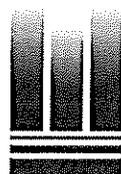


INDEPENDENT AUDITOR'S REPORT

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

JUNE 30, 2015

BY



FURRH
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority
A Component Unit of Comanche County
For Year Ended June 30, 2015**

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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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Comanche County Agricultural & Industrial Exposition and Fair Public Trust Authority, a component unit of Comanche County, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Trust Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Comanche County Agricultural & Industrial Exposition and Fair Public Trust Authority as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

The Statement of Revenue, Expenses, and Changes in Net Assets - Budget to Actual are not a required part of the basic financial statements but are required supplementary information. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Revenue, Expenses, and Changes in Net Assets – Budget to Actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2015, on our consideration of the Trust Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 to provide an opinion 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 Trust Authority's internal control over financial reporting and compliance.

Furrh & Associates, PC
FURRH & ASSOCIATES, PC
Lawton, Oklahoma
September 23, 2015

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

A Component Unit of Comanche County
Statement of Assets, Liabilities, and Net Assets
As of June 30, 2015

ASSETS

Current Assets		
Cash	\$ 420,458	
Accounts Receivable	12,586	
Inventory	3,017	
Total Current Assets		\$ 436,061
Fixed Assets		
Building Improvements	4,176,329	
Machines and Equipment	401,739	
Furniture & Fixtures	291,219	
Remodeling in Process	95,424	
Vehicles	25,436	
Less Accumulated Depreciation	(3,315,062)	
Net Fixed Assets		1,675,085
TOTAL ASSETS		\$ 2,111,146

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Payroll Liability	\$ 12,306	
Accounts Payable	11,051	
Compensated Absences Liability	9,323	
Leases Payable - short term portion	7,650	
Deferred Revenue - rental deposits	5,610	
Payroll Taxes Payable	1,443	
Total Current Liabilities		\$ 47,383
Long Term Liabilities		
Leases Payable	30,200	
Less short term portion	(7,650)	
Total Long Term Liabilities		22,550
Total Liabilities		69,933
Net Assets		
Net Assets - Unrestricted	2,041,213	
Total Net Assets		2,041,213
TOTAL LIABILITIES AND NET ASSETS		\$ 2,111,146

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, 2015

Operating Revenues

Comanche County General Funds	\$ 326,126	
Tax Income	267,063	
Rental Receipts	129,458	
Catering, net of cost	97,848	
Grants	50,000	
Concessions, net of cost	48,599	
Ticket Sales	45,522	
Sponsorship Revenue	28,100	
RV Park Fees-Electricity	10,592	
Other Receipts	5,266	
Total Operating Revenues		\$ 1,008,574

Operating Expenses

Personnel	367,203	
Depreciation	227,814	
Event Expense	126,232	
Utility Expense	116,298	
Repairs & Maintenance	89,372	
Insurance & Bond Expense	73,786	
Office Expense	23,560	
Supplies	14,301	
Interest Expense	1,794	
Total Operating Expenses		1,040,360

Operating Income (31,786)

Non - Operating Revenues

Interest Income	250	
Total Non - Operating Revenues		250

Net Income (Loss) (31,536)

