



**WOOD COUNTY AGRICULTURAL SOCIETY
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED NOVEMBER 30, 2008 - 2007



Mary Taylor, CPA
Auditor of State

**WOOD COUNTY AGRICULTURAL SOCIETY
WOOD COUNTY**

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Mary Taylor, CPA
Auditor of State

Wood County Agricultural Society
P.O. Box 146
Bowling Green, Ohio 43402-0146

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

June 11, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Wood County Agricultural Society
P.O. Box 146
Bowling Green, Ohio 43402-0146

To the Board of Directors:

We have audited the accompanying financial statements of the Wood County Agricultural Society, (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 the Wood County Agricultural Society, Wood County, as of November 30, 2008 and 2007, 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 June 11, 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

June 11, 2009

**WOOD COUNTY AGRICULTURAL SOCIETY
WOOD COUNTY**

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

	2008	2007
Operating Receipts:		
Admissions	\$307,857	\$301,119
Privilege Fees	89,078	82,468
Rentals	116,095	108,343
Sustaining and Entry Fees	20,605	18,775
Parimutuel Wagering Commission		311
Other Operating Receipts	51,488	45,295
 Total Operating Receipts	 585,123	 556,311
Operating Disbursements:		
Wages and Benefits	89,406	95,881
Utilities	80,188	54,601
Professional Services	103,738	120,579
Equipment and Grounds Maintenance	104,315	122,989
Race Purse	41,427	41,916
Senior Fair	344,046	347,649
Junior Fair	42,514	40,792
Capital Outlay	29,038	87,884
Other Operating Disbursements	75,773	74,530
 Total Operating Disbursements	 910,445	 986,821
Deficiency of Operating Receipts Under Operating Disbursements	 (325,322)	 (430,510)
Non-Operating Receipts (Disbursements):		
State Support	26,148	29,044
County Support	19,900	16,500
Donations/Contributions	324,225	333,333
Investment Income	4,927	8,816
Debt Service	(13,694)	(17,458)
 Net Non-Operating Receipts (Disbursements)	 361,506	 370,235
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 36,184	 (60,275)
 Cash Balance, Beginning of Year	 268,603	 328,878
Cash Balance, End of Year	\$304,787	\$268,603

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

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**WOOD COUNTY AGRICULTURAL SOCIETY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
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 Wood County Agricultural Society, Wood 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 1951 to operate an annual agricultural fair. The Society sponsors the week-long Wood County Fair during August. During the fair, harness races are held, culminating in the running of the Signature Series. Wood County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 25 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Wood 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 including facility rental and community events including flea markets, swap meets, and horse shows. The reporting entity does not include any other activities or entities of Wood County, Ohio.

Notes 6 and 7, 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. 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.

**WOOD COUNTY AGRICULTURAL SOCIETY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
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

Ohio State Race Series stake races are held during the Wood 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 the Wood County Horseman's 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.

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.

**WOOD COUNTY AGRICULTURAL SOCIETY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(Continued)**

2. 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, 2008 and 2007 was as follows:

	2008	2007
Demand deposits	\$221,916	\$247,849
Certificates of deposit	31,567	20,754
Total deposits	253,483	268,603
Repurchase agreement	51,304	
Total deposits and investments	\$304,787	\$268,603

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

Investments: The Society's financial institution transfers securities to the Society's agent to collateralize repurchase agreements. The securities are not in the Society's name.

3. 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, 2008 and 2007 was \$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 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. The Society did not have Pari-mutuel Wagering in 2008.

	2007
Total Amount Bet (Handle)	\$ 9,861
Less: Payoff to Bettors	(7,800)
Parimutuel Wagering Commission	2,061
Tote Service Set Up Fee	(1,200)
Tote Service Commission	(281)
State Tax	(269)
Society Portion	\$ 311

**WOOD COUNTY AGRICULTURAL SOCIETY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(Continued)**

4. DEBT

Debt outstanding at November 30, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Women's World Building Renovation	\$68,285	8.25

The building loan was refinanced in December 2007 and now bears an interest rate of 8.25 percent and is due to AG Credit Corporation. The note was entered into on September 27, 2006 in the amount of \$85,500 and matures October 1, 2016. Proceeds from the note were used to renovate the Women's Building.

Amortization of the above debt is scheduled as follows:

Year ending November 30:	Building Renovation Loan	Interest	Total
2009	6,472	5,392	\$11,864
2010	7,026	4,838	11,864
2011	7,628	4,236	11,864
2012	8,282	3,582	11,864
2013	8,992	2,872	11,864
2014 - 2016	29,885	3,731	33,616
Total	\$68,285	\$24,651	\$92,936

5. RISK MANAGEMENT

The Society provides health coverage for full-time, supervisory employees through an insurance company.

The Wood County Commissioners provide general insurance coverage for all the buildings on the Wood County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance, with limits of \$3,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$3,000,000. The Society's Secretary and Treasurer are bonded with coverage of \$50,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2009.

**WOOD COUNTY AGRICULTURAL SOCIETY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(Continued)**

6. JUNIOR FAIR BOARD

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 Wood County Fair. The Society disbursed \$10,811 directly to the Junior Fair Board and \$31,703 directly to vendors to support Junior Fair activities in 2008 and \$9,571 directly to the Junior Fair Board and \$31,221 directly to vendors to support Junior Fair activities in 2007. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Wood County paid the Society \$500 in 2008 and 2007 to support Junior Club work. 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, 2008 and 2007 follows:

	2008	2007
Beginning Cash Balance	5,867	2,177
Receipts	9,775	11,735
Disbursements	(8,752)	(8,045)
Ending Cash Balance	\$ 6,890	\$ 5,867

7. 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 the Wood County's auction. The Society subsidizes the Junior Livestock Sale Committee to the extent necessary. The accompanying financial statements include the activities of the Junior Livestock Committee.

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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*

Wood County Agricultural Society
P.O. Box 146
Bowling Green, Ohio 43402-0146

To the Board of Directors:

We have audited the financial statements of the Wood County Agricultural Society, (the Society), as of and for the years ended November 30, 2008 and 2007, and have issued our report thereon dated June 11, 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.

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 June 11, 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 certain noncompliance that we reported to the Society's management in a separate letter dated June 11, 2009.

We intend this report solely for the information and use of the audit committee, management, and 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

June 11, 2009



Mary Taylor, CPA
Auditor of State

AGRICULTURAL SOCIETY

WOOD 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
JULY 7, 2009**