

**CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY**

**FINANCIAL STATEMENT  
(AUDITED)**

**FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018**



# OHIO AUDITOR OF STATE KEITH FABER



Board of Directors  
Clark County Agricultural Society  
4401 South Charleston Pike  
Springfield, Ohio 45505

We have reviewed the *Independent Auditor's Report* of the Clark County Agricultural Society, Clark County, prepared by Julian & Grube, Inc., for the audit period December 1, 2017 through November 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Clark County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

April 12, 2019

**This page intentionally left blank.**

**CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY**

TABLE OF CONTENTS

Independent Auditor’s Report .....	1 - 2
Financial Statement:	
Statement of Receipts, Disbursements and Change in Fund Balance (Regulatory Cash Basis) .....	3
Notes to the Financial Statement .....	4 - 7
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	8 - 9
Schedule of Findings and Responses.....	10
Summary Schedule of Prior Audit Findings.....	11

**This page intentionally left blank.**



# Julian & Grube, Inc.

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

## Independent Auditor's Report

Clark County Agricultural Society  
Clark County  
4401 South Charleston Pike  
Springfield, Ohio 45502

To the Board of Directors:

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the cash balances, receipts and disbursements, and related notes of the Clark County Agricultural Society, Clark County, Ohio, as of and for the fiscal year ended November 30, 2018.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for preparing and fairly presenting this financial statement in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on this financial statement based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statement is free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Clark County Agricultural Society's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Clark County Agricultural Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statement, the Clark County Agricultural Society prepared this financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Clark County Agricultural Society does not intend this statement to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Clark County Agricultural Society as of November 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Clark County Agricultural Society, Clark County as of November 30, 2018, for the fiscal year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2019, on our consideration of the Clark County Agricultural Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clark County Agricultural Society's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
March 20, 2019



**Clark County Agricultural Society**  
*Clark County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Fiscal Year Ended November 30, 2018*

<hr/> <hr/>	
<b>Operating Receipts</b>	
Admissions	\$ 300,078
Privilege Fees	193,254
Rentals	613,574
Sustaining and Entry Fees	43,428
Other Operating Receipts	<u>68,621</u>
<i>Total Operating Receipts</i>	<u>1,218,955</u>
 <b>Operating Disbursements</b>	
Wages and Benefits	383,899
Utilities	140,904
Professional Services	24,649
Equipment and Grounds Maintenance	113,648
Senior Fair	19,748
Junior Fair	40,724
Capital Outlay	294,414
Property Services	108,643
Repairs	14,548
Rent/Lease	56,633
Other Fair Disbursements	181,074
Other Operating Disbursements	<u>130,103</u>
<i>Total Operating Disbursements</i>	<u>1,508,987</u>
 <i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	 <u>(290,032)</u>
 <b>Non-Operating Receipts (Disbursements)</b>	
State Support	250
County Support	242,477
Donations/Contributions	180,091
Investment Income	<u>639</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>423,457</u>
 <i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	 133,425
 Cash Balance, Beginning of Year	 <u>342,582</u>
 <i>Cash Balance, End of Year</i>	 <u><u>\$ 476,007</u></u>

*The notes to the financial statement are an integral part of this statement.*

**Clark County Agricultural Society**  
*Clark County*

*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

---

**Note 1 – Reporting Entity**

The Clark County Agricultural Society (the Society), Clark County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is a County agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1947 to operate an annual agricultural fair. The Society sponsors the week – long Clark County Fair during July. Clark County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 15 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Clark County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including community events such as trade shows, swap meets, car shows. The reporting entity does not include any other activities or entities of Clark County, Ohio.

Notes 9 and 10, respectively; summarize the Junior Fair Board’s and Junior Livestock Sale Committee’s financial activity.

The Society’s management believes this financial statement presents all activities for which the Society is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Society’s financial statement consists of a statement of receipts, disbursements and change in fund balance (regulatory cash basis).

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Deposits and Investments***

The Society’s accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**Clark County Agricultural Society**  
*Clark County*

*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

---

***Capital Assets***

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

***Income Tax Status***

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509 (a). Contributions to the Society are deductible per Section 170(b) (1) (A) (v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

**Note 3 – Deposits**

The Society maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at November 30 was as follows:

	<u>2018</u>
Demand deposits (checking account)	\$429,244
Less outstanding checks	(63,943)
Plus uncleared deposits	30
Money market	<u>100,488</u>
Total deposits	<u>465,819</u>
Endowment fund	<u>10,188</u>
Total investments	<u>10,188</u>
Total deposits and investments	<u><u>\$476,007</u></u>

***Deposits***

The Federal Deposit Insurance Corporation insures our deposits at Security National Bank. At November 30, 2018, \$179,244 of the Society's deposits were not insured or collateralized, contrary to Ohio Law. The money market account is an insured cash sweep and is completely covered by the FDIC.

***Investments***

The Society opened an endowment fund for maintaining future financial needs in order to maintain our mission and goals of holding a county fair and expo. The endowment fund is invested with the Springfield Foundation. We are able to withdraw said funds as needed for qualifying needs. We are also able to deposit funds at the boards discretion as well as individuals or entities that wish to fund the endowment. The endowment is treated as a cash asset on the balance sheet and interest earned is accounted for in the financial statement.