Net Assets, as of July 1, 2014 2,072,749

Net Assets, as of June 30, 2015 \$ 2,041,213

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, 2015

<u>Cash Flows from Operating Activities</u>	
Income Received from the County	\$ 593,189
Income from Others	638,080
Payments to Suppliers	(623,034)
Payments to Employees	<u>(387,289)</u>
Net Cash Provided by Operating Activities	220,946
<u>Cash Flows from Investing Activities</u>	
Interest Income	250
Capital Assets Purchased	<u>(102,509)</u>
Net Cash Provided (Used) by Investing Activities	(102,259)
<u>Cash Flows from Capital and Related Financing Activities</u>	
Cash Used by Long Term Leases Payable	<u>(8,333)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(8,333)</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	110,354
<u>Cash and Cash Equivalents - June 30, 2014</u>	<u>310,104</u>
<u>Cash and Cash Equivalents - June 30, 2015</u>	<u>\$ 420,458</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ (31,786)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities	
Depreciation Expense	227,814
Decrease in Accounts Receivable	16,106
Increase in Inventory	(777)
Increase in Accounts Payable	3,900
Decrease in Payroll Taxes Payable	(7)
Increase in Accrued Payroll Liability	1,448
Decrease in Compensated Absences Liability	(239)
Increase in Deferred Revenue	5,610
Decrease in Current Leases Payable	<u>(1,123)</u>
Net Cash Provided by Operating Activities	<u>\$ 220,946</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 the Financial Statements
June 30, 2015

Note 1 - Basis of Accounting

The Comanche County Agricultural and Industrial Exposition and Fair Public Trust Authority is a component unit of Comanche County, and is 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, 2015.

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, 2015 is as follows:

Purchased Inventory (at Cost):	
Food	\$ 1,913
Beverage	600
Paper	258
Candy	246
Total Inventory	\$ 3,017

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority**
A Component Unit of Comanche County
Notes to the Financial Statements
June 30, 2015

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, 2015 is as follows:

	Balance 06/30/2014	Additions	Disposals	Balance 06/30/2015
<u>Fixed Assets</u>				
Building Improvements	\$ 4,174,029	\$ 2,300	\$ 0	\$ 4,176,329
Furniture and Fixtures	287,430	3,789	0	291,219
Machines and Equipment	240,803	840	0	241,643
WIP - expo remodel	0	84,574	0	84,574
Catering Equipment	61,567	4,221	0	65,788
Concessions & Equipment	58,913	926	(1,478)	58,361
Office Equipment	34,608	1,339	0	35,947
Vehicles	25,436	0	0	25,436
WIP - expo heat	6,330	0	0	6,330
WIP - outdoor arena	0	4,520	0	4,520
Total	\$ 4,889,116	\$ 102,509	\$ (1,478)	\$ 4,990,147
<u>Accumulated Depreciation</u>				
Building Improvements	\$ 2,625,823	\$ 166,678	\$ 0	\$ 2,792,501
Machines and Equipment	155,846	17,213	0	173,059
Furniture and Fixtures	183,754	27,604	0	211,358
Concessions & Equipment	48,628	1,889	(1,478)	49,039
Catering Equipment	27,035	7,108	0	34,143
Office Equipment	27,445	5,164	0	32,609
Vehicles	20,195	2,158	0	22,353
Total	\$ 3,088,726	\$ 227,814	\$ (1,478)	\$ 3,315,062
Total Fixed Assets, net of depreciation	\$ 1,800,390			\$ 1,675,085

Depreciation is charged to expense. Depreciation expense for the year ended June 30, 2015 is \$227,814.

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority**
A Component Unit of Comanche County
Notes to the Financial Statements
June 30, 2015

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 6/30/2015
Liberty National Bank- Sales Tax	\$ 270,016
Liberty National Bank- General Account	106,234
Liberty National Bank- Payroll	24,457
Liberty National Bank- Annex Remodel	17,051
Change Fund- Concessions	2,700
	\$ 420,458

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	417,758	0	0	417,758
Total	\$ 417,758	\$ 0	\$ 2,700	\$ 420,458

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, 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.

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority**
A Component Unit of Comanche County
Notes to the Financial Statements
June 30, 2015

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, 2015 was approximately \$9,323 and was accrued since it is a post-employment benefit. Sick leave is not paid upon termination; therefore, it was not included in the accrual.

Note 9 – Long Term Equipment Leases

The Authority entered into two long term capital leases with Hugg and Hall Equipment Company on June 24, 2014. The forklift lease is for \$26,156 at an implied interest rate of 4.3% for 60 months, resulting in a monthly payment of \$485.22. The floor scrubber lease is for \$13,500 at an implied interest rate of 4.45% for 48 months, resulting in a monthly payment of \$307.55.

