



Dave Yost • Auditor of State



ALLEN COUNTY AGRICULTURAL SOCIETY  
ALLEN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances General Operating Fund and Discretely Presented Component Unit For the Year Ended November 30, 2011 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances General Operating Fund and Discretely Presented Component Unit For the Year Ended November 30, 2010 .....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15

**This page intentionally left blank.**



# Dave Yost • Auditor of State

Allen County 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.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

May 29, 2012

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Allen County 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, 2011 and 2010. 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 opinions.

As described more fully in Note 1, the Society and the discretely presented component unit 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 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 Governments to reformat their statements. The Society and the discretely presented component unit 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 fiscal years ended November 30, 2011 and 2010 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, 2011 and 2010, 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 as of November 30, 2011 and 2010 of the Allen County Agricultural Society, Allen County, and the discretely presented component unit, and their cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2012, on our consideration of the Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

May 29, 2012



**ALLEN COUNTY 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 YEAR ENDED NOVEMBER 30, 2011**

	<b>General Operating Fund</b>	<b>(Component Unit) Agricultural Society Foundation</b>
	<u>                    </u>	<u>                    </u>
<b>Operating Receipts:</b>		
Admissions	\$714,637	
Privilege Fees	217,023	
Rentals	247,111	
Sustaining and Entry Fees	27,900	
Parimutuel Wagering Commission	4,826	
Utilities	53,908	
Miscellaneous Fees	31,513	
Other Operating Receipts	20,333	
Total Operating Receipts	<u>1,317,251</u>	<u>                    </u>
 <b>Operating Disbursements:</b>		
Wages and Benefits	366,017	
Utilities	133,790	
Professional Services	428,077	
Equipment and Grounds Maintenance	309,952	
Race Purse	51,327	
Senior Fair	59,952	
Junior Fair	463,079	
Capital Outlay	34,748	
Other Operating Disbursements	201,146	\$100,550
Total Operating Disbursements	<u>2,048,088</u>	<u>100,550</u>
 (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 <u>(730,837)</u>	 <u>(100,550)</u>
 <b>Non-Operating Receipts (Disbursements):</b>		
State Support	19,524	
County Support	2,800	
Donations/Contributions - Restricted	222,528	133,086
Donations/Contributions/Other - Unrestricted	462,488	
Investment Income	88	12
Sale of Assets	38,905	
Debt Service	(106,003)	
Net Non-Operating Receipts (Disbursements)	<u>640,330</u>	<u>133,098</u>
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 <u>(90,507)</u>	 <u>32,548</u>
 Cash Balances, Beginning of Year	 <u>106,090</u>	 <u>86,380</u>
 Cash Balances, End of Year	 <u>\$15,583</u>	 <u>\$118,928</u>

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

**ALLEN COUNTY 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 YEAR ENDED NOVEMBER 30, 2010**

	<b>General Operating Fund</b>	<b>(Component Unit) Agricultural Society Foundation</b>
<b>Operating Receipts:</b>		
Admissions	\$794,272	
Privilege Fees	221,070	
Rentals	230,080	
Sustaining and Entry Fees	34,720	
Parimutuel Wagering Commission	5,858	
Utilities	52,964	
Miscellaneous Fees	32,411	
Other Operating Receipts	13,461	
Total Operating Receipts	1,384,836	
<b>Operating Disbursements:</b>		
Wages and Benefits	341,786	
Utilities	106,569	
Professional Services	461,439	
Equipment and Grounds Maintenance	226,371	
Race Purse	57,702	
Senior Fair	81,569	
Junior Fair	413,902	
Capital Outlay	856,306	
Other Operating Disbursements	163,837	\$390,806
Total Operating Disbursements	2,709,481	390,806
(Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(1,324,645)	(390,806)
<b>Non-Operating Receipts (Disbursements):</b>		
State Support	22,192	
County Support	3,500	
Debt Proceeds	300,000	
Donations/Contributions - Restricted	473,087	272,616
Donations/Contributions/Other - Unrestricted	444,091	
Investment Income	329	658
Sale of Assets	28,635	
Debt Service	(12,558)	
Net Non-Operating Receipts (Disbursements)	1,259,276	273,274
Excess (Deficiency) of Receipts Over (Under) Disbursements	(65,369)	(117,532)
Cash Balances, Beginning of Year	171,459	203,912
Cash Balances, End of Year	\$106,090	\$86,380

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

**ALLEN COUNTY AGRICULTURAL SOCIETY  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011 AND 2010**

**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 Allen County 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 including facility rental, track and stall rental, and community events including 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, Ohio, except for the component unit described below.

Notes 8 and 9, 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.

**ALLEN COUNTY AGRICULTURAL SOCIETY  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011 AND 2010  
(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 will 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 and recorded as part of Restricted Receipts on the financial statements

**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.

**ALLEN COUNTY AGRICULTURAL SOCIETY  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011 AND 2010  
(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 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.

