31, 2016:

Government Accounting Standards Board Statement No. 76

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, is effective for periods beginning after June 15, 2015. This statement supersedes GASB Statement No. 55, and identifies the hierarchy of generally accepted accounting principles used to prepare the financial statements of state and local governments. There is no financial effect on the financial statements, due to this statement.

E. Pending Accounting Standards-

GASB has issued the following statements, which may impact the Fair's financial reporting requirements in the future:

Government Accounting Standards Board Statement No. 74

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016. The Fair has not determined the financial effect of this statement.

Government Accounting Standards Board Statement No. 75

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is effective for periods beginning after June 15, 2017. The Fair has not determined the financial effect of this statement.

F. Support and Revenue-

The Fair's general operations are funded primarily through Fair time revenue, such as fair admissions, concessions, and entertainment, and the year-round rental of facilities.

The State of California, Department of Food and Agriculture, through the Division of Fairs and Expositions, allocates funds annually to the Fair to support operations and acquire fixed assets. However, the level of State funding varies from year to year based on budgetary constraints. The Division of Fairs and Expositions determines the amount of allocations. The Fair received \$42,009 in allocations for 2016.

26th District Agricultural Association
Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budgetary Control-

The Fair establishes a budget annually and submits the budget to Department of Food and Agriculture. The Board of Directors and Executive Director monitor monthly revenues and expenses against the budget as a control for the District. The 2016 budget was approved December 10, 2015. Any expenditures in excess of budgeted amount were covered by the available fund balance.

H. Cash and Cash Equivalents-

The Fair's cash and cash equivalents are held at various local banks. Cash and cash equivalents include cash held in checking, savings and money market accounts, cash on hand and other highly liquid investments with original maturities of three months or less. The cost of all cash equivalents of the Fair approximates market value.

The California State Treasury makes available the Local Agency Investment Fund (LAIF) through which local governments may pool investments. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. Therefore, the District considers all pooled government funds with LAIF to be cash equivalents.

I. Capital Assets-

Fixed assets are recorded at cost. Major renewals and improvements are capitalized, while replacements, maintenance and repairs, which do not materially extend the useful lives of the assets, are expensed. It is the Fair's current policy to capitalize expenditures for these items in excess of \$5,000. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is recorded. Depreciation on all assets is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 5 to 50 years. Depreciation expense for fiscal year ended December 31, 2016 was \$78,685.

J. Comparative Financial Statements -

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Fair's financial statements for the year ended December 31, 2015, from which the summarized information was derived. Certain amounts have been restated to conform with current year presentation.

K. Compensated Absences -

Vested unused vacation, personal leave and compensatory time off may be accumulated and, if not taken, is paid at the date of separation from Fair employment. The compensated absences liability is calculated based on the pay rates in effect at the balance sheet date.

L. Donated Services-

Many individuals volunteer their time and perform a variety of tasks that assist the Fair. The value of these services for those individuals that contribute specialized skills or create or enhance a nonfinancial asset was reported in the financial statements at an estimated value of \$160,000 and is reported as in-kind contributions.

26th District Agricultural Association
 Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Guaranteed Deposits -

The Fair recognizes the advanced monies received to secure the use of fairground services as guaranteed deposits. These deposits are refundable to the customers once the rental contract has been fulfilled.

N. Other Liabilities-

Other liabilities represent the Miss Amador Scholarship fund.

O. Prepaid Expenses -

Prepaid balances are for payments made by the Fair in the current year to provide services occurring in the subsequent fiscal year.

P. Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2- CASH AND CASH EQUIVALENTS

The Fair's cash balances as of December 31, 2016 consisted of the following:

ACCOUNT	Interest Rate	
Petty cash		\$ 100
Change fund		150
American River Bank- JLA	0.01%	24,107
LAIF	0.573%	51,626
Wells Fargo Bank		
Operating account		79,947
Business checking-PayPal		3,642
Business checking-Premium		2,269
Market rate savings-ATM	0.03%	6,834
Total Cash		\$ 168,675

Investment Policy: In accordance with Section 53601 of the California Government Code, the Fair may invest in the following:

- Securities of the US government or its agencies
- Negotiable Certificates of Deposit
- Local Agency Investment Fund (LAIF)
- Demand accounts with reputable commercial financial institutions

26th District Agricultural Association
 Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2016

NOTE 2- CASH AND CASH EQUIVALENTS (Continued)

LAIF: This program allows local agencies to participate in a major investment portfolio managed by the State Treasurer's Office. The balance is stated at the fair market value, which is based on the quoted market price. Income from this account is distributed on the amortized cost method, which approximates the fair market value. The amortized cost method is not designed to distribute the unrealized gains and loss of the pool's investment. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures related to this account can be found at the California State Treasurer's Office located at 915 Capitol Mall C-15 Sacramento, California 95814 or online at www.treasurer.ca.gov/pmia-laif in the reporting documents section listed under PMIA.

