



**Auditor of State
Betty Montgomery**

CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statement of the Clark County Agricultural Society (the Society) as of and for the year ended November 30, 2002. This financial statement is the responsibility of the Society's management. Our responsibility is to express an opinion on this financial statement 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Society prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Society as of November 30, 2002, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Clark County Agricultural Society
Clark County
Report of Independent Accountants
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This report is intended solely for the information and use of the finance committee, management, the Board of Directors, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Betty Montgomery
Auditor of State

April 30, 2003

**CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2002**

	<u>2002</u>
Operating Receipts:	
Admissions	\$358,385
Privilege Fees	85,687
Sales by Fairboard	6,059
Other Sales	22,856
Utilities	48,690
Class & Member Fees	49,622
Rentals	369,845
Restricted Support	58,968
Unrestricted Support	<u>6,379</u>
 Total Operating Receipts	 <u>1,006,491</u>
Operating Disbursements:	
Wages and Benefits	256,548
Supplies & Materials	73,752
Contractual Services	620,490
Senior Fair	21,991
Junior Fair	23,748
Other Fair Expenses	124,439
Other Operating Disbursements	<u>1,148</u>
 Total Operating Disbursements	 <u>1,122,116</u>
(Deficiency) of Operating Receipts (Under) Operating Disbursements	 <u>(115,625)</u>
Non-Operating Receipts (Disbursements):	
State Support	8,139
County Support	53,300
Debt Proceeds	56,341
Sale of Assets	2,912
Investment Income	543
Debt Service	<u>(5,225)</u>
 Net Non-Operating Receipts (Disbursements)	 <u>116,010</u>
 Excess of Receipts Over Disbursements	 385
 Cash Balance, Beginning of Year	 <u>9,948</u>
 Cash Balance, End of Year	 <u><u>\$10,333</u></u>

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 STATEMENT
NOVEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Clark County Agricultural Society, Clark County, (the Society) is a body corporate and politic 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 direct the operation of 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 responsibility for management of the affairs of the Society is vested in the Board of Directors. The Board is made up of 15 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Clark County and pay an annual membership fee to the Society.

Reporting Entity

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

The financial activity of the Junior Fair Board and the Junior Livestock Sale Committee is summarized in Note 7 and Note 8, respectively.

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

B. Basis of Accounting

This financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are included in cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. 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.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

**CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Restricted Support

Restricted support includes amounts that are required by the donor to be set aside for specific uses.

G. Income Tax Status

The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(v1). Management is not aware 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. Unpaid leave is not reflected as a liability under the basis of accounting the Society uses.

2. BUDGETARY ACTIVITY

For the year ended November 30, 2002, the Society had budgeted receipts of \$1,067,652, actual receipts of \$1,127,726, resulting in a variance of \$60,074. Additionally, the Society had budgeted disbursements of \$918,567, actual disbursements of \$1,127,341, resulting in a variance of \$(208,774).

3. CASH AND INVESTMENTS

The carrying amount of cash and investments at November 30, 2002 follows:

	<u>2002</u>
Demand deposits	(\$12,693)
Money Market Account	<u>23,026</u>
Total deposits and investments	<u>\$10,333</u>

Deposits: The bank balance was covered by Federal Depository Insurance Corporation (FDIC).

Investments: The Society invests other funds solely in money market accounts with local banking institutions.

**CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2002
(Continued)**

4. DEBT

The Society maintains two lines of credit at a variable interest rate with Security National Bank. One is an operating line of credit and the other is a capital improvement line as shown below:

During June 2002, the Society obtained two letters of credit in the amounts of \$25,000 and \$78,500 from a local bank that was effective through June 2003 and April 2004, respectively. Several draws had been made through the end of the fiscal year, and an outstanding balance of \$18,775 and \$32,341 was due as of November 30, 2002. The capital improvement line required that the balance to be paid off in full by June 6, 2003. The operating line required interest payments to be made monthly and allowed the Society to borrow and repay throughout the year as needed with a maximum balance of \$78,500 at any given time. There was no authority for this type of debt.

5. RETIREMENT SYSTEM

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2002, employees contributed 6.2% of their gross salaries. The Society contributed an amount equal to 6.2% of participant's gross salaries through November 30, 2001.

6. RISK MANAGEMENT

The Clark County Commissioners provide general insurance coverage for all the buildings on the Clark County Fairgrounds pursuant to Ohio Revised Code § 1711. 24. General liability and vehicle coverage is provided by an Insurance Company with limits of an aggregate of \$86,493. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000. The Society's Treasurer is bonded with coverage of \$140,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2003.

7. 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 nothing directly to the Junior Fair Board and \$3,589 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. The Society was reimbursed \$4,641 by Clark County for its support of Junior Club work. All Junior Fair Board activity is accounted for in an account by the Junior Fair Board. The accompanying financial statement does not include the activities of the Junior Fair Board. The Junior Fair Board's financial activity for the year ended November 30, 2002 follows:

Beginning Cash Balance	\$ 4,359
Receipts	14,732
Disbursements	<u>(15,869)</u>
Ending Cash Balance	<u>\$ 3,222</u>

**CLARK COUNTY AGRICULTURAL SOCIETY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2002
(Continued)**

8. 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. Monies to cover the cost of the auction are generated through a 2.5% commission assessed on the auction price and are retained by the Junior Livestock Committee. The accompanying financial statement does not include the activities of the Junior Livestock Committee. The Junior Livestock Committee's financial activity for the year ended November 30, 2002 follows:

Beginning Cash Balance	\$ 36,493
Receipts	1,433,409
Disbursements	<u>(1,424,030)</u>
Ending Cash Balance	<u><u>\$ 45,872</u></u>



Auditor of State Betty Montgomery

REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL 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 the financial statement of the Clark County Agricultural Society (the Society) as of and for the year ended November 30, 2002, and have issued our report thereon dated April 30, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Society's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Society in a separate letter dated April 30, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Society in a separate letter dated April 30, 2003.

Clark County Agricultural Society
Clark County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the finance committee, management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 30, 2003



**Auditor of State
Betty Montgomery**

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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 5, 2003**