



Mary Taylor, CPA
Auditor of State

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

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Mary Taylor, CPA
Auditor of State

Agricultural Society
Allen County
2750 Harding Highway
Lima, Ohio 45804

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

January 4, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Agricultural Society
Allen County
2750 Harding Highway
Lima, Ohio 45804

To the Board of Directors:

We have audited the accompanying financial statements of the Allen County Agricultural Society, Allen County, (the Society), and the Agricultural Society Foundation, a discretely presented component unit, as of and for the fiscal years ended November 30, 2009 and 2008. These financial statements are the responsibility of the Society's management. 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 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 opinions.

As described more fully in Note 1, the Society and the discretely presented component unit 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 and the discretely presented component unit do 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 agricultural societies to reformat their statements. The Society and the discretely presented component unit have 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 fiscal years ended November 30, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Society and the discretely presented component unit, as of November 30, 2009 and 2008, 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 the Allen County Agricultural Society, Allen County, and the discretely presented component unit, as of November 30, 2009 and 2008, and their 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 January 4, 2010, 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

January 4, 2010

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES
GENERAL OPERATING FUND AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009**

	General Operating Fund	Agricultural Society Foundation
Operating Receipts:		
Admissions	\$526,845	
Privilege Fees	207,219	
Rentals	223,583	
Sustaining and Entry Fees	48,525	
Parimutuel Wagering Commission	4,618	
Utilities	45,245	
Miscellaneous Fees	30,595	
Other Operating Receipts	9,082	
Total Operating Receipts	1,095,712	
Operating Disbursements:		
Wages and Benefits	309,680	
Utilities	101,357	
Professional Services	250,497	
Equipment and Grounds Maintenance	195,095	
Race Purse	77,044	
Senior Fair	79,396	
Junior Fair	50,778	
Capital Outlay	46,326	
Operating Disbursements - Save 4-H		\$49,929
Other Operating Disbursements	114,732	4,243
Total Operating Disbursements	1,224,905	54,172
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(129,193)	(54,172)
Non-Operating Receipts:		
State Support	23,704	
County Support	3,500	
Donations/Contributions - Restricted for Save 4-H		83,105
Donations/Contributions - Restricted	76,117	17,520
Donations/Contributions - Unrestricted	75,213	
Investment Income	414	3,879
Sale of Assets	12,499	
Total Non-Operating Receipts	191,447	104,504
Excess of Receipts Over (Under) Disbursements	62,254	50,332
Cash Balances, Beginning of Year	109,005	153,580
Cash Balances, End of Year	\$171,259	\$203,912

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

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES
GENERAL OPERATING FUND AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2008**

	General Operating Fund	Agricultural Society Foundation
Operating Receipts:		
Admissions	\$743,060	
Privilege Fees	229,161	
Rentals	204,117	
Sustaining and Entry Fees	60,775	
Parimutuel Wagering Commission	4,619	
Utilities	29,736	
Miscellaneous Fees	26,952	
Other Operating Receipts	17,136	
Total Operating Receipts	1,315,556	
Operating Disbursements:		
Wages and Benefits	314,683	
Utilities	105,375	
Professional Services	444,529	
Equipment and Grounds Maintenance	238,244	
Race Purse	89,406	
Senior Fair	138,303	
Junior Fair	54,344	
Capital Outlay	16,794	
Other Operating Disbursements	178,606	\$100
Total Operating Disbursements	1,580,284	100
Deficiency of Operating Receipts Over (Under) Operating Disbursements	(264,728)	(100)
Non-Operating Receipts:		
State Support	26,148	
County Support	130,000	
Donations/Contributions - Restricted	83,089	38,147
Donations/Contributions - Unrestricted	88,731	
Investment Income	1,358	7,326
Sale of Assets	359	
Total Non-Operating Receipts	329,685	45,473
Excess of Receipts Over (Under) Disbursements	64,957	45,373
Cash Balances, Beginning of Year	44,048	108,207
Cash Balances, End of Year	\$109,005	\$153,580

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

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2009 AND 2008**

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 Agricultural Society, Allen 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 1851 to operate an annual agricultural fair. The Society sponsors the week-long Allen County Fair during August. During the fair, harness races are held, culminating in the running of the Allen County Super Trot, Signature Series Race.

Allen County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of eighteen directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Allen County and pay an annual membership fee to the Society.

1. 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, community events that include trade shows, swap meets, the 4X4 Off Road Jamboree, the Rib Cook Off, and many other events. The reporting entity does not include any other activities or entities of Allen County, except for the component unit described below.

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.

2. Component Unit

The financial data of the component unit is reported in the component unit column of the financial statements. The component unit is reported separately to emphasize that it is legally separate from the Society. The discretely presented component unit is defined as follows:

Allen County Agricultural Society Foundation, Inc. – (the "Foundation") is a non-profit organization that was incorporated under Internal Revenue Code 501(c)(3). The purposes for which the Foundation was formed as listed in the articles of incorporation are:

- 1) To encourage, assist and engage the participation of the youth of Allen County to become active with the Allen County Fair.
- 2) To encourage, assist and engage persons wishing to assist the youth of Allen County in participation with the Allen County Fair.
- 3) To aid the Allen County Fair by providing financial support and to aid in the construction and maintaining of the physical structures located on the fairgrounds.
- 4) To otherwise further charitable and educational purposes.

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Foundation is governed by an independent twelve member board. Three of the members are appointed by the Allen County Agricultural Society. Revenues received by the Foundation stem from four sources: donations by industry and corporations, donations by individuals, donations through wills and bequests and various money making activities conducted by the Foundation. The organization is tax exempt.