Forklift			
FYE	Principal	Interest	Total Payment
06/30/2016	4,610	725	5,335
06/30/2017	5,240	580	5,820
06/30/2018	5,470	350	5,820
06/30/2019	5,126	110	5,236
	\$ 20,446	\$ 1,765	\$ 22,211

Floor Scrubber			
FYE	Principal	Interest	Total Payment
06/30/2016	3,040	338	3,378
06/30/2017	3,459	225	3,684
06/30/2018	3,255	68	3,323
	\$ 9,754	\$ 631	\$ 10,385

**Comanche County Agricultural and Industrial
Exposition and Fair Public Trust Authority**
A Component Unit of Comanche County
Notes to the Financial Statements
June 30, 2015

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.

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:

	Employer Portion	Employee Portion
YE June 30, 2015	\$ 7,505	\$ 11,552
YE June 30, 2014	9,440	11,031
YE June 30, 2013	9,411	11,128
Total	\$ 26,356	\$ 33,711

Note 12 – Key Personnel

Key personnel on June 30, 2015, were as follows:

<u>Board of Trustees</u>		<u>Executive Director</u>
Ken Price	Central District	Phillip Humble
Mollie Burton	Central District	
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 Juarez
Ronny Love	Eastern District	



**INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of the business-type activities of Comanche County Agricultural & Industrial Exposition and Fair Public Trust Authority, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Trust Authority's basic financial statements, and have issued our report thereon dated September 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Trust Authority's internal control.

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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of 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. 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 deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


FURRH & ASSOCIATES, PC
Lawton, Oklahoma
September 23, 2015

**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, 2015

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Comanche County General Funds	\$ 329,184	\$ 326,126	\$ 3,058
Tax Income	228,845	267,063	(38,218)
Catering Income, net of expenses	106,581	97,848	8,733
Rental Receipts	131,635	129,458	2,177
Grant Revenue	0	50,000	(50,000)
Concessions, net of expenses	86,822	48,599	38,223
Ticket Sales	43,678	45,522	(1,844)
Sponsorship Revenue	23,600	28,100	(4,500)
RV Park Fees	7,780	10,592	(2,812)
Other Receipts	3,236	5,266	(2,030)
Total Revenue	961,361	1,008,574	(47,213)
<u>Expenses</u>			
Personnel	369,448	367,203	2,245
Depreciation	210,000	227,814	(17,814)
Event Expense	141,067	126,232	14,835
Utility Expense	95,571	116,298	(20,727)
Insurance & Bond Expense	88,292	73,786	14,506
Repairs & Maintenance	85,205	89,372	(4,167)
Office Expense	16,946	23,560	(6,614)
Supplies	18,991	14,301	4,690
Interest Expense	0	1,794	(1,794)
Total Expenses	1,025,520	1,040,360	(14,840)
Revenue Over (Under) Expenses	(64,159)	(31,786)	(32,373)
<u>Non-Operating Revenue</u>			
Interest Income	0	250	(250)
Total Non-Operating Revenue	0	250	(250)
Net Income (Loss)	(64,159)	(31,536)	(32,623)
Net Assets, July 1, 2014	2,072,749	2,072,749	0
Net Assets, June 30, 2015	\$ 2,008,590	\$ 2,041,213	\$ (32,623)

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
McMahon Foundation Grant
Revenue and Expenditures Compared with Budget
Year Ended June 30, 2015

	Budget	Total	(Over) Under Budget
<u>Revenue</u>			
Grant	\$ 50,000	\$ 50,000	\$ 0
Matching Funds	50,000	50,000	
Total Income	100,000	100,000	0
<u>Expenditures</u>			
Annex Remodel	100,000	82,949	17,051
Total Expenditures	100,000	82,949	17,051
<u>Revenue Over (Under) Expenditures</u>	\$ 0	\$ 17,051	\$ (17,051)

Please see accompanying notes to the financial statements.