

INDEPENDENT AUDITOR'S REPORT

**COMANCHE COUNTY AGRICULTURAL
AND INDUSTRIAL EXPOSITION
AND FAIR PUBLIC TRUST AUTHORITY
A Component Unit of Comanche County**

JUNE 30, 2012

BY



**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority
A Component Unit of Comanche County
For Year Ended June 30, 2012**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Comanche County
Agricultural and Industrial Exposition & Fair Public Trust Authority
Lawton, Oklahoma:

We have audited the accompanying Statement of Assets, Liabilities, and Net Assets of Comanche County Agricultural & Industrial Exposition and Fair Public Trust Authority, a component unit of Comanche County as of June 30, 2012 and the related Statements of Revenues, Expenses and Changes in Net Assets, and Cash Flows for the year then ended. These financial statements are the responsibility of the Trust Authority'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 "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 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 that our audit provides a reasonable basis for our opinion.

The Trust has not presented the Management's Discussion and Analysis required by the Governmental Accounting Standards Board (GASB) that the GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comanche County Agricultural & Industrial Exposition and Fair Public Trust Authority as of June 30, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Statement of Revenue, Expenses, and Changes in Net Assets- Budget and Actual are not a required part of the basic financial statements but are supplementary information. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with "Government Auditing Standards," we have also issued our report dated November 20, 2012 on our consideration of the Trust Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.



FURRH & ASSOCIATES, PC

Certified Public Accountants

November 20, 2012

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority**

**A Component Unit of Comanche County
Statement of Assets, Liabilities, and Net Assets
For the Year Ended June 30, 2012**

ASSETS

Current Assets

Cash	\$	233,684	
Accounts Receivable		14,905	
Inventory		4,198	
Total Current Assets		242,787	\$ 252,787

Fixed Assets

Vehicles		20,505	
Office Equipment		34,608	
Catering Equipment		50,380	
Concessions & Equipment		54,091	
WIP- RV Park		148,267	
Machines and Equipment		200,481	
Furniture & Fixtures		267,168	
Building Improvements		3,968,518	
Less Accumulated Depreciation		(2,671,090)	
Net Fixed Assets			2,072,928
TOTAL ASSETS			\$ 2,325,715

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$	33,438	
Payroll Taxes Payable		1,391	
Accrued Interest Payable		7,734	
Compensated Absences Liability		8,997	
Current Portion of Notes Payable		51,905	
Total Current Liabilities		103,465	\$ 103,465

Long Term Liabilities

Notes Payable, less Current Portion		559,761	
Total Liabilities		559,761	663,226

Net Assets

Net Assets - Unrestricted		1,662,489	
Total Net Assets		1,662,489	1,662,489
TOTAL LIABILITIES AND NET ASSETS			\$ 2,325,715

Please see accompanying notes to the financial statements.

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority**
A Component Unit of Comanche County
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2012

Operating Revenues

Comanche County General Funds	\$	326,126	
Tax Income		217,095	
Rental Receipts		148,047	
Ticket Sales		84,239	
Concessions, net of cost		46,918	
Catering, net of cost		42,400	
Sponsorship Revenue		23,250	
Other Receipts		9,383	
Total Operating Revenues		897,458	\$ 897,458

Operating Expenses

Personnel		382,962	
Depreciation		207,139	
Event Expense		153,953	
Utility Expense		121,647	
Insurance & Bond Expense		69,946	
Repairs & Maintenance		67,863	
Office Expense		35,880	
Supplies		25,001	
Interest Expense		20,495	
Total Operating Expenses		1,084,886	1,084,886
Operating Loss			(187,428)

Non - Operating Revenues

Interest Income		371	
Total Non - Operating Revenues		371	371

Net Income		(187,057)	
Net Assets, as of July 1, 2011		1,849,546	
Net Assets, as of June 30, 2012		\$ 1,662,489	

Please see accompanying notes to the financial statements.

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority
A Component Unit of Comanche County
Statement of Cash Flows
For the Year Ended June 30, 2012**

Cash Flows from Operating Activities

Operating Revenue	\$ 1,035,183
Miscellaneous Revenue	9,754
Payments to Suppliers	(615,284)
Payments to Employees	(374,368)
	55,285
Net Cash Provided by Operating Activities	55,285

Cash Flows from Investing Activities

Capital Assets Purchased	(49,824)
	(49,824)
Net Cash Provided (Used) by Investing Activities	(49,824)

Cash Flows from Capital and Related Financing Activities

Cash Used by Capital Related Debt	(51,579)
	(51,579)
Net Cash Provided (Used) by Capital and Related Financing Activities	(51,579)

Net Increase (Decrease) in Cash and Cash Equivalents (46,118)

Cash and Cash Equivalents - June 30, 2011 279,802

Cash and Cash Equivalents - June 30, 2012 \$ 233,684

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating Income (Loss)	\$ (187,057)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities	
Depreciation Expense	207,139
Increase in Accounts Receivable	(8,071)
Decrease in Inventory	819
Increase in Accounts Payable	32,859
Decrease in Payroll Taxes Payable	(403)
Increase in Compensated Absences Liability	8,997
Decrease in Accrued Interest Payable	(748)
Increase in Current Portion of Notes Payable	1,750
	1,750
Net Cash Provided by Operating Activities	<u>\$ 55,285</u>

Please see accompanying notes to the financial statements.

