



**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED NOVEMBER 30, 2007-2006



Mary Taylor, CPA
Auditor of State

CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY

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Mary Taylor, CPA
Auditor of State

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 an 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 adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 16, 2008

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Mary Taylor, CPA

Auditor of State

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 statement of the Crawford County Agricultural Society, Crawford County, Ohio (the Society), as of and for the years ended November 30, 2007 and 2006. This financial statement is the responsibility of the Society's management. Our responsibility is to express an opinion on this financial statement 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 this financial statement 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 statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require societies to reformat their statements. The Society has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended November 30, 2007 and 2006 does 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, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances of the Crawford County Agricultural Society, Crawford County, Ohio, as of November 30, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Society has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2008, on our consideration of the Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 16, 2008

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2007 AND 2006**

	2,007	2,006
Operating Receipts:		
Admissions	\$ 198,269	\$ 205,641
Taxes	298	372
Privilege Fees	45,500	46,316
Sales	16,315	2,765
Rentals	69,294	74,602
Sustaining and Entry Fees	68,735	63,925
Other Racing Fees and Charges	2,347	2,724
Parimutuel Wagering Commission	3,573	4,361
Other Operating Receipts	8,582	11,367
Total Operating Receipts	412,913	412,073
Operating Disbursements:		
Wages and Benefits	33,478	34,026
Administrative	17,709	15,852
Utilities	56,549	60,196
Advertising	21,705	20,603
Professional Services	122,448	99,313
Equipment and Grounds Maintenance	69,167	68,598
Rent and Lease	13,078	10,568
Race Purse	95,306	91,091
Other Race Expenses	8,762	9,338
Senior Fair	8,193	6,803
Junior Fair	21,769	22,375
Capital Outlay	15,983	16,890
Other Operating Disbursements	19,258	5,586
Total Operating Disbursements	503,405	461,239
Deficiency of Operating Receipts Under Operating Disbursements	(90,492)	(49,166)
Non-Operating Receipts (Disbursements):		
State Support	29,044	29,155
County Support	18,000	17,520
Restricted Donations/Contributions	11,425	13,604
Unrestricted Donations/Contributions	10,249	5,560
Investment Income	661	725
Other Non-Operating Disbursements	(1,251)	(797)
Net Non-Operating Receipts (Disbursements)	68,128	65,767
Excess (Deficiency) of Receipts Over (Under) Disbursements	(22,364)	16,601
Cash Balance, Beginning of Year	102,223	85,622
Cash Balance, End of Year	\$ 79,859	\$ 102,223

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

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**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Crawford County Agricultural Society, Crawford County, Ohio (the Society), as a body corporate and politic. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1848 to operate 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 Board of Directors manages the Society. The Board is made up of 24 directors serving staggered three-year terms. Society members elect Board members from its membership. 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, track and stall rental, and community events. The reporting entity does not include any other activities or entities of Crawford County, Ohio.

Notes 7 and 8, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

B. Accounting Basis

This financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

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, 2007 AND 2006
(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 statement does 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, 2007 AND 2006
(Continued)**

2. BUDGETARY ACTIVITY

For the year ended November 30, 2007, the Society had budgeted receipts of \$499,161 and actual receipts of \$482,292, resulting in a variance of (\$16,869). Additionally, the Society had budgeted disbursements of \$534,125 and actual disbursements of \$504,656, resulting in a variance of \$29,469.

For the year ended November 30, 2006, the Society had budgeted receipts of \$477,575 and actual receipts of \$478,637, resulting in a variance of \$1,062. Additionally, the Society had budgeted disbursements of \$496,085 and actual disbursements of \$462,036, resulting in a variance of \$34,049.

3. CASH

The carrying amount of cash at November 30, 2007 and November 30, 2006 follows:

	2007	2006
Deposits	\$79,859	\$102,223

Deposits: Deposits are insured by the Federal Depository Insurance Corporation (FDIC) or collateralized by the financial institution's public entity deposit pool.

4. HORSE RACING

State Support Portion of Purse

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the years ended November 30, 2007 and 2006 in the amounts of \$21,696 and \$21,704, respectively, as State Support.

Pari-mutuel Wagering

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

	2007	2006
Total Amount Bet (Handle)	\$ 32,904	\$ 39,987
Less: Payoff to Bettors	(26,219)	(31,841)
Parimutuel Wagering Commission	6,685	8,146
Tote Service Commission	(3,112)	(3,785)
State Tax	(922)	(1,138)
Society Portion	\$ 2,651	\$ 3,223

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2007 AND 2006
(Continued)**

5. RETIREMENT SYSTEM

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2007 and 2006, 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, 2007.

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 2007 and 2006, general liability is provided by HCC Insurance Company with a limit of \$3,000,000 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 2008.

7. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, and FCCLA, is responsible for the Junior Fair Division activities of the Crawford County Fair. For the years ending November 30, 2007 and 2006, the Society disbursed \$21,769 and \$22,375, respectively, directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursements. For both years ending November 30, 2007 and 2006, Crawford County paid the Society \$500 to support Junior Fair work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the years ended November 30, 2007 and 2006 follows:

	2007	2006
Beginning Cash Balance	\$ 4,911	3,667
Receipts	7,281	7,559
Disbursements	(8,028)	(6,315)
Ending Cash Balance	\$ 4,164	\$ 4,911

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2007 AND 2006
(Continued)**

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, a 4% commission on reserve champions, and a 3% commission on all others, assessed on the auction price and are retained by the Junior Fair Livestock Committee. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30, 2007 and 2006 follows:

	<u>2007</u>	<u>2006</u>
Beginning Cash Balance	\$ 10,060	\$ 11,697
Receipts	295,318	302,771
Disbursements	<u>(295,111)</u>	<u>(304,408)</u>
Ending Cash Balance	<u>\$ 10,267</u>	<u>\$ 10,060</u>

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Mary Taylor, CPA

Auditor of State

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

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

To the Board of Directors:

We have audited the financial statement of the Crawford County Agricultural Society, Crawford County, Ohio (the Society), as of and for the years ended November 30, 2007 and 2006, and have issued our report thereon dated July 16, 2008, wherein we noted the Society followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Society's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Society's internal control over financial reporting.

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

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

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

We noted certain matters that we reported to the Society's management in a separate letter dated July 16, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Society's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Society's management in a separate letter dated July 16, 2008.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 16, 2008



Mary Taylor, CPA
Auditor of State

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
SEPTEMBER 16, 2008**