



**Auditor of State
Betty Montgomery**

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statements of the Crawford County Agricultural Society, Crawford County, Ohio, (the Society) as of and for the years ended November 30, 2003, and November 30, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Society prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance of the Society as of November 30, 2003, and November 30, 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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This report is intended solely for the information and use of management, the Board of Directors, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

September 7, 2004

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2003**

	<u>2003</u>
Operating Receipts:	
Admissions	\$123,833
Taxes	311
Privilege Fees	44,637
Rentals	68,556
Sustaining and Entry Fees	62,775
Other Racing Fees and Charges	2,378
Parimutuel Wagering Commission	4,130
Other Operating Receipts	<u>10,860</u>
 Total Operating Receipts	 <u>317,480</u>
Operating Disbursements:	
Wages and Benefits	37,181
Administrative	13,717
Utilities	45,443
Advertising	15,114
Professional Services	64,525
Equipment and Grounds Maintenance	91,881
Rent and Lease	11,120
Race Purse	96,413
Other Race Expenses	5,462
Senior Fair	16,219
Junior Fair	15,045
Capital Outlay	6,416
Other Operating Disbursements	<u>3,359</u>
 Total Operating Disbursements	 <u>421,895</u>
Excess of Operating Receipts	
(Under) Operating Disbursements	<u>(104,415)</u>
Non-Operating Receipts (Disbursements):	
State Support	36,925
County Support	29,850
Restricted Donations/Contributions	17,444
Unrestricted Donations/Contributions	6,484
Investment Income	573
Debt Service	<u>(8)</u>
 Net Non-Operating Receipts (Disbursements)	 <u>91,268</u>
Excess of Receipts (Under) Disbursements	(13,147)
Cash Balance, Beginning of Year	<u>102,845</u>
Cash Balance, End of Year	<u><u>\$89,698</u></u>

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

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2002**

	2002
Operating Receipts:	
Admissions	\$145,166
Taxes	360
Privilege Fees	42,715
Rentals	71,329
Sustaining and Entry Fees	77,525
Other Racing Fees and Charges	2,424
Parimutuel Wagering Commission	4,692
Other Operating Receipts	8,524
Total Operating Receipts	352,735
Operating Disbursements:	
Wages and Benefits	35,941
Administrative	12,069
Utilities	44,923
Advertising	20,037
Professional Services	82,999
Equipment and Grounds Maintenance	60,391
Rent and Lease	7,000
Race Purse	113,270
Other Race Expenses	5,853
Senior Fair	8,458
Junior Fair	20,555
Capital Outlay	20,727
Other Operating Disbursements	18,825
Total Operating Disbursements	451,048
Excess of Operating Receipts	
(Under) Operating Disbursements	(98,313)
Non-Operating Receipts (Disbursements):	
State