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority
A Component Unit of Comanche County
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

Note 1 - Basis of Accounting

The Comanche County Agricultural and Industrial Exposition and Fair Public Trust Authority are a component unit of Comanche County, and are treated as an enterprise fund of the county. The Authority maintains its accounting records and prepares its financial statements in accordance with generally accepted accounting principles. Generally accepted accounting principles require that financial statements be prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when the obligation is incurred.

Comanche County pays certain obligations on behalf of the Authority. The Authority submits invoices to the County, and the County then remits payments directly to the vendors. Expenditures on these invoices are recognized when the obligation is incurred, and the revenue from the County is also recorded at that time.

Note 2 - Third Party Reimbursements

Comanche County General Funds

Each year certain funds are made available to the Authority from the Comanche County General Fund. These funds are disbursed on behalf of the Authority directly to the vendors upon submission and approval of claim vouchers. The general-purpose financial statements reflect as revenue the above funds paid on behalf of the Authority, and also reflect the corresponding expenses under the classifications appropriate in the circumstances. The Authority recognized \$326,126 in revenue during the year ended June 30, 2012.

Note 3 - Inventory

Inventory is stated at cost. Cost is determined as the price paid for the item plus any charges incurred in order to take possession of the goods, such as shipping and tax. Inventory as of June 30, 2012 is as follows:

Purchased Inventory (at Cost):	
Food	\$ 2,390
Beverage	1,170
Paper	323
Candy	315
	315
Total Inventory	\$ 4,198

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority**
A Component Unit of Comanche County
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 4 - Fixed Assets

The cost of fixed assets are capitalized and depreciated over the estimated useful life of the related asset. These assets are depreciated using the straight-line method over the useful lives ranging from 6 to 25 years. A summary of fixed assets at June 30, 2012 is as follows:

	Balance 06/30/2011	Additions	Disposals	Balance 06/30/2012
<u>Fixed Assets</u>				
Building Improvements	\$ 3,968,518	\$ 0	\$ 0	\$ 3,968,518
Furniture and Fixtures	257,380	9,787	0	267,167
Machines and Equipment	199,104	1,378	0	200,482
Work in Progress- RV Park	117,665	30,602	0	148,267
Concessions & Equipment	58,440	592	(4,941)	54,091
Catering Equipment	44,131	6,249	0	50,380
Office Equipment	33,392	1,216	0	34,608
Vehicles	20,505	0	0	20,505
	<u>\$ 4,699,135</u>	<u>\$ 49,824</u>	<u>\$ (4,941)</u>	<u>\$ 4,744,018</u>
<u>Accumulated Depreciation</u>				
Building Improvements	\$ 2,172,468	\$ 148,510	\$ 0	\$ 2,320,978
Machines and Equipment	117,281	15,030	0	132,311
Furniture and Fixtures	104,611	25,887	0	130,498
Concessions & Equipment	46,857	2,523	(4,941)	44,439
Catering Equipment	11,426	4,697	0	16,123
Office Equipment	8,147	6,391	0	14,538
Vehicles	8,102	4,101	0	12,203
	<u>\$ 2,468,892</u>	<u>\$ 207,139</u>	<u>\$ (4,941)</u>	<u>\$ 2,671,090</u>

Depreciation is charged to expense. Depreciation expense for the year ended June 30, 2012 is \$207,139.

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority
A Component Unit of Comanche County
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

Note 5 - Cash and Cash Equivalents

The following is a recap of the Authority's bank accounts. All accounts are insured by the Federal Deposit Insurance Corporation (FDIC).

	Balance as 6/30/2012
Liberty National Bank- Sales Tax	\$ 172,078
Liberty National Bank- General Account	30,154
Liberty National Bank- RV	29,862
Change Fund- Concessions	2,700
Liberty National Bank- Payroll	(1,110)
	\$ 233,684

The Authority's cash, deposits, and investments are classified in the following categories:

- A. Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- B. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- C. Uncollateralized.

	A	B	C	Total
Cash on Hand	\$ 0	\$ 0	\$ 2,700	\$ 2,700
Cash in Bank	230,984	0	0	230,984
Total	\$ 230,984	\$ 0	\$ 2,700	\$ 233,684

Note 6 - Lease of County Fairgrounds

In May 9, 1973, the Authority leased from Comanche County certain real and personal properties located at the County Fairgrounds for a period of thirty years, and so long thereafter as any indebtedness incurred by the lessee secured by the revenues shall remain unpaid. Consideration of the lease shall be installation and construction of improvements,

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority
A Component Unit of Comanche County
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

and maintenance and operation of the trust estate, which shall revert, together with all additions and substitutions, to the lessor upon termination of the lease.

