



**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED NOVEMBER 30, 2005-2004**



**Auditor of State  
Betty Montgomery**



**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

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**Auditor of State  
Betty Montgomery**

Crawford County Agricultural Society  
Crawford County  
108 West Kilbourne Drive  
Bucyrus, Ohio 44820-3242

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 a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Society 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 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

September 6, 2006

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Crawford County Agricultural Society  
Crawford County  
108 West Kilbourne Drive  
Bucyrus, Ohio 44820-3242

To the Board of Directors:

We have audited the accompanying financial statements of the Crawford County Agricultural Society, Crawford County, Ohio, (the Society) as of and for the years ended November 30, 2005, and November 30, 2004. 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.

Revisions to GAAP would require the Society to reformat its financial statement presentation and make other changes effective for the years ended November 30, 2005, and November 30, 2004. While the Society does not follow GAAP, auditing standards generally accepted in the United States of America require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Society has elected not to reformat its statements. Since this Society does not use GAAP to measure financial statement amounts, 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, 2005, and November 30, 2004 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, 2005, and November 30, 2004, or its changes in financial position for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Crawford County Agricultural Society, Crawford County, Ohio, as of November 30, 2005, and November 30, 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Society to include Management's Discussion and Analysis for the years ended November 30, 2005, and November 30, 2004. 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 September 6, 2006, 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 black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 6, 2006



**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED NOVEMBER 30, 2005**

	<b>2005</b>
<b>Operating Receipts:</b>	
Admissions	\$144,899
Taxes	360
Privilege Fees	45,344
Rentals	76,286
Sustaining and Entry Fees	70,395
Other Racing Fees and Charges	2,441
Parimutuel Wagering Commission	3,593
Other Operating Receipts	12,100
 Total Operating Receipts	 355,418
<b>Operating Disbursements:</b>	
Wages and Benefits	40,299
Administrative	18,894
Utilities	50,621
Advertising	17,203
Professional Services	81,357
Equipment and Grounds Maintenance	66,965
Rent and Lease	12,481
Race Purse	102,801
Other Race Expenses	7,297
Senior Fair	9,863
Junior Fair	19,539
Capital Outlay	22,609
Other Operating Disbursements	5,386
 Total Operating Disbursements	 455,315
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(99,897)
<b>Non-Operating Receipts (Disbursements):</b>	
State Support	32,044
County Support	16,500
Restricted Donations/Contributions	16,811
Unrestricted Donations/Contributions	22,127
Investment Income	571
Other Non-Operating Disbursements	(233)
 Net Non-Operating Receipts (Disbursements)	 87,820
Excess (Deficiency) of Receipts Over (Under) Disbursements	(12,077)
Cash Balance, Beginning of Year	97,699
<b>Cash Balance, End of Year</b>	<b>\$85,622</b>

*The notes to the financial statement are an integral part of this statement.*

**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<b>2004</b>
<b>Operating Receipts:</b>	
Admissions	\$192,948
Taxes	296
Privilege Fees	45,666
Rentals	69,856
Sustaining and Entry Fees	66,465
Other Racing Fees and Charges	2,150
Parimutuel Wagering Commission	3,719
Other Operating Receipts	10,608
 Total Operating Receipts	 391,708
<b>Operating Disbursements:</b>	
Wages and Benefits	40,015
Administrative	11,702
Utilities	44,521
Advertising	20,090
Professional Services	99,647
Equipment and Grounds Maintenance	60,851
Rent and Lease	12,368
Race Purse	97,855
Other Race Expenses	7,952
Senior Fair	14,795
Junior Fair	17,029
Capital Outlay	17,570
Other Operating Disbursements	6,907
 Total Operating Disbursements	 451,302
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(59,594)
<b>Non-Operating Receipts (Disbursements):</b>	
State Support	33,982
County Support	10,500
Restricted Donations/Contributions	9,319
Unrestricted Donations/Contributions	13,728
Investment Income	425
Other Non-Operating Disbursements	(359)
 Net Non-Operating Receipts (Disbursements)	 67,595
Excess (Deficiency) of Receipts Over (Under) Disbursements	8,001
Cash Balance, Beginning of Year	89,698
<b>Cash Balance, End of Year</b>	<b>\$97,699</b>

*The notes to the financial statement are an integral part of this statement.*

**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2005 AND NOVEMBER 30, 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Crawford County Agricultural Society, Crawford County, Ohio, (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 1848 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Crawford County Fair during July. During the fair, harness races are held. Crawford 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 24 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Crawford County and pay an annual membership fee to the Society.

**Reporting Entity**

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and harness racing during fair week. Other year round activities at the fairgrounds include facility rental and track and stall rental. The reporting entity does not include any other activities or entities of Crawford 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 these financial statements present all activities for which the Society is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis 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.

**C. Cash**

The Society maintains an interest-bearing checking account.

**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. The Board reviews the budget throughout the year and compares it with actual results.

**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2005 AND NOVEMBER 30, 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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. Restricted Support**

Restricted support includes amounts that donors restrict for specific uses.

**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. Race Purse**

Harness stake races are held during the Crawford County Fair. The Society pays all Sustaining and Entry fees and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees

Horse owners and Home Talent Colt Stakes pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement report these fees as Sustaining and Entry Fees.

Ohio Fairs Fund

The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 4 for additional information.