**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**

For the year ended November 30, 2011, the Society had budgeted receipts of \$1,935,250, actual receipts were \$1,647,836 resulting in a variance of (\$287,414). Additionally, the Society budgeted disbursements of \$1,800,835, and actual disbursements were \$1,738,343 resulting in a variance of \$62,492.

For the year ended November 30, 2010, the Society had budgeted receipts of \$1,670,035, actual receipts were \$2,290,443, resulting in a variance of \$620,408. Additionally, the Society budgeted disbursements of \$1,612,730, and actual disbursements were \$2,355,812, resulting in a variance of (\$743,082).

**ALLEN COUNTY AGRICULTURAL SOCIETY  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011 AND 2010  
(Continued)**

**3. DEPOSITS**

The Society maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at November 30, 2011 and 2010 was as follows:

	<b>2011</b>	<b>2010</b>
Demand deposits	\$15,583	\$106,090

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**Component Unit**

	<b>2011</b>	<b>2010</b>
Demand deposits	\$118,928	\$86,380

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**4. HORSE RACING**

**A. State Support Portion of Purse**

The financial statements report Ohio Fairs Fund money, received to supplement purse for the year ended November 30, 2011 and 2010 in the amount of \$15,289 and \$17,778, respectively, as part of State Support.

**B. 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.

	<b>2011</b>	<b>2010</b>
Total Amount Bet (Handle)	\$24,030	\$28,809
Less: Payoff to Bettors	(19,204)	(22,951)
Parimutuel Wagering Commission	4,826	5,858
Tote Service Set Up Fee	(300)	(300)
Tote Service Commission	(2,143)	(2,611)
State Tax	(630)	(811)
Society Portion	\$ 1,753	\$ 2,136

**5. SOCIAL SECURITY**

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 4.2 percent in 2011 and 6.2 percent in 2010 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, 2011.

**ALLEN COUNTY AGRICULTURAL SOCIETY  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011 AND 2010  
(Continued)**

**6. DEBT**

On October 29, 2010, the Society obtained a loan from Superior Federal Credit Union in the amount of \$75,000. The loan had an interest rate of 5.25% and was due to the Superior Federal Credit Union on November 1, 2020. The loan was repaid in 2011. Proceeds were used to construct the Schmidthorst Pavilion.

On June 21, 2010, the Society obtained a loan from Superior Federal Credit Union in the amount of \$225,000. The loan bears an interest rate of 5.25% and is due to the Superior Federal Credit Union. The loan will mature on July 1, 2030. Proceeds were used to construct the Schmidthorst Pavilion.

Debt outstanding at November 30, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Note Payable for Pavilion	\$218,422	5.25%

Amortization of the above debt is scheduled as follows:

<u>Year ending November 30:</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2012	\$ 11,377	\$ 6,928	\$ 18,305
2013	11,009	7,297	18,306
2014	10,621	7,685	18,306
2015	10,212	8,094	18,306
2016	9,781	8,524	18,305
2017 - 2021	41,605	49,924	91,529
2022 - 2026	26,838	64,691	91,529
2027 - 2030	7,944	65,279	73,223
Total	\$129,387	\$218,422	\$347,809

**7. RISK MANAGEMENT**

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

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through November 30, 2011.

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.

**ALLEN COUNTY AGRICULTURAL SOCIETY  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011 AND 2010  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**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, 2010, PEP retained \$350,000 for casualty claims and \$150,000 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.

**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, 2010 and 2009 (the latest information available):

	<b>2010</b>	<b>2009</b>
Assets	\$34,952,010	\$36,374,898
Liabilities	(14,320,812)	(15,256,862)
Net Assets	\$20,631,198	\$21,118,036

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 30, 2011, the Society's share of these unpaid claims collectible in future years is approximately \$30,000.

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.

<b>Contributions to PEP</b>	
<b>2011</b>	<b>2010</b>
\$32,499	\$30,463



**ALLEN COUNTY AGRICULTURAL SOCIETY  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011 AND 2010  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to 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.

**8. 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 \$47,331 and \$47,675, respectively, for 2011 and 2010 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. 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 year ended November 30, 2011 and 2010 follows:

	<b>2011</b>	<b>2010</b>
Beginning Cash Balance	\$3,402	\$3,743
Receipts	2,681	2,045
Disbursements	(1,419)	(2,386)
Ending Cash Balance	\$4,664	\$3,402

**9. JUNIOR LIVESTOCK SALE COMMITTEE**

The Society handles the activity of the Junior Livestock Sale Committee. The accompanying financial statements include the activities of the Junior Livestock Sale Committee. The Junior Livestock Sale Committee's financial activity for the fiscal year ended November 30, 2011 and 2010 follows:

	<b>2011</b>	<b>2010</b>
Receipts	\$421,588	\$369,106
Disbursements	421,588	369,106
	\$ 0	\$ 0

**This page intentionally left blank.**



# Dave Yost • Auditor of State

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

Allen County 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, 2011 and 2010, and have issued our report thereon dated May 29, 2012, 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

### **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 matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated May 29, 2012.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

May 29, 2012



# Dave Yost • Auditor of State

**ALLEN COUNTY 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  
JULY 03, 2012**