Connecticut's Largest Agricultural Fair

FINANCIAL REPORT

2018 and 2017

FINANCIAL REPORT OVERVIEW - 2018 and 2017

2018 and 2017 were not the most successful years financially for the Durham Fair. Attendance decreased both years while expenses, especially the cost of State Police, continued to increase. However, the financial results do not accurately reflect the continued dedication and enthusiasm of hundreds of volunteers. Arguably, the Durham Fair is the best fair around, and the volunteers of the Durham Fair Association continue to work hard to maintain that status.

General Information

The Durham Fair is owned and operated by the Durham Agricultural Fair Association, Inc., a private, not-for-profit organization incorporated under Connecticut laws without stockholders. The Durham Fair has no paid management or staff, a fact for which the Association is fiercely proud.

Annual membership in the Association is obtained by purchasing a membership ticket. Membership is limited to 300 persons, on a first come, first served basis. Tickets are available from the Association's Secretary from the conclusion of the annual meeting in December until the close of the annual Fair. A member is entitled to vote at the Association's annual meeting in December where officers, coordinators, directors, superintendents and assistant superintendents are elected as well as other business such as changes in the constitution and bylaws, review of the scholarship fund rules and setting dates of upcoming fairs.

The Association owns forty-six acres of land that includes four houses, one store with barn, eight exhibit barns, three restroom facilities, one pavilion, one large storage building and many smaller buildings. The Association has leases with the Town of Durham to use White's Farm for parking and with the Town of Middlefield to use Strickland Farm for parking. Regional District 13 allows use of their property free of charge. The Association rents additional land for parking from two Durham landowners. In addition, in 2018, Tilcon and Anthem Blue Cross Blue Shield allowed use of their Wallingford properties free of charge.

In 2018, the Association paid premiums (prize money) of $104,639. Of that, $10,942 was paid to Durham residents, $3,244 to residents of Middlefield and Rockfall and $28,560 to residents of bordering towns.

In 2018, the Fair Association made purchases totaling $117,633 from Durham businesses, $93,328 from Middlefield and Rockfall businesses, and $157,217 from businesses in bordering towns. In 2017, purchases totaled $118,327 from Durham businesses, $83,746 from Middlefield and Rockfall businesses, and $104,741 from businesses in bordering towns.

It should be noted that the expenditures shown in this report are only the amounts actually paid. In many instances, the amounts would be significantly higher had it not been for people willing to work without pay or for the continued generosity of businesses in the local area who donated services and materials or made them available at very favorable prices.

During the Fair, Durham and Middlefield organizations greatly enhance the community spirit of the Fair with booths that have become known for high quality products and friendly workers. As a result of the efforts of their volunteers and the Fair's policy of providing their concession space at a 75%

discount (value of $33,510 in 2018, and $32,220 in 2017), many groups are able to raise a major portion of their annual income at the Fair. Interestingly, the primary source of those funds (that are available for Durham and Middlefield needs) is fairgoers who do not live in Durham or Middlefield. Nonprofit groups outside of Durham and Middlefield are given a 25% discount on their concession space (value of $3,815 in 2018, and $4,745 in 2017). In addition, Connecticut DEEP and military recruiters received free space (value of $9,300 in 2018 and $6,300 in 2017).

Scholarship Fund

The Fair Association has maintained its own scholarship fund for local students since 1966. Scholarship awards totaled $25,000 in both 2018 and 2017.

The following describes the present program:

How is the program funded?
The Association contributes to the program all money generated from the sale of student tickets to students who are or will be eligible for the awards, plus a matching contribution. A contribution of up to 10% of the Fair profit is made if necessary to bring the balance of the fund up to $100,000.

Who is eligible to apply?
Any graduating senior or high school graduate from Durham or Middlefield who will be enrolled in a school of higher learning as a first year undergraduate student is eligible to apply. Application forms are available in early spring at local high schools.

What factors are considered in determining the recipients?
Community spirit and involvement, demonstrated willingness to work to help pay the cost of his/her own education, scholastic ability, and financial need are factors considered in determining the recipients of Durham Fair scholarships. Whether or not the student or the student's relatives have been involved in the Fair is not considered.

