



Mary Taylor, CPA
Auditor of State

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY
TUSCARAWAS COUNTY**

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Mary Taylor, CPA
Auditor of State

Tuscarawas County Agricultural Society
Tuscarawas County
259 S. Tuscarawas Avenue
Dover, Ohio 44622

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 government 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

April 2, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Tuscarawas County Agricultural Society
Tuscarawas County
259 S. Tuscarawas Avenue
Dover, Ohio 44622

To the Board of Directors:

We have audited the accompanying financial statements of the Tuscarawas County Agricultural Society, Tuscarawas County, Ohio, (the Society) as of and for the years ended November 30, 2008 and 2007. 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.

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 statements referred to above for the years ended November 30, 2008 and 2007 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, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Tuscarawas County Agricultural Society, Tuscarawas County, Ohio, as of November 30, 2008 and 2007, and its combined 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 April 2, 2009, 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

April 2, 2009

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY
TUSCARAWAS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2008 AND 2007**

	2008	2007
Operating Receipts:		
Admissions	\$288,682	\$294,943
Privilege Fees	69,713	73,444
Rentals	72,424	79,155
Sustaining and Entry Fees	42,220	48,630
Parimutuel Wagering Commission	3,816	4,229
Other Operating Receipts	53,017	41,785
 Total Operating Receipts	 529,872	 542,186
Operating Disbursements:		
Wages and Benefits	48,342	44,667
Utilities	61,124	46,136
Professional Services	97,654	89,173
Equipment and Grounds Maintenance	99,770	89,512
Race Purse	65,498	76,504
Senior Fair	95,596	81,088
Junior Fair	23,185	21,272
Capital Outlay	41,797	2,999
Other Operating Disbursements	63,789	60,329
 Total Operating Disbursements	 596,755	 511,680
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 (66,883)	 30,506
Non-Operating Receipts (Disbursements):		
State Support	26,149	29,044
County Support	5,000	5,000
Debt Proceeds		33,000
Donations/Contributions	44,630	38,430
Investment Income	1,089	322
Debt Service	(24,306)	(57,879)
 Net Non-Operating Receipts (Disbursements)	 52,562	 47,917
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 (14,321)	 78,423
 Cash Balance, Beginning of Year	 96,833	 18,410
 Cash Balance, End of Year	 \$82,511	 \$96,833

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

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**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2008 AND 2007**

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 Tuscarawas County Agricultural Society, Tuscarawas County, (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 1850 to operate an annual agricultural fair. The Society sponsors the week-long Tuscarawas County Fair during September. During the fair, harness races are held. Tuscarawas County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 12 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Tuscarawas 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, harness racing during fair week and Junior Fair Board activities. Other year round activities at the fairgrounds including facility rental, track and stall rental and community events including horse shows and swap meets. The reporting entity does not include any other activities or entities of Tuscarawas County, Ohio.

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth Organization representatives, is responsible for the Junior Fair Division activities of the Tuscarawas County Fair. The accompanying financial statements include the activities of the Junior Fair Board.

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

B. Accounting Basis

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

The Society did not have any investments during the audit period.

D. 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.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2008 AND 2007
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Support

Restricted support includes amounts that donors restrict for specific uses.

F. 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.

G. Race Purse

Stake races are held during the Tuscarawas 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. In addition, the Society contributes to each race purse.

Sustaining and Entry Fees

Horse owners and the Home Talent Colt Association 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 3 for additional information.

H. 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 3 for additional information.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2008 AND 2007
(CONTINUED)**

2. DEPOSITS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at November 30, 2008 and 2007 was as follows:

	2008	2007
Demand deposits	\$82,511	\$96,833

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Society; however, the Society had balances throughout 2007 that exceeded the Federal Depository Insurance Corporation.

3. HORSE RACING

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money received to supplement the purse for the years ended November 30, 2008 and 2007 were \$18,848 and \$22,696, respectively, as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompany 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.