**Clark County Agricultural Society**  
*Clark County*

*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

---

**Note 4 – Risk Management**

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect.

The Clark County Commissioners provide general insurance coverage for all the buildings on the Clark County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance, with a limit of \$5,000,000. This is an umbrella policy, which also covers members of the Board of Directors. This policy includes crime coverage for employee dishonesty with limits of liability of \$25,000.

The Society paid \$-0- for losses that exceeded insurance coverage.

**Note 5 – Social Security**

Society employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2018.

**Note 6 – Debt**

The Society currently has no debt obligations long or short. The Society does maintain an operating line of credit at the bank where it maintains deposits. Said line of credit currently has a \$100 balance and interest is paid annually. The line of credit was not used in 2018.

**Note 7 – Construction and Contractual Commitments**

Many improvements have been made in the course of 2018 including but not limited to lake development, new dog barn, horse barn renovations, youth building renovations, mercantile and annex renovations. All projects have been completed and balances paid on invoices received in 2018.

**Note 8 – Contingent Liabilities**

The Society was previously listed as a defendant in a lawsuit that has been resolved. Case #16CV0535 filed August 8, 2016 in the County of Clark. The matter was settled with the insurance company of the vendor (Antique Management Company) who was renting the grounds and hosting the event. The Society was released from the suit and realized no financial cost in the matter.

**Clark County Agricultural Society**  
*Clark County*

*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

---

**Note 9 – Junior Fair Board**

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Clark County Fair. The Society disbursed \$5,103 directly to the Junior Fair Board and \$35,622 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Clark County paid the Society \$3,300 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board’s financial activity for the fiscal year ended November 30, 2018, follows:

	<u>2018</u>
Beginning Cash Balance	\$ 652
Receipts	23,115
Disbursements	<u>(23,303)</u>
Ending Cash Balance	<u>\$ 464</u>

**Note 10 – Junior Livestock Sale Committee**

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Clark County Fair auction. A commission of 5 percent on auction sales plus \$5 per exhibit on auction sales which covers auction costs. The Junior Livestock Sale Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2018, follows:

	<u>2018</u>
Beginning Cash Balance	\$ 34,573
Receipts	832,348
Disbursements	<u>(840,190)</u>
Ending Cash Balance	<u>\$ 26,731</u>

**This page intentionally left blank.**



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Clark County Agricultural Society  
Clark County  
4401 South Charleston Pike  
Springfield, Ohio 45502

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the cash balances, receipts and disbursements of the Clark County Agricultural Society, Clark County, Ohio, as of and for the fiscal year ended November 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated March 20, 2019, wherein we noted the Clark County Agricultural Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Clark County Agricultural Society's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of the Clark County Agricultural Society's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Clark County Agricultural Society's financial statement. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a significant deficiency. We consider finding 2018-001 to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the Clark County Agricultural Society's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Clark County Agricultural Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Clark County Agricultural Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
March 20, 2019



**CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2018**

<b>FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2018-001

Significant Deficiency - Financial Statement Presentation:

Management is responsible for preparing a complete and accurate financial statement in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statement. For the Society, this could also include reviewing the fiscal year-end QuickBooks detailed reports to ensure activity is reported in the correct line items.

Certain adjustments were made to the financial statement to properly account for the classification of receipts and disbursements.

- The Society received a reimbursement from the Clark County Commissioners and recorded the reimbursement as a reduction of the initial disbursement. An audit adjustment was recorded to increase “county support” by \$124,033 and increase “capital outlay” by \$124,033.
- The Society properly recorded these disbursements on its general ledger but classified them as “other operating disbursements” on its financial statement. An audit adjustment was recorded to increase “property service” by \$108,643, increase “repairs” by \$14,548, increase “rent/lease” by \$56,633, increase “capital outlay” by \$58,798, increase “other fair disbursements” by \$181,074, and decrease “other operating disbursements” by \$419,696.

The present control and monitoring system does not include a second review of the financial statement to ensure the information accurately portrays the activity of the Society.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Society’s activity.

We recommend the Society design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Society should consider having an outside third-party, or Board member with financial experience, review the financial report prior to filing in the Hinkle System. We also recommend the Society avoid using the “other operating disbursements” line item to account for such a large portion of its disbursement activity. Segregating these disbursements out on the financial statement more transparently documents the Society’s activity for the fiscal year. Further, the Society should reach out to its auditor throughout the fiscal year if questions arise on how to properly account for receipts or disbursements.

Client Response: The Society will closely monitor all transactions to ensure accurate financial reporting in the future.

**CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
NOVEMBER 30, 2018**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	2017	<u>Significant Deficiency - Financial Statement Presentation</u> - Management is responsible for preparing a complete and accurate financial statement in accordance with the applicable financial reporting framework. Certain adjustments were made to the financial statement to properly account for the classification of disbursements.	Not Corrected	Finding repeated as 2018-001 as adjustments to receipts and disbursements were made to the financial statement for the fiscal year ending November 30, 2018.

# OHIO AUDITOR OF STATE KEITH FABER



**CLARK COUNTY AGRICULTURAL SOCIETY**

**CLARK COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 23, 2019**