Who chooses the recipients?
The recipients are chosen by the Durham Fair Scholarship Committee that consists of five individuals who members of the Association.

Other Information

The Durham Fair Association contributed a total of $197,183 in donations, discounts or public service activities to the community in 2018. That number was $203,952 in 2017.

Durham Agricultural Fair Association, Inc.

Balance Sheet
At November 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	248,078	427,449
Accounts receivable	12,738	84
Prepaid expenses	3,560	6,015
Escrow cash held	4,568	4,568
Souvenir inventory	0	13,055
Share of stock in Haddam Neck Fair Association	100	100
Investment in Farm Credit East	1,000	1,000
Investment in Museum Collection	8,000	8,000
Land	520,328	520,328
Depreciable assets	6,453,708	6,395,185
Accumulated depreciation	(5,123,930)	(4,877,679)
Total assets	***2,128,150***	***2,498,105***
Liabilities		
Accounts payable	249,096	32,877
Escrow payable	4,568	4,568
Unearned storage income	88,689	87,350
Deferred midway income	4,000	6,000
Mortgage payable - Farm Credit East	0	284,000
Line of credit payable - Farm Credit East	100	100
Total liabilities	***346,453***	***414,895***
Net Assets		
Unrestricted	1,678,068	1,850,116
Designated for 100th Anniversary	12,888	6,218
Designated for Mortgage Payments	0	124,067
Designated for Scholarships	90,741	102,809
Total net assets	***1,781,697***	***2,083,210***
Total liabilities and net assets	***2,128,150***	***2,498,105***

Durham Agricultural Fair Association, Inc.

Statement of Changes in Net Assets
For the Years Ended November 30, 2018 and 2017

	2018	2017
Unrestricted		
Balance at beginning of period	*1,850,116*	*1,752,153*
Results of operations:		
Nonfairtime income and expenses (Schedule A)	(312,096)	(273,239)
Profit from Fair (Schedule B)	20,303	376,202
Transfers:		
From Designated for Mortgage Payments	124,745	
To Net Assets Designated for 100th Anniversary	(5,000)	(5,000)
Total Unrestricted Net Assets at end of period	*1,678,068*	*1,850,116*
Designated for 100th Anniversary		
Balance at beginning of period	*6,218*	*1,323*
Additions:		
Transfer from Undesignated Net Assets	5,000	5,000
Income:		
Donations received	0	150
Profit (loss) from sale of shirts	350	(255)
Sale of bricks	1,320	
Total Income	*1,670*	*(105)*
Total Net Assets Designated for Anniversary at end of period	*12,888*	*6,218*
Designated for Mortgage Payments		
Balance at beginning of period	*124,067*	*123,398*
Income:		
Interest earned	678	669
Transfer to Undesignated	(124,745)	
Total Net Assets Designated for Mortgage Payments at end of period	*0*	*124,067*
Designated for Scholarships		
Balance at beginning of period	*102,809*	*113,772*
Income:		
Student ticket sales plus matching contribution	12,240	13,420
Interest earned	572	567
Donations	120	50
Total Income	12,932	14,037
Expenditures:		
Awards paid:	(25,000)	(25,000)
Total Net Assets Designated for Scholarships at end of period	*90,741*	*102,809*
Total Net Assets at end of period	***1,781,697***	***2,083,210***

Durham Agricultural Fair Association, Inc.

Schedule A: Nonfairtime Revenue and Expenses
For the Years Ended November 30, 2018 and 2017