Beginning in January 2009, the Foundation has accepted donations in support of the Ohio State University Extension 4-H Program in Allen County, in accordance with the purposes as listed in 1, 2 and 4 above. This is due to the cutoff of funding to the 4-H program by the Allen County Commissioners. The money specifically donated for the 4-H Program is kept in a separate account under the control of the Foundation.

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 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. Deposits and Investments

The Society's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

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.

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

Signature Series stake races are held during the Allen 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.

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Sustaining and Entry Fees

Horse owners and Western Ohio Colt Racing 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.

2. 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.

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 the winning bettors. The commission is the amount 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.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The Society's basis of accounting does not report these amounts as liabilities.

2. BUDGETARY ACTIVITY

During the fiscal year ended November 30, 2009, the Society budgeted receipts at \$1,286,305 and actual receipts were \$1,287,159 which resulted in a variance of \$854. Additionally, the Society budgeted disbursements at \$1,291,305 and actual disbursements were \$1,224,905 which resulted in a variance of \$66,400.

During the fiscal year ended November 30, 2008, the Society budgeted receipts at \$1,463,257, and actual receipts were \$1,645,241 which resulted in a variance of \$181,984. Additionally, the Society budgeted disbursements at \$1,462,257, and actual disbursements were \$1,580,284, which resulted in a variance of \$118,027.

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2009 AND 2008
(Continued)**

3. DEPOSITS AND INVESTMENTS

The Society maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at November 30, 2009 and 2008 was as follows:

	2009	2008
Demand deposits	\$171,259	\$109,005

Deposits: The Federal Depository Insurance Corporation insures up to \$250,000 of the Society's bank balance, and this amount covers the deposits for the majority of the year. However, for approximately two months during the time period of the fair activity amounts over the \$250,000 are uninsured and uncollateralized.

Component Unit

	2009	2008
Demand deposits	\$203,912	\$ 63,266
Certificate of Deposit		90,314
Total deposits	\$203,912	\$153,580

Deposits: Deposits in the various financial institutions were fully insured by the Federal Depository Insurance Corporation at \$250,000 per financial institution deposit.

4. HORSE RACING

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money received to supplement purse for the year ended November 30, 2009 and 2008 at \$17,144 and \$18,848 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.

	2009	2008
Total Amount Bet (Handle)	\$26,277	\$43,397
Less: Payoff to Bettors	(20,866)	(34,498)
Parimutuel Wagering Commission	5,411	8,899
Tote Service Set Up Fee	(300)	(200)
Tote Service Commission	(2,375)	(4,080)
State Tax	(792)	(1,280)
Society Portion	\$ 1,944	\$3,339

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2009 AND 2008
(Continued)**

5. SOCIAL SECURITY

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries, and the Society contributed an amount equal to 6.2 percent of participant's gross salaries. All contributions have been paid through November 30, 2009.

6. RISK MANAGEMENT

The Society is exposed to various risks of property and casualty losses, and injuries to employees.

The Society provides health coverage for full-time, supervisory employees through an insurance company. The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund.

The Allen County Commissioners provide general insurance coverage for all the buildings on the Allen County Fairgrounds pursuant to Ohio Revised Code § 1711.24. The Public Entities Pool of Ohio (PEP) provides general liability and vehicle insurance.

A. Risk Pool Membership

The Society belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

B. Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008, PEP retained \$350,000 for casualty claims and \$100,000 for property claims. The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government. Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

C. Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007: (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2009 AND 2008
(Continued)**

6. RISK MANAGEMENT (Continued)

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Society's share of these unpaid claims collectible in future years is approximately \$30,052.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP	
2007	\$28,981
2008	\$31,849
2009	\$30,981

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

7. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, and Girl Scout representatives, is responsible for the Junior Fair Division activities of the Allen County Fair. The Society disbursed \$50,778 and \$54,344 respectively for 2009 and 2008 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursements. The Junior Fair Board accounts for its activities separately. These accompanying financial statements do not include this activity. The Junior Fair Board's financial activity for the years ended November 30, 2009 and 2008 follows:

	2009	2008
Beginning Cash Balance	\$1,508	\$1,813
Receipts	3,928	559
Disbursements	(1,693)	(864)
Ending Cash Balance	\$3,743	\$1,508

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2009 AND 2008
(Continued)**

8. JUNIOR LIVESTOCK SALE COMMITTEE

The Society handles the activity of the Junior Livestock Sale Committee. The accompanying financial statements do not include the activities of the Junior Livestock Sale Committee. The Junior Livestock Sale Committee's financial activity for the years ended November 30, 2009 and 2008 follows:

	<u>2009</u>	<u>2008</u>
Beginning Cash Balance		
Receipts	\$325,481	\$410,243
Disbursements	<u>(325,481)</u>	<u>(410,243)</u>
Ending Cash Balance	<u>\$ 0</u>	<u>\$ 0</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*

Agricultural Society
Allen County
2750 Harding Highway
Lima, Ohio 45804

To the Board of Directors:

We have audited the financial statements of the Allen County Agricultural Society, Allen County, (the Society), and the Agricultural Society Foundation, discretely presented component unit, as of and for the fiscal years ended November 30, 2009 and 2008, and have issued our report thereon dated January 4, 2010, wherein we noted the Society and the discretely presented component unit 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 January 4, 2010.

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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 January 4, 2010.

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

January 4, 2010

**AGRICULTURAL SOCIETY
ALLEN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Material Weakness – Accounting Records materially misstated due to accrual entries included.	Yes	Change in Treasurer position, and the new Treasurer runs Cash Basis reports and enters a “class” for the year to which the receipt belongs.



Mary Taylor, CPA
Auditor of State

AGRICULTURAL SOCIETY

ALLEN 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
FEBRUARY 11, 2010**