	2008	2007
Total Amount Bet (Handle)	\$ 18,981	\$ 20,956
Less: Payoff to Bettors	(15,165)	(16,727)
Parimutuel Wagering Commission	3,816	4,229
Tote Service Set Up Fee	(600)	(600)
Tote Service Commission	(1,629)	(1,838)
State Tax	(501)	(565)
Society Portion	\$ 1,086	\$ 1,226

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2008 AND 2007
(CONTINUED)**

4. DEBT

Debt outstanding at November 30, 2008 was as follows:

	Principal	Interest Rate
County Loan	\$266,750	0%

Tuscarawas County loaned the Society \$485,000 on January 27, 1999 for the purchase of land. The Society must repay the loan to the County at a rate of twenty-four thousand two-hundred-fifty dollars (\$24,250) per year.

Amortization of the above debt is scheduled as follows:

Year ending	
November 30:	County Loan
2009	\$24,250
2010	24,250
2011	24,250
2012	24,250
2013	24,250
2014-2018	121,250
2019	24,250
Total	\$266,750

Also, during 2007, the Society drew \$33,000 on their First National Bank of Dennison line of credit. The debt was repaid in full within the same year.

5. RISK MANAGEMENT

The Tuscarawas County Commissioners provide health insurance coverage for one full-time employee. The Commissioners also provide general insurance coverage for all the buildings on the Tuscarawas County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability insurance, with limits of \$1,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000. The Society has its own employee dishonesty bonds with limits of liability for the Secretary/Treasurer and Board Member handling the Fair's gate admissions of \$15,000 and the Ground Caretaker with limit of \$10,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through December 2008.

6. RELATED PARTY TRANSACTIONS

A Board member is manager of Buehler's Food Markets, Inc. The Society made purchases to the establishment during fiscal years 2007 and 2008 in the amount of \$437.12 and \$1,179.61 respectively. Another Board Member is employed by Stocker Trucking. The Society made purchases to the establishment during both fiscal year 2007 and 2008 in the amount of \$447.93 and \$2,356.50 respectively. The respective Board member abstained from approving expenditures for which he is associated with.



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*

Tuscarawas County Agricultural Society
Tuscarawas County
259 S. Tuscarawas Avenue
Dover, Ohio 44622

To the Board of Directors:

We have audited the financial statements of the Tuscarawas County Agricultural Society, Tuscarawas County, Ohio, (the Society) as of and for the years ended November 30, 2008 and 2007, and have issued our report thereon dated April 2, 2009, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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.

We consider Finding Number 2008-001 described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting.

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 believe the significant deficiency described above is not a material weakness.

We also noted certain matters that we reported to the Society's management in a separate letter dated April 2, 2009.

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 a certain noncompliance or other matter that we reported to the Society's management in a separate letter dated April 2, 2009.

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



Mary Taylor, CPA
Auditor of State

April 2, 2009

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2008 AND 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Significant Deficiency

Financial Reporting

During 2008 and 2007, the Society's Fair Premium Bank Account was initially excluded from the monthly bank reconciliations and financial statement activity. The Society typically writes a check from the general checking account to the Fair Premium Bank Account for awards and prizes. To account for this activity in 2008 and 2007, an audit adjustment was made to the Other Support (#3290) receipt line-item by \$1,891 and \$885, respectively. Also, the 2008 and 2007 pari-mutuel wagering commissions totaling \$3,816 and \$4,229, respectively, and various fees totaling \$2,730 and \$3,003 were not initially reflected on the financial statements.

Sound financial reporting is the responsibility of the Secretary/Treasurer and Board of Directors and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To ensure the Society's financial statements are complete and accurate, the Society should adopt policies and procedures, including a final review of the statements by the Secretary/Treasurer and Board of Directors, to identify and correct errors and omissions. The Society should include the Fair Premium Bank Account pari-mutuel wagering commission and related fees and monthly receipt/expenditure activity in the Annual Financial Report. This will help ensure the Society's financial statements are complete and accurate.

Officials' Response: The Society has elected not to respond.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Errors were noted in the financial statements that required audit adjustment	No	Not Corrected, See Finding 2008-001



Mary Taylor, CPA
Auditor of State

TUSCARAWAS COUNTY AGRICULTURAL SOCIETY

TUSCARAWAS 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
MAY 7, 2009**