Note 7 - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Note 8 - Compensated Absences

The amount of earned unpaid vacation time at June 30, 2012 was approximately \$8,997.

Note 9 - Notes Payable

The CCIDA Consolidation Note was originally for \$738,385, borrowed to consolidate the previous CCIDA notes. The note carries an interest rate of 3% and requires an annual payment of \$70,000 due on the 25th of January each year starting January 25, 2011. Payments are first applied to the interest and the remainder to principal. Payments for the succeeding five-year period will be approximately as follows:

Dates to Maturity	Principal Amount Due
July 1, 2012 - June 30, 2013	\$ 51,905
July 1, 2013 - June 30, 2014	53,270
July 1, 2014 - June 30, 2015	54,868
July 1, 2015 - June 30, 2016	56,514
July 1, 2016 - Jan. 25, 2023	395,109
Total	\$ 611,666

Note 10 - Commitments and Contingencies

The Authority receives its resources primarily from sources within Comanche County. Consequentially, the Authority's ability to operate as a going concern is dependent on the economic conditions of this area.

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority
A Component Unit of Comanche County
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

Note 11 - Retirement

The Authority started a Savings Incentive Match Plan for Employees Individual Retirement Account (SIMPLE IRA) in the second quarter of 2011. This is tax-deferred employer provided retirement plan that allows employees to set aside money and invest it to grow for later use. It is an employer sponsored plan and is funded by a pretax salary reduction by the employee.

The schedule of contributions for the current and two preceding years are as follows:

	<u>Employer Share</u>	<u>Employee Share</u>
	<u>Amount</u>	<u>Amount</u>
YE June 30, 2012	\$ 8,009	\$ 9,779
YE June 30, 2011	869	1,104
YE June 30, 2010	0	0
Total	\$ 8,878	\$ 10,883

Note 12 – Key Personnel

Key personnel on June 30, 2012, were as follows:

<u>Board of Trustees</u>		<u>Executive Director</u>
Ken Price	Central District	Phillip Humble
Albert Johnson Jr.	Central District	
David Dorrell	Western District	<u>Office Manager</u>
Mike Hannabass	Western District	Joe Kirk
Jerry Krasser	Western District	
Mark Henry	Eastern District	<u>Executive Assistant</u>
Ike Higdon	Eastern District	Brandy Black
Ronny Love	Eastern District	



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees of Comanche County
Agricultural & Industrial Exposition and Fair Public Trust Authority
Lawton, Oklahoma

We have audited the financial statements of Comanche County Agricultural & Industrial Exposition and Fair Public Trust Authority (the Trust Authority), as of and for the year ended June 30, 2012, and have issued our report thereon dated November 20, 2012. The Trust Authority did not present a Management's Discussion and Analysis as required by GASB Statement No. 34. The financial statements were prepared on the accrual basis of accounting for governmental activities. 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.

Internal Control Over Financial Reporting

Management of the Trust Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Trust Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Trust Authority'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, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of control deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of management and regulatory authorities and is not intended to be and should not be used by anyone other than these specified parties.



FURRH & ASSOCIATES, PC

Certified Public Accountants

November 20, 2012

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority**
A Component Unit of Comanche County
Revenue, Expenses, and Changes in Net Assets- Budget and Actual
Year Ended June 30, 2012

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Comanche County General Funds	\$ 330,000	\$ 326,126	\$ 3,874
Tax Income	235,000	217,095	17,905
Rental Receipts	175,000	148,047	26,953
Ticket Sales	100,000	84,239	15,761
Concessions, net of cost	70,000	46,918	23,082
Catering, net of cost	70,000	42,400	27,600
Sponsorship Revenue	25,000	23,250	1,750
Other Receipts	10,000	9,383	617
	<hr/>	<hr/>	<hr/>
Total Revenue	1,015,000	897,458	117,542
<u>Expenses</u>			
Personnel	385,000	382,962	2,038
Depreciation	210,000	207,139	2,861
Event Expense	100,000	153,953	(53,953)
Utility Expense	120,000	121,647	(1,647)
Insurance & Bond Expense	65,000	69,946	(4,946)
Repairs & Maintenance	65,000	67,863	(2,863)
Office Expense	30,000	35,880	(5,880)
Supplies	20,000	25,001	(5,001)
Interest Expense	20,000	20,495	(495)
	<hr/>	<hr/>	<hr/>
Total Expenses	1,015,000	1,084,886	(69,886)
<u>Revenue Over (Under) Expenses</u>	0	(187,428)	187,428
<u>Non-Operating Revenue</u>			
Interest Income	350	371	(21)
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenue	350	371	(21)
	<hr/>	<hr/>	<hr/>
Net Income (Loss)	350	(187,057)	187,407
<u>Net Assets, July 1, 2011</u>	1,849,546	1,849,546	0
	<hr/>	<hr/>	<hr/>
<u>Net Assets, June 30, 2012</u>	\$ 1,849,896	\$ 1,662,489	\$ 187,407
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Please see accompanying notes to the financial statements.