



Dave Yost • Auditor of State

CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY

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Dave Yost • Auditor of State

Clark County Agricultural Society
Clark County
4401 S. Charleston Pike
Springfield, Ohio 45502

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

May 17, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Clark County Agricultural Society
Clark County
4401 S. Charleston Pike
Springfield, Ohio 45502

To the Board of Directors:

We have audited the accompanying financial statements of the Clark County Agricultural Society, Clark County, (the Society) as of and for the years ended November 30, 2010 and 2009. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Society has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require societies to reformat their statements. The Society has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended November 30, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Clark County Agricultural Society, Clark County, as of November 30, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis

Note 1 describes.

The Society has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2011, on our consideration of the 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

May 17, 2011

**CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2010 AND 2009**

	2010	2009
Operating Receipts:		
Admissions	\$349,768	\$300,093
Privilege Fees	165,986	159,327
Rentals	510,567	448,416
Other Operating Receipts	106,077	125,037
Total Operating Receipts	1,132,398	1,032,873
 Operating Disbursements:		
Wages and Benefits	344,500	336,267
Utilities	135,381	150,612
Professional Services	150,662	99,724
Equipment and Grounds Maintenance	109,115	121,119
Senior Fair	124,874	118,185
Junior Fair	29,019	27,216
Capital Outlay	73,905	55,538
Other Operating Disbursements	134,644	113,308
Total Operating Disbursements	1,102,100	1,021,969
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	30,298	10,904
 Non-Operating Receipts (Disbursements):		
State Support	6,152	6,560
County Support	3,300	48,062
Debt Proceeds	20,330	21,000
Donations/Contributions	38,246	39,645
Debt Service	(4,628)	(94,965)
Net Non-Operating Receipts (Disbursements)	63,400	20,302
 Excess (Deficiency) of Receipts Over (Under) Disbursements	93,698	31,206
 Cash Balance, Beginning of Year	49,821	18,615
 Cash Balance, End of Year	\$143,519	\$49,821

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

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**CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Clark County Agricultural Society, Clark County, (the Society) as a body corporate and politic. 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 eight day 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 fifteen 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.

B. Reporting Entity

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

Notes 6 and 7, 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.

C. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

D. Deposits and Investments

The Society maintains checking accounts and has no investments.

E. Property, Plant, and Equipment

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

F. Budgetary Process

The Board of Directors annually prepares an operating budget, including estimated receipts and disbursements. The Board approves the budget in its final form during the first six months of each fiscal year. The Board reviews the budget throughout the year and compares it with actual results.

**CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The Society's basis of accounting does not report these amounts as liabilities.

2. DEPOSITS

The carrying amount of deposits at November 30, 2010 and 2009 was as follows:

	<u>2010</u>	<u>2009</u>
Demand deposits	<u>\$143,519</u>	<u>\$49,821</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

For the year ended November 30, 2009, the Society had budgeted receipts of \$1,147,075 and actual receipts of \$1,148,140, resulting in a variance of \$1,065. Additionally, the Society had budgeted disbursements of \$1,129,110 and actual disbursements of \$1,116,934, resulting in a variance of \$12,176. For the year ended November 30, 2010, the Society had budgeted receipts of \$1,067,925 and actual receipts of \$1,200,426, resulting in a variance of \$132,501. Additionally, the Society had budgeted disbursements of \$1,023,235 and actual disbursements of \$1,106,728, resulting in a variance of (\$83,493).

4. DEBT

Debt outstanding at November 30, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Line of Credit	\$20,330	5.50%

The Society maintains a \$65,000 line of credit at a variable interest rate with Security National Bank for operating purposes. During 2009, the Society borrowed \$21,000 against the line of credit, making full payment in 2009. During 2010, the Society borrowed \$20,330 against the line of credit and did not repay any of the loan at November 30, 2010. The Society did not exceed its credit line during fiscal years 2009 and 2010.

**CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009
(Continued)**

4. DEBT (Continued)

Amortization of the above debt is scheduled as follows:

Year ending November 30:	Principal	Interest	Total
2011	\$ 3,653	\$1,118	\$ 4,771
2012	3,853	918	4,771
2013	4,065	706	4,771
2014	4,287	484	4,771
2015	4,472	248	4,720
Total	<u>\$20,330</u>	<u>\$3,474</u>	<u>\$23,804</u>

5. RISK MANAGEMENT

The Society provides health coverage for full-time, supervisory employees through an insurance company. 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 limits of \$1,000,000 and \$500,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000. The Society's treasurer is bonded with coverage of \$20,000. The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through March 2011.

6. 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 \$27,216 in 2009 and \$29,019 in 2010 directly to the Junior Fair Board and 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 \$500 to support Junior Club work. The Junior Fair Board accounts for its activities separately. These accompanying financial statements do not include this activity.

The Junior Fair Board's financial activity for the years ended November 30, 2010 and 2009 follows:

	2010	2009
Beginning Cash Balance	\$ 551	\$ 453
Receipts	19,363	21,858
Disbursements	<u>(19,847)</u>	<u>(21,760)</u>
Ending Cash Balance	<u>\$ 67</u>	<u>\$ 551</u>

7. 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's auction. A commission of 3 percent plus \$5 per exhibit sold covers auction costs. The Junior Livestock 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 years ended November 30, 2010 and 2009 follows:

CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009
(Continued)

7. JUNIOR LIVESTOCK SALE COMMITTEE (Continued)

	<u>2010</u>	<u>2009</u>
Beginning Cash Balance	\$ 172,088	\$ 111,148
Receipts	1,680,690	1,510,202
Disbursements	<u>(1,656,738)</u>	<u>(1,449,262)</u>
Ending Cash Balance	<u>\$ 196,040</u>	<u>\$ 172,088</u>



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' 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 S. Charleston Pike
Springfield, Ohio 45502

To the Board of Directors:

We have audited the financial statements of the Clark County Agricultural Society, Clark County, (the Society) as of and for the years ended November 30, 2010 and 2009, and have issued our report thereon dated May 17, 2011, wherein we noted the Society followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Society's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Society's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Society's financial statements are 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, providing an opinion 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*.


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We did note certain matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated May 17, 2011.

We intend this report for the information and use of the management, Board of Directors, and others within the Society. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

May 17, 2011



Dave Yost • Auditor of State

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
JUNE 21, 2011