	2018	2017
Revenue		
Rentals:		
Grounds - General	6,580	12,700
Grounds - Storage	102,344	103,476
Profit from off season activities	1,975	150
House - 52 Main Street	19,200	19,200
Buildings - 58 Main Street	45,600	45,600
House - 62 Main Street	19,200	19,200
House - 68 Main Street	17,100	16,300
Total rentals	211,999	216,626
Membership dues	1,810	1,980
Interest Earned - Unrestricted	1,022	1,357
Patronage Dividend from Farm Credit East	6,168	7,863
Donations received	100	0
Cellular	6,000	0
Miscellaneous	20	6,260
Total Nonfairtime Revenue	*227,119*	*234,086*
Operating Expenses		
House - 52 Main Street:		
Property taxes	7,291	7,559
Repairs and maintenance	6,427	2,216
Utilities	667	831
Total House - 52 Main Street	14,385	10,606
Buildings - 58 Main Street:		
Property taxes	7,029	7,302
Repairs and maintenance	4,260	2,816
Utilities	450	453
Total Buildings - 58 Main Street	11,739	10,571
House - 62 Main Street:		
Property taxes	4,470	4,620
Repairs and maintenance	4,061	2,450
Utilities	0	0
Total House - 62 Main Street	8,531	7,070
House - 68 Main Street:		
Property taxes	7,236	7,502
Repairs and maintenance	1,387	1,473
Utilities	0	0
Total House - 68 Main Street	8,623	8,975

House - 24 Town House Road (includes Resident State Trooper's office):		
Property taxes	0	0
Repairs and maintenance	3,013	1,188
Utilities (does not include electricity)	3,511	2,326
Less: Expense reimbursement from Town of Durham	(2,400)	(2,400)
Total House - 24 Town House Road	4,124	1,114
Fairgrounds maintenance	40,863	26,792
Electricity (including 24 Town House Road and the Durham Green year round)	31,271	28,048
Telephone and internet	7,028	4,139
Postage	3,019	1,933
Postage meter lease	723	422
Copying	2,768	2,734
Insurance	57,685	55,325
Printing and office supplies	3,257	3,738
Public relations	386	214
Professional fees - audit	6,250	6,250
Professional fees - legal	14,400	14,400
Professional fees - technology	14,050	10,791
Professional fees - other	0	315
Donations made - cash and souvenirs	1,100	7,000
Sponsorships	1,575	1,054
Meetings attended	2,390	2,053
Meetings held	3,532	2,746
Expenses related to grounds rentals	1,676	1,447
Other	4,357	12,614
Total Operating Expenses other than Fair	243,732	220,351
Excess of Nonfairtime Operating Expenses over Income (before Interest, Amortization, and Depreciation)	**(16,613)**	**13,735**
Interest paid	14,016	23,999
Excess of Nonfairtime Expenses over Income before Amortization and Depreciation	**(30,629)**	**(10,264)**
Amortization and depreciation	267,739	262,600
Book value of assets written off	13,728	375
Excess of Nonfairtime Expenses over Income	**(312,096)**	**(273,239)**

Durham Agricultural Fair Association, Inc.

Schedule B: Profit from 2018 and 2017 Fairs

	2018	2017
Revenue		
Admissions:		
One day tickets - gates	659,452	811,659
One day tickets - advance	126,685	108,809
Season tickets	49,475	52,406
Total admissions	835,612	972,874
Parking Fees	680	61,105
Commercial rentals:		
Midway	177,222	197,886
General commercial	290,825	328,645
Craft beer and cider tasting	23,684	
Crafts	44,500	44,228
Total commercial rentals	536,231	570,759
Convenience fees from on-line ticket sales	9,577	8,838
Truck pull fees	0	1,320
Livestock entry fees	1,506	1,262
Net profit from sale of souvenirs	3,385	1,430
Net profit from sale of ice	19,722	20,601
Advertising in Commemorative Book	0	5,235
Cellular towers at fairtime	18,000	23,000
Sponsorships	16,018	10,218
ATM usage fees	11,790	11,262
Donations received	2,239	1,924
Rental of camper space	1,600	1,440
Miscellaneous	2,376	2,814
Total Fairtime Revenue	1,458,736	1,694,082
Direct Expenses		
Revenue-related expenses:		
Crafts	24,487	24,160
General commercial	27,419	27,983
Craft beer and cider tasting	19,301	
Gates	12,269	14,627
Midway	160	295
Parking fee collection	6,000	10,000
Total revenue-related expenses	89,636	77,065
Exhibit expenses:		
Premiums paid to exhibitors	104,639	105,533
Ribbons, trophies, and awards	19,599	15,738
Feed and bedding	2,793	2,612
Miscellaneous exhibit supplies	2,015	1,315
Judging expense	5,768	4,479
Instructional exhibit expenses	15,055	8,474
Wine Festival expenses	525	1,067

