

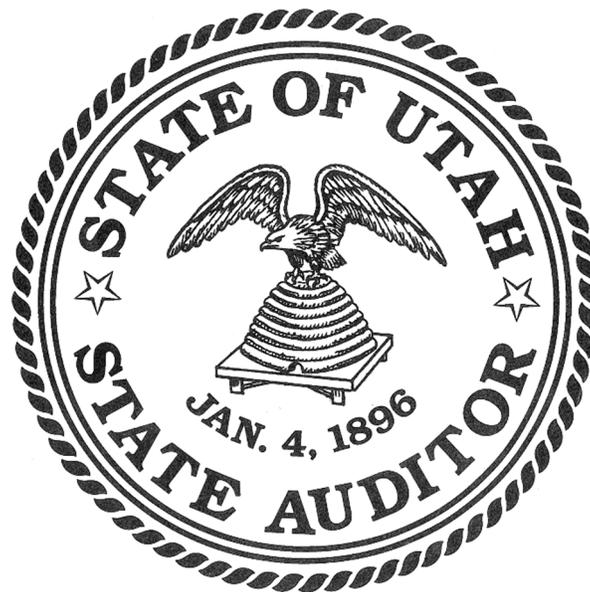
# UTAH STATE FAIR CORPORATION

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Government Auditing Standards Report  
For the Year Ended December 31, 2020

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Report No. 20-45



## OFFICE OF THE STATE AUDITOR

AUDIT LEADERSHIP:

John Dougall, State Auditor  
Doug Seager, CPA, Audit Director  
Caleb Tindall, CPA, Audit Senior



OFFICE OF THE  
**STATE AUDITOR**

**INDEPENDENT STATE AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
and  
Larry Mullenax, Executive Director  
Utah State Fair Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Utah State Fair Corporation (the Corporation), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 8, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, presented in the accompanying finding, which we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying finding.

### **The Corporation's Response to the Finding**

The Corporation's written response to the finding identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.



Office of the State Auditor  
June 8, 2021

# **STATE FAIR CORPORATION**

## **FINDING AND RECOMMENDATION FOR THE YEAR ENDED DECEMBER 31, 2020**

### **Failure to Remit Unclaimed Property to the State**

The State Fair Corporation (Corporation) did not remit unclaimed property to the State Treasurer as required by UCA 67-4a-401 (State Escheat Law). While the Corporation did file the required unclaimed property reports with the State Treasurer, State Escheat law also requires an organization to “[pay] or [deliver] to the administrator property described in the report.” Miscommunication between Corporation management resulted in a lack of understanding of what was required by the State Escheat Law. Failure to comply with the State Escheat Law could result in possible fines and/or fees imposed upon the Corporation.

### **Recommendation:**

We recommend the Corporation gain an understanding of and adhere to State Escheat Law and remit payment to the State Treasurer within the legally specified time frame.

### **Corporation’s Response:**

*The Utah State Fair Corporation acknowledges that a lack of understanding of State Escheat law contributed to the agencies failure to comply. Note\* the majority of the unclaimed money is in the form of unclaimed checks. The vast majority of the unclaimed checks, represent prize money paid out to contestants of our annual Jr. Livestock Show. Quite often, young exhibitors find and deposit the \$2.00 and \$3.00 checks years after the annual competition. The Utah State Fair Corporation has always honored these financial commitments.*

*In response to the finding, the management of the Utah State Fair Corporation thoroughly reviewed the expectations of the State of Utah Unclaimed Property Act with members of the finance team. Subsequently, copies of the Utah Unclaimed Property Act were distributed to members of our finance team ensuring future compliance.*

*The Utah State Fair Finance team is currently reconciling the account. Once completed, we will remit the required payment immediately to the State Treasurer’s Office. Moving forward, the Utah State Fair Corporation will remit payment along with the unclaimed property reports as required.*

*The Utah State Fair appreciates the support of the Governor’s Office, the Legislature, and the Office of the State Auditor.*