

DIXON VETERANS MEMORIAL HALL BUILDING

2010-2011 Solano County Grand Jury

I. SUMMARY

The 2010-11 Solano County Grand Jury received complaints regarding the operation and management of the County-owned Dixon Veterans Memorial Hall Building. The Grand Jury elected to conduct an investigation into the concerns.

The Grand Jury found the lack of acceptable accounting practices leaves the financial operation of the Dixon Veterans Memorial Building in question and results in potential liability to the County. Additionally, the lack of clearly defined management accountability and duties has led to confusion about the Dixon Veterans Building Association's operations.

II. INTRODUCTION

The new Dixon Veterans Memorial Hall, 1305 North First Street, opened on December 10, 2009. This facility replaced the original hall, built in 1923, which had fallen into disrepair and could not be brought into compliance with current safety codes.

Dixon Veterans of Foreign Wars Post 8151 and Dixon American Legion Post 208 use the facility concurrently through the Dixon Veterans Building Association. The Building Association runs the facility, which includes a bar, coffee shop, offices, three meeting rooms, and an assembly area.

The Grand Jury received complaints alleging misconduct and financial malfeasance on the part of the Building Association. After interviewing some of the complainants, the Grand Jury elected to investigate the situation due to concerns regarding potential liability to the County.

III. METHODOLOGY

- Interviewed complainants
- Reviewed information and materials supplied by the Dixon Veterans Building Association and Solano County
- Reviewed the operation and management agreement between Solano County and the Dixon Veterans Building Association
- Reviewed the Dixon Veterans Building Association constitution and by-laws
- Reviewed the Rental Agreement for use of the building by other organizations
- Reviewed the County's Auditor-Controller Report entitled Dixon Veterans Building Association Financial Review and Internal Control Assessment, presented to the Solano County Board of Supervisors May 24, 2011

IV. STATEMENT OF FACTS

In September 2008, Solano County purchased the building which is now the Dixon Veterans Memorial Hall Building located at 1305 North First Street, Dixon. The Dixon Veterans Building Association (DVBA) is composed of American Legion Post 208 and Veterans of Foreign Wars Post 8151. Both member organizations have agreed to jointly operate the facility as the DVBA. The Grand Jury could not determine clear lines of authority, management responsibility, or accountability. Further confusion arose due to the fact that the current chair of the DVBA is not a member of either of the two posts, which is required by their respective chartered national organizations.

Solano County entered into an Operations and Management Agreement with the DVBA for the operation of the building. The Grand Jury learned the DVBA is not a legal entity registered with the State of California. The records provided by DVBA to determine income, expense, and payroll costs proved inadequate for tracking any of these financial matters.

The Solano County Auditor-Controller's Department conducted a scheduled audit of DVBA operations as part of its annual audit activities for 2011. This in-depth audit report addresses many of the same concerns as the Grand Jury but was also unable to accurately track income, expense, and payroll.

V. FINDINGS AND RECOMMENDATIONS

Finding 1 – Records provided by the Dixon Veterans Building Association do not contain methods to track income, expense, or payroll.

Recommendation 1 – Solano County should require the Dixon Veterans Building Association to use commonly-accepted accounting methods to establish a financial tracking system.

Finding 2 – Financial responsibility has not been established. It cannot be determined which entity is responsible for paying what portion of bills incurred by the Dixon Veterans Building Association.

Recommendation 2 – Solano County should require the Dixon Veterans Building Association to clearly define which entity is responsible for paying what portion of bills incurred by the Dixon Veterans Building Association.

Finding 3 – Dixon Veterans Building Association management authority, duties, and responsibilities are not clearly defined.

Recommendation 3 – Solano County should require the Dixon Veterans Building Association to clearly define management responsibilities, duties, and scope of authority.

Finding 4 – The Auditor-Controller's report identifies areas of concern that should be addressed immediately.

Recommendation 4 – Solano County should require the Dixon Veterans Building Association to work with the Auditor-Controller and other agencies to meet acceptable accounting methods and controls.

COMMENTS

Solano County provides the building for the benefit of veterans; it is an asset to the community. It is incumbent upon the veterans' organizations to resolve internal issues to properly operate the building and to adhere to written agreements.

REQUIRED RESPONSES

Solano County Board of Supervisors

COURTESY COPIES

Dixon Veterans Building Association
- American Legion Post 208
- Veterans of Foreign Wars Post 8151
Solano County Auditor-Controller
Solano County General Services Department

The Solano County Grand Jury is referring this matter to the following agencies. Attached is a copy of the above-referenced Financial Review and Internal Assessment Report, which can also be found at www.solanocounty.com/bosagenda/ for May 24, 2011 or [here](#) (1.53Mb).

Dixon City Council and Mayor
Dixon Police Department
Solano County Sheriff's Office
Solano County District Attorney
U.S. Internal Revenue Service
California State Board of Equalization
California State Franchise Tax Board
California Attorney General
Director, California State Department of Alcoholic Beverage Control
California State Office of Veterans of Foreign Wars
California State Office of American Legion
National Office of Veterans of Foreign Wars
National Office of American Legion