Rentals	5,917	4,865
Display improvements / exhibit development	250	1,263
Miscellaneous	2,787	639
Total exhibit expenses	159,348	145,985
Entertainment expenses:		
Center Stage	13,209	14,859
Green Stage	9,534	9,911
Main Stage	286,326	258,695
Mechanized events	34,680	39,880
Children's and Novelty events	9,067	2,906
Roaming acts	1,300	400
Agriculturally-themed acts	8,207	6,408
Total entertainment expenses	362,323	333,059
Maintenance expenses	160,542	145,859
Marketing expenses:		
Advertising	54,241	60,431
Web site	228	117
Printing of Commemorative Book	5,784	10,794
Exhibit premiums processing	3,527	2,525
Printing of program	1,980	1,980
Public relations	6,095	1,364
Total marketing expenses	71,855	77,211
Public safety expenses:		
Police - State	201,753	182,328
Police - other	59,489	33,753
Parking lot attendants	23,200	22,700
Parking lot rentals	23,300	23,207
Parking lot maintenance	6,627	6,476
Equipment rentals	23,256	19,593
Bus service	133,160	111,056
Towing service	2,000	2,000
Fire service	7,500	10,000
Supplies	5,484	5,544
Miscellaneous	3,853	5,154
Medical and health expenses:		
Middlesex Hospital on-site facility	18,500	18,577
Ambulance services	15,520	15,520
Total medical and health expenses	34,020	34,097
Total public safety expenses	523,642	455,908
Other fairtime direct expenses:		
Electricity	17,958	32,239
Telephone service and usage	9,811	11,460
Insurance	7,736	5,703
Other	23,342	19,971
Scholarship Fund donation	12,240	13,420
Total other fairtime direct expenses	71,087	82,793
Total Fairtime Direct Expenses	1,438,433	1,317,880
Excess of Revenue over Direct Expenses	***20,303***	***376,202***

Durham Agricultural Fair Association, Inc.

Schedule C: Capital Improvements
For the Years Ended November 30, 2018 and 2017

	2018	2017
Art Department - Exhibit fencing	1,911	
Cow Palace - Shower stall improvements		581
Electric poles		5,210
Ethernet switch	3,644	
Exhibit Management - Computers	2,638	
Fair House - Exterior repairs including chimney		1,048
Fair House - Replace boiler	5,880	
Farm Museum - Gas Caddy		634
Farm Museum - Gutters and downspouts, paint roof		6,520
Fencing - Snow	2,723	
Mascot costume	2,250	
Mower	8,250	
Presidents' Hall - Demonstration area	3,644	
Public Safety Building - Air conditioner compressor	2,143	
Rental Property, 52 Main Street - Front porch work	2,875	
Rental Property, 52 Main Street - Painting	6,500	
Rental Property, 58 Main Street - Front door	1,400	
Rental Property, 58 Main Street - Window replacement	1,700	
Rental Property, 62 Main Street - Gutters	565	
Rental Property, 68 Main Street - Exterior painting		8,200
Rental Property, 68 Main Street - Exterior repairs		1,075
Rental Property, 68 Main Street - Front door		382
Rental Property, 68 Main Street - Water heater	2,700	
Sign Building - Painting		3,250
Sign Building - Roof		3,200
Sign Building - Storm windows	982	
Sign Department - Printers	3,195	
Signs - Buildings	16,610	
Speaker mounts - Animal pull ring	1,335	
Speaker mounts - Cow Palace	4,309	
Speaker mounts - Motorized ring		4,361
Ticketing equipment	2,423	22,816
Upper Restrooms - Renovation		11,018
White's Gate changes		1,553
Total Capital Improvements	*77,677*	*69,848*

Durham Agricultural Fair Association, Inc.