**I. Pari-mutuel Wagering**

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as the pari-mutuel wagering system determines. The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 4 for additional information.

**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2005 AND NOVEMBER 30, 2004  
(Continued)**

**2. BUDGETARY ACTIVITY**

For the year ended November 30, 2005, the Society had budgeted receipts of \$453,125, actual receipts of \$443,471, resulting in a variance of (\$9,654). Additionally, the Society had budgeted disbursements of \$480,063, actual disbursements of \$455,548, resulting in a variance of \$24,515.

For the year ended November 30, 2004, the Society had budgeted receipts of \$470,400, actual receipts of \$459,662, resulting in a variance of (\$10,738). Additionally, the Society had budgeted disbursements of \$486,570, actual disbursements of \$451,661, resulting in a variance of \$34,909.

**3. CASH**

The carrying amount of cash at November 30, 2005 and November 30, 2004 follows:

	<u>2005</u>	<u>2004</u>
Deposits	<u>\$85,622</u>	<u>\$97,699</u>

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

**4. HORSE RACING**

*State Support Portion of Purse*

Ohio Fairs Fund money received to supplement purse for the years ended November 30, 2005 and November 30, 2004 was \$28,192 and \$29,904, respectively and is included within State Support on the accompanying financial statement.

*Parimutuel Wagering*

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompany financial statements, rather, it records the Parimutuel Wagering Commission (commission) which is the Society's share of total parimutuel wagers after paying winning bettors. The expenses of providing the parimutuel wagering system are called Tote Services, and these expenses are included in Professional Service Disbursements. State taxes, which are also paid from Parimutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society's net portion.

**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2005 AND NOVEMBER 30, 2004  
(Continued)**

**4. HORSE RACING (Continued)**

	2005	2004
Total Amount Bet (Handle)	\$ 34,056	\$ 34,533
Less: Payoff to Bettors	\$ (27,207)	\$ (27,553)
Parimutuel Wagering Commission	6,849	6,980
Tote Service Set Up Fee	(3,256)	(3,261)
State Tax	(820)	(940)
Society Portion	\$ 2,773	\$ 2,779

**5. RETIREMENT SYSTEMS**

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2005 and 2004, 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, 2005.

**6. RISK MANAGEMENT**

The Crawford County Commissioners provide general insurance coverage for all the buildings on the Crawford County Fairgrounds pursuant to Ohio Revised Code § 1711. 24. For 2005 and 2004, general liability is provided by ARCH Insurance Company with a limit of \$5,000,000 aggregate. The Society also has a policy with Ohio Farmers Insurance which includes crime coverage for employee dishonesty with limits of liability of \$15,000. The Society's Treasurer and Secretary are bonded with coverage of \$30,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2006.

**7. JUNIOR FAIR BOARD**

The Junior Fair Board, which is comprised of 4-H, FFA, FCCLA, is responsible for the Junior Fair Division activities of the Crawford County Fair. For the years ending November 30, 2005 and November 30, 2004, the Society disbursed \$19,539 and \$17,029, respectively, directly to vendors to support Junior Fair activities. These expenses are reflected as disbursements in the accompanying financial statements as Junior Fair Disbursements. For both years ending November 30, 2005 and November 30, 2004, the Society was reimbursed \$500 by Crawford County for its support of Junior Fair work. All Junior Fair Board activity is accounted for in a separate account by the Junior Fair Board. The accompanying financial statements do not include the activities of the Junior Fair Board. The Junior Fair Board's financial activity for the years ended November 30, 2005 and November 30, 2004 follows:

**CRAWFORD COUNTY AGRICULTURAL SOCIETY  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2005 AND NOVEMBER 30, 2004  
(Continued)**

**7. JUNIOR FAIR BOARD (Continued)**

	2005	2004
Beginning Cash Balance	\$ 3,276	\$ 3,374
Receipts	5,867	6,005
Disbursements	(5,476)	(6,103)
Ending Cash Balance	\$ 3,667	\$ 3,276

**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 Crawford County's auction. Monies to cover the cost of the auction are generated through a 5% commission on champions and reserve champions, and a 4% commission on reserve champions, and a 3% commission on all others, assessed on the auction price and are retained by the Junior Livestock Committee. The accompanying financial statements do not include the activities of the Junior Livestock Committee. The Junior Livestock Committee's financial activity for the years ended November 30, 2005 and November 30, 2004 follows:

	2005	2004
Beginning Cash Balance	\$ 14,614	\$ 12,768
Receipts	284,725	287,254
Disbursements	(287,642)	(285,408)
Ending Cash Balance	\$ 11,697	\$ 14,614

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Crawford County Agricultural Society  
Crawford County  
108 West Kilbourne Drive  
Bucyrus, Ohio 44820-3242

To the Board of Directors:

We have audited the financial statements of the Crawford County Agricultural Society, Crawford County, Ohio, (the Society) as of and for the years ended November 30, 2005, and November 30, 2004, and have issued our report thereon dated September 6, 2006, 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Society's management dated September 6, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

**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 intend this report solely for the information and use of the audit committee, management and the Board of Directors. It is not intended for 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

September 6, 2006



**Auditor of State  
Betty Montgomery**

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**AGRICULTURAL SOCIETY**

**CRAWFORD 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  
NOVEMBER 9, 2006**