Interest rate risk: Interest rate risk is the risk that changes in the markets interest rates will adversely affect the fair market value of the investment.

Credit Risk: Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment.

Concentration of credit risk: Concentration of credit risk is the risk of loss that may occur by investment in a single issuer.

Custodial credit risk: Custodial credit risk is the risk, that in the event of the failure of a depository institution, the Fair may not be able to recover its deposits. All bank balances were insured by the Federal Depository Insurance Corporation (FDIC). At no time during the year, did the deposits exceed the insured amount of \$250,000.

To mitigate the above-mentioned risks, the Fair only uses high quality financial institutions and all of their cash and investments have a maturity of three months or less.

NOTE 3- ACCOUNTS RECEIVABLE

At December 31, 2016, accounts receivable consisted of receivables from Junior Livestock Auction sponsors and general trade receivables due from rentals, interim events, and reimbursements. The Fair is required to record an allowance for doubtful accounts based on estimates of collectability.

Junior Livestock Auction sponsors	\$ 9,938
Trade receivables	12,949
Less allowance for doubtful accounts	(8,517)
Accounts Receivable, net	\$ 14,370

NOTE 4- GRANT RECEIVABLE

The amount reported as a grant receivable is the portion of the Deferred Maintenance Grant referred to in Note 1, *Support and Revenue*. This is the amount the Fair has recognized as grant income in 2016, but not received. The Fair will receive the entire grant amount upon completion of the approved capital improvement projects.

26th District Agricultural Association
 Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2016

NOTE 5 - CAPITAL ASSETS

Capital assets at December 31, 2016, consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not being depreciated:				
Land	\$ 9,764	\$ -	\$ -	\$ 9,764
Construction in progress	76,398	18,230	76,398	18,230
Total capital assets not being depreciated	86,162	18,230	76,398	27,994
Capital assets being depreciated:				
Buildings and improvements	2,990,580	189,811	-	3,180,391
Equipment	96,563	-	-	96,563
Photovoltaic project	259,429	-	-	259,429
Total capital assets being depreciated	3,346,572	189,811	-	3,536,383
Less accumulated depreciation	(2,309,226)	(78,685)	-	(2,387,911)
Total capital assets being depreciated, net	1,037,346	111,126	-	1,148,472
Total Capital Assets, net	\$ 1,123,508	\$129,356	\$ 76,398	\$ 1,176,466

NOTE 6 - LONG TERM DEBT

PNC Equipment Financing:

On July 28, 2010 the Fair entered into an agreement with the California Department of Food and Agriculture, Division of Fairs and Expeditions for a grant to assist in servicing the PNC Equipment Finance debt for the Phase II Photovoltaic project. In October of 2013, the Fair refinanced this loan. The refinances loan requires 60 monthly payments of \$1,759.02 and has an annual interest rate of .246%. The total amount refinanced was \$104,884.

CDFA Loan:

In October 2016, the Fair was awarded a Deferred Maintenance Grant to reimburse the Fair for approved capital improvement projects. The Fair was approved from the California Department of Food and Agriculture (CDFA) for a loan matching the awarded grant. The Fair will draw funds on the loan to fund the capital improvement projects. There is no interest charged to the Fair, and the full amount is due within 30 days from the date the grant is paid to the Fair.

26th District Agricultural Association
 Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2016

NOTE 6 - LONG TERM DEBT (Continued)

The following is a summary of changes in long term debt for the fiscal year ended December 31, 2016:

	Balance 12/31/15	Additions	Retirements	Balance 12/31/16	Amounts Due Within One Year
PERS	\$ 24,950	\$ -	\$ (24,950)	\$ -	\$ -
CDFA Loan	-	16,198	-	16,198	-
Photovoltaic Loan	63,086	-	(20,977)	42,109	21,029
TOTAL	\$ 88,036	\$ 16,198	\$ (45,927)	\$ 58,307	\$ 21,029

A summary of principal debt service requirements is as follows:

Year Ending	Principal	Interest	Total Payment
2017	21,029	84	21,113
2018	37,278	32	37,310
	\$ 58,307	\$ 117	\$ 58,424

NOTE 7- PUBLIC EMPLOYEE RETIREMENT SERVICE

Plan description- Permanent Fair employees, are considered to be state employees, and as such, may participate in the Fair's cost-sharing multiple employer defined benefit plan administered by the California Public Employees Retirement System (CALPERS). The Fair is pooled with other Fairs within this plan. CALPERS is the largest public pension fund and provides retirement and health benefit services to eligible employees. Benefit provisions under the plan are established by state statute and district resolution. CALPERS issues publicly available reports including a full description of the benefit provisions, assumptions, and membership information at the CALPERS website <https://www.calpers.ca.gov/>.