Summary of Donations and Public Service Activities
For the Years Ended November 30, 2018 and 2017

	2018	2017
Donation of Cash and Souvenirs:		
Durham Fair Foundation (restricted to making donations)	0	5,000
U.S. Naval Sea Cadets	1,000	2,000
Homeward Bound (souvenirs)	24	0
Middletown Elks - Durham/Middlefield Night (souvenirs)	76	0
Donation-type advertising	386	186
Memorial donations:		
American Heart Association	0	25
American Rabbit Breeders	100	0
Craftsbury Community Care	0	25
Cystic Fibrosis Foundation	150	0
Dana Farber	25	0
Dudley Foundation	50	0
Durham Fair Foundation	100	0
Durham Public Library	25	0
Durham Volunteer Ambulance	50	0
Durham Volunteer Fire Company	25	0
Lutheran Home of Southbury	0	50
Middlesex Hospital Hospice	0	50
Middlesex Hospital Philantrophy	75	0
Our Lady Queen of Angels	50	0
St. Ann's Soup Kitchen	0	25
VFW Post 10169	0	50
Xavier Annual Fund	0	25
Total donation of cash and souvenirs	**2,136**	**7,436**
Scholarship awards paid	**25,000**	**25,000**
Other cash payments shown in various expense categories of this report:		
For ambulance services:		
Durham Volunteer Ambulance Corps	6,500	6,500
For bus loading:		
Knights of Columbus Council No. 14590	1,000	1,000
Middletown Police Explorers	1,700	1,700
For cleanup:		
Boy Scout Troop 27	3,500	3,500
Boy Scout Troop 198 (Cheshire)	12,200	12,200
For the entertainment area:		
Boy Scout Troop 44	500	0
Boy Scout Troop 270	500	250
Chester Fife and Drum	200	0
Coginchaug Music Department	1,000	1,000
For fire services:		
Durham Volunteer Fire Company	4,000	5,500
Haddam Volunteer Fire Company	3,500	4,500
For ice distribution:		
New Haven Raccoon Club	1,472	2,101
For parking fee collection:		
New Haven Police Emerald Society	4,000	4,000
Notre Dame Knights of Columbus	2,000	2,500
Hamden Elks Lodge #224	0	3,500
For parking cars:		
Babe Ruth Baseball	3,000	3,000
Boy Scout Troop 270	3,000	3,000
Civil Air Patrol	4,500	4,500
Coginchaug Basketball Booster Club	3,500	3,500
Hamden Elks Lodge #224	3,500	0
New Haven Police Emerald Society	3,000	3,000
For security work:		
Southington Fire	1,000	1,000
Wallingford Community Women's Club	700	700
Total other cash payments	**64,272**	**66,951**

Other:

The Association has paid for improvements to the Town Green and provides all the electricity used on the Green throughout the year (Including the Christmas tree and the monument area).

