



Mary Taylor, CPA  
Auditor of State



CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY

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Mary Taylor, CPA  
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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

May 5, 2009

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# Mary Taylor, CPA

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 Clark County Agricultural Society, Clark County, (the Society) as of and for the years ended November 30, 2008 and 2007. 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, 2008 and 2007 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, 2008 and 2007, 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 Clark County Agricultural Society, Clark County, as of November 30, 2008 and 2007, and its 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 5, 2009, 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 cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

May 5, 2009



**CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEARS ENDED NOVEMBER 30, 2008 AND 2007**

	<b>2008</b>	<b>2007</b>
<b>Operating Receipts:</b>		
Admissions	\$288,708	\$263,408
Privilege Fees	147,449	133,017
Rentals	388,524	394,878
Other Operating Receipts	120,281	121,697
Total Operating Receipts	944,962	913,000
 <b>Operating Disbursements:</b>		
Wages and Benefits	336,629	294,189
Utilities	177,401	174,436
Professional Services	105,264	110,942
Equipment and Grounds Maintenance	103,944	107,913
Senior Fair	128,541	96,298
Junior Fair	26,939	23,822
Capital Outlay	117,463	15,308
Other Operating Disbursements	144,680	110,576
Total Operating Disbursements	1,140,861	933,484
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(195,899)	(20,484)
 <b>Non-Operating Receipts (Disbursements):</b>		
State Support	7,300	6,348
County Support	99,398	3,300
Debt Proceeds	86,000	51,000
Donations/Contributions	33,162	33,614
Debt Service	(30,896)	(87,495)
 Net Non-Operating Receipts (Disbursements)	194,964	6,767
 Excess (Deficiency) of Receipts Over (Under) Disbursements	(935)	(13,717)
 Cash Balance, Beginning of Year	19,550	33,267
 Cash Balance, End of Year	<b>\$18,615</b>	<b>\$19,550</b>

*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, 2008 AND 2007**

**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 including 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, 2008 AND 2007  
(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. CASH**

The carrying amount of cash at November 30, 2008 and 2007 was as follows:

	<b>2008</b>	<b>2007</b>
Demand deposits	\$18,615	\$19,550

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

**3. BUDGETARY ACTIVITY**

For the year ended November 30, 2008, the Society had budgeted receipts of \$1,170,225 and actual receipts of \$1,170,822, resulting in a variance of \$597. Additionally, the Society had budgeted disbursements of \$1,178,035 and actual disbursements of \$1,171,757, resulting in a variance of \$6,278. For the year ended November 30, 2007, the Society had budgeted receipts of \$873,575 and actual receipts of \$1,007,262, resulting in a variance of \$133,687. Additionally, the Society had budgeted disbursements of \$850,267 and actual disbursements of \$1,020,979, resulting in a variance of (\$170,712).

**4. DEBT**

Debt outstanding at November 30, 2008 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Note Payable for Tractor	\$ 4,195	5.50%
Note Payable for Truck	7,716	6.69%
Line-of Credit	65,000	variable
Total	\$76,911	

In June 2004, the Society entered into a promissory note agreement for the purchase of a tractor. The \$28,680 promissory note agreement for the tractor bears an interest rate of 5.50 percent and is due to the Security National Bank. The note was entered into on June 23, 2004 and matures June 30, 2009. Proceeds of the note were used to purchase a tractor and are collateralized by the tractor.

**CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2008 AND 2007  
(Continued)**

**4. DEBT (Continued)**

In April 2006, the Society entered into a promissory note agreement for the purpose of a pickup truck. The \$14,250 promissory note agreement for the truck bears an interest rate of 6.69 percent and is due to the Security National Bank. The note was entered into on April 28, 2006 and matures April 28, 2011. Proceeds of the note were used to purchase a truck and are collateralized by the truck.

The Society maintains a \$65,000 line of credit at a variable interest rate with Security National Bank for operating purposes. During 2007, the Society borrowed \$51,000 against this line of credit, making full payment in 2007. During 2008, the Society borrowed \$86,000 against this line of credit and had repaid \$21,000 as of November 30, 2008. The \$21,000 was paid prior to borrowing additional funds. The Society had not exceeded its credit line during the period.

Amortization of the above debt is scheduled as follows:

<u>Year ending November 30:</u>	<u>Tractor Note</u>	<u>Truck Loan</u>	<u>Line of Credit</u>	<u>Interest</u>	<u>Total</u>
2009	\$4,195	\$3,187	\$65,000	\$1,126	\$73,508
2010		3,153		208	3,361
2011		1,376		23	1,399
Total	<u>\$4,195</u>	<u>\$7,716</u>	<u>\$65,000</u>	<u>\$1,357</u>	<u>\$78,268</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 August 2009.

**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 (Name of County) County Fair. The Society disbursed \$23,822 in 2007 and \$26,939 in 2008 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, 2008 and 2007 follows:

	<u>2008</u>	<u>2007</u>
Beginning Cash Balance	\$1,053	\$1,115
Receipts	19,708	19,435
Disbursements	<u>(20,308)</u>	<u>(19,497)</u>
Ending Cash Balance	<u>\$ 453</u>	<u>\$1,053</u>

**CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2008 AND 2007  
(Continued)**

**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, 2008 and 2007 follows:

	<u><b>2008</b></u>	<u><b>2007</b></u>
Beginning Cash Balance	\$ 55,789	\$ 55,205
Receipts	1,690,337	1,674,931
Disbursements	<u>(1,634,978)</u>	<u>(1,674,347)</u>
Ending Cash Balance	<u>\$ 111,148</u>	<u>\$ 55,789</u>



# Mary Taylor, CPA

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, 2008 and 2007, and have issued our report thereon dated May 5, 2009, 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Society's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Society's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Society's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted certain matters that we reported to the Society's management in a separate letter dated May 5, 2009.

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### **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*.

We did note certain noncompliance or other matters that we reported to the Society's management in a separate letter dated May 5, 2009.

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

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

**Mary Taylor, CPA**  
Auditor of State

May 5, 2009



**CLARK COUNTY AGRICULTURAL SOCIETY  
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
NOVEMBER 30, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	Board Resolution #11-04-08: failure to monitor the 2006 budget.	Yes	
2006-002	Board should approve all employees pay rates.	No	Partially Corrected; Repeated in Management Letter





Mary Taylor, CPA  
Auditor of State

**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 4, 2009**