Benefits provided- CALPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

26th District Agricultural Association
 Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2016

NOTE 7- PUBLIC EMPLOYEE RETIREMENT SERVICE (continued)

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Benefit Formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	12.499%	6.237%

All plans except the PEPRA plan are closed to new members that are not already CALPERS participants.

Contributions- Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following the notice of a change in the rate. The total plan contributions are determined through CALPERS annual actuarial valuation process. For public agency cost sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The Fair is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For 2016, the contribution to the State Miscellaneous Plan was \$22,024, and to PEPRA was \$511.

Net Pension Liability- The Fair's net pension liability for each plan is measured as a proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2015, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The Fair's portion of the net pension liability was based on the Fair's pensionable compensation for the year in relation to the state's total PERS wages for the same period.

	Miscellaneous Plan
Proportion 2015	0.09933%
Proportion 2016	0.08074%
Change- Increase (Decrease)	-0.01859%

26th District Agricultural Association
 Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2016

NOTE 7- PUBLIC EMPLOYEE RETIREMENT SERVICE (continued)

Deferred Outflows and Deferred Inflows of Resources- For 2016, the Fair recognized pension expense of \$649. At December 31, 2016, the Fair reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 34,073	\$ -
Differences between expected and actual experience	4,167	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	4,980
Adjustment due to differences in proportions	-	33,118
Total	\$ 38,240	\$ 38,098

In 2016, the Fair reported \$34,073 as contributions made subsequent to the measurement date. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in 2017. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as either a debit or a (credit) in the future as follows:

YEAR	
2017	(10,979)
2018	(10,979)
2019	(10,979)
2020	(9,837)
2021	(996)
Thereafter	-
Total	(43,770)

Actuarial Assumptions- The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions for all Plans:

	Miscellaneous
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3%
Projected Salary Increase	Varies by Entry Age and Service

26th District Agricultural Association
 Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2016

NOTE 7- PUBLIC EMPLOYEE RETIREMENT SERVICE (continued)

The mortality table was developed based on CALPERS specific data. The table includes 2- years of mortality improvements using the Society of Actuaries Scale BB. The underlying mortality assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 experience study for the period 1997 to 2011. The Experience Study may be obtained at the CALPERS website under Forms and Publications.

Discount Rate- The discount rate used to measure the total pension liability was 7.65% for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CALPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the test plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CALPERS website under the GASB 68 section.

The Real Return Years 1-10 used an expected inflation rate of 2.5% for this period. The Real Return Years 11+ used an expected rate of 3.0% for this period.

Asset Class	New Strategic Allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	2.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

Amortization of Deferred Outflows and Inflows of Resources- Under GASB 68, actuarial gains and losses related to the change in total pension liability and fiduciary net position are recognized in pension expense methodically over time.

The first amortized amounts are recognized in the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and inflows of resources relations to pensions and will be recognized in future pension expense.

The amortized period differed depending on the source of the gain or loss:

Difference between projected and actual earnings on investments	5 year straight line amortization
All other amounts	Straightline amortization over the average remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

26th District Agricultural Association
 Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2016

NOTE 7- PUBLIC EMPLOYEE RETIREMENT SERVICE (continued)

Deferred outflows and inflows of resources relating to differences between Expected and Actual Experience, Changes in Assumptions, and employer specific amounts should be amortized over the estimated average remaining service lives (EARSL) or members through the plan. The EARSL for PERF C for 2016 was 3.8 years, which was obtained by dividing the total service years by the total number of participants (active, inactive, and retired) in PERF C. Inactive and retired employees have remaining service lifetimes equal to zero.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate- The following presents the net pension liability as of the measurement date, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65%) or 1 percentage point higher (8.65%) than the current rate:

	Miscellaneous
Discount Rate -1 (6.65%)	\$322,225
Current Discount Rate (7.65%)	\$228,146
Discount Rate +1 (8.65%)	\$149,214

Temporary, 119 day, employees of the Fair participate on the Part-time, seasonal, Temporary Retirement Plan (PST). The PST program is a mandatory 457 plan under the Internal Revenue Code where employees pay 7.5% of your gross wages before taxes, in lieu of Social Security. All contributions are 100% vested and may be withdrawn upon separation of service.

NOTE 8- RELATED PARTY

In 2016, a Board Director made a bench sponsorship to the Fair in the amount of \$300. The sponsorship was not collected until March 1, 2017. This amount is reflected in the trade receivables for the Fair.

NOTE 9- AMADOR COUNTY FAIR FOUNDATION

The Amador County Fair Foundation is an organization exempt under IRC Section 501 (c)(3). As an exempt organization, the Foundation may receive tax deductible contributions on behalf of the Amador County Fair. The Foundation is an affiliate of the Fair. The Fair has no ownership or voting interest in the Foundation. The activities of the Foundation are not included in the financial statements of the Fair. In 2016, the Foundation provided building improvements and cash donations to the Amador County Fair valued at \$68,666, which has been recognized in the financial statements.

NOTE 10- RISK MANAGEMENT

The Fair is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There were no significant reductions in insurance coverage from prior periods.

26th District Agricultural Association
Amador County Fair
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 11- CONTINGENCIES

The Fair is unaware of any claims made against it that may have a material effect on the financial statement as of December 31, 2016.

NOTE 12- SUBSEQUENT EVENTS

The Fair has evaluated subsequent through December 8, 2017 the date through which the financial statements were available to be issued. There were no events to report.

Required
Supplementary
Information

26th District Agricultural Association
Amador County Fair
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Budget and Actual
For the Year Ended December 31, 2016

	Original and Final Budget	2016	Variance
PROGRAM REVENUES			
Admissions	\$ 162,300.00	\$ 139,455	\$ (22,845.00)
Commercial space	32,000	32,651	651
Fair Entertainment	82,100	79,706	(2,394)
Food concessions	126,250	119,286	(6,964)
Exhibits	39,800	49,174	9,374
Horse show	25,750	22,666	(3,084)
JLA revenue	-	33,750	33,750
Miscellaneous fair	167,140	177,970	10,830
Interim revenue	104,900	109,291	4,391
Noncash contributions	-	160,000	160,000
Other revenue	14,400	19,407	5,007
Total Operating Revenue	<u>754,640</u>	<u>943,356</u>	<u>188,716</u>
OPERATING EXPENSES			
Administration	189,771	199,405	(9,634)
Maintenance and operations	263,144	238,111	25,033
Publicity	58,420	56,369	2,051
Attendance	75,455	52,842	22,613
Miscellaneous fair	24,911	21,947	2,964
JLA expense	-	86,718	(86,718)
Premiums	33,300	31,411	1,889
Exhibits	46,690	35,307	11,383
Horse show	21,135	17,890	3,245
Fair entertainment	99,500	90,700	8,800
Interim expense	2,500	34,636	(32,136)
Depreciation expense	71,501	78,685	(7,184)
In kind expenses	-	160,000	(160,000)
Small equipment	-	11,780	(11,780)
Other expenses	-	198	(198)
Total Operating Expenses	<u>886,327</u>	<u>1,115,999</u>	<u>(229,672)</u>
Total Operating Loss	<u>(131,687)</u>	<u>(172,643)</u>	<u>(40,956)</u>
State Allocation	42,009	42,009	-
Capital contributions	-	68,665	68,665
State reimbursement	-	25,676	25,676
Interest income	-	302	302
Interest expense	-	(122)	(122)
NET NON-OPERATING INCOME	<u>42,009</u>	<u>136,530</u>	<u>94,521</u>
CHANGE IN NET POSITION	<u>\$ (89,678)</u>	<u>\$ (36,113)</u>	<u>\$ 53,565</u>

26th District Agricultural Association
Amador County Fair
**SCHEDULE OF FAIR'S PROPORTIONATE
SHARE OF NET PENSION LIABILITY- MISCELLANEOUS PLAN**
As of December 31, 2016
Last 10 years*

	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.08074%	0.09933%
Proportionate share of net pension liability	\$ 228,147	\$ 236,781
Covered Employee payroll	\$ 85,960	\$ 90,065
Proportionate share of the net pension liability as a percentage of covered employee payroll	265.41%	262.90%
Plan fiduciary net position	\$ 549,541	\$ 680,316
Plan fiduciary net position as a percentage of the total pension liability	240.87%	287.32%

Related Notes:

* Omitted years: GASB 68 was implemented in 2015, therefore information prior to this year is not included.

SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN- MISCELLANEOUS PLAN
As of December 31, 2016
Last 10 years*

	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 22,536	\$ 22,219
Contributions in relation to the actuarially determined contributions	(22,536)	(22,219)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Employee payroll	\$ 85,960	\$ 90,065
Contributions as a percentage of covered employee payroll	26%	25%

Notes to Schedule:

Methods and assumptions to determine contributions rates:

Valuation Date	June 30, 2014	June 30, 2013
Actuarial Method	Entry Age normal cost method	
Amortization method	Level of percentage of payroll	
Asset valuation method	Market Value	
Discount Rate	7.65%	7.65%
Projected salary increases	3.30% - 14.20%	
Inflation	2.75%	2.75%
Payroll growth	3%	3%

Related Notes:

* Omitted years: GASB 68 was implemented in 2015, therefore information prior to this year is not included.