			Value 2018	Value 2017
Value of Green electricity			**1,200**	**1,200**
Groups given discounted off-season use of Association property:				
Catalyst Church (Middletown)	Easter Egg drop		0	2,150
Coginchaug POPS	Movie night		2,950	2,950
CT Holstein Association / CT Jersey Cattle Club	Show		10,500	10,500
CT Poultry Breeders Society	Show		3,150	3,150
Durham Fair Foundation	Meetings		2,000	2,000
Go Far, Go Fast	Event		2,200	2,200
Homeward Bound CT Dog Adoption	Event		5,500	5,500
Middlesex / New Haven County 4-H Fair	Fair		31,650	31,650
Total value of rent free off-season use of grounds			**57,950**	**60,100**
Local groups given discounted concession space (75% off):				
Beseck Mountain Rescue			840	0
Brewster PTA			1,200	1,200
Coginchaug Benchwarmers			2,880	2,880
Coginchaug Little League			1,800	1,800
Coginchaug Regional High School Scholarship Fund			1,440	1,440
Durham Democratic Town Committee			1,920	1,920
Durham Lions Club			1,800	1,800
Durham Republican Town Committee			1,440	1,440
Durham Women's Club			1,260	1,260
Durham/Middlefield Exchange Club			1,200	1,200
Durham-Middlefield Youth Football			1,200	1,200
Durham/Middlefield Youth & Family Services			960	960
Independent Day School			450	0
John Lyman Parents Association			960	960
Levi Coe Library			960	960
Memorial School P/T Council			0	900
Middlefield Democratic Town Committee			2,340	2,340
Middlefield Federated Church			840	840
Middlefield Volunteer Fire Company			1,440	1,440
Middlefield Lions Club			2,160	2,160
Middlefield Republican Town Committee			1,200	1,200
Notre Dame Church			1,740	1,740
St. Colman Church			900	0
Strong School Parent/Teacher Organization			960	960
United Churches of Durham			1,620	1,620
Total value of local discounts			**33,510**	**32,220**
Out of town groups given discounted concession space (25% off):				
Best Friends for Life			210	210
Church of Latter Day Saints			0	210
Killingworth Lions Club			380	380
Knights of Columbus - St. Mary's			720	720
Make-A-Wish Foundation of CT			0	510
Middletown Elks			560	560
New England Carousel Museum			210	210
Portland Fire Department			320	320
VA New England			765	765
Veterans Count			0	210
VFW Post 7666 (Guilford)			440	440
Wolcott Lions Club			210	210
Total value of out of town discounts			**3,815**	**4,745**
Groups given free concession space:				
Connecticut DEEP			1,740	1,740
Connecticut Army National Guard			1,200	1,200
U.S. Air Force			0	840
U.S. Army Recruiting			2,640	840
U.S. Marines - MA			840	840
U.S. Marines - Middletown			2,040	0
U.S. Marines - New Haven			840	840
Total value of free space			**9,300**	**6,300**
Total monetary value of donations and public service activities			**197,183**	**203,952**

In addition to the above, the following groups were given free admission to the Fair:

All children 11 and under
All persons in wheelchairs plus one person with them.
All active military personnel
All veterans on Sunday

Durham Agricultural Fair Association, Inc.

Payments to Governments
For the Years Ended November 30, 2018 and 2017

		2018	2017
Municipal Governments:			
Town of Durham:	Property taxes on rental properties	26,026	26,982
	Building permit - Fair tents	560	474
	Building permit - Upper restroom work	0	131
	Building permit - Wall	33	-
	Water for two rental properties	1,117	1,284
	Additional State Police for Fair	4,367	2,702
	Reimbursement for Public Works services provided	0	1,672
	Fair building inspections - Paid directly to the inspector	480	360
	Fair health inspections - Paid directly to the inspectors	892	899
Total Town of Durham		***33,475***	***34,504***
Town of Middlefield:	Lease of Strickland Farm for parking	13,800	13,707
	Use of bleachers during Fair	2,500	2,500
	Reimbursement for Public Works services provided	0	961
Total Town of Middlefield		***16,300***	***17,168***
DMIAAB (Durham-Middlefield Transfer Station)	Trash removal and disposal	***6,152***	***3,093***
Town of Vernon:	Use of stage on Green for Fair	***3,000***	***3,000***
Town of Wallingford:	**Police**	**17,040**	-
State of Connecticut:			
Department of Public Safety	State Police	197,387	179,626
Department of Consumer Affairs	Annual filing fee	50	50
Secretary of State	Annual filing fee	50	50
Total State of Connecticut		***197,487***	***179,726***
Total paid to governments		***273,454***	***237,491***

Note: Amounts paid to the Town of Middlefield for the Strickland property lease do not include the cost of fertilizing the property. Those amounts were: 4,952 6,476

Durham Fair FOUNDATION

Durham Fair Foundation, Inc.

Donations Made
For the Years Ended December 31, 2018 and 2017

	2018	2017
Coginchaug Regional High School Project Graduation	1,500	1,500
Coginchaug Valley Education Foundation	400	250
Connecticut Agricultural Education Foundation	0	250
Durham Interchurch Assistance (Durham Neighbors in Need)	250	250
Middlefield Community Services	250	250
Mini Mustangs 4-H Club	250	0
Middlefield Volunteer Fire Company	0	350
Toy Drive	170	0
Totals	**2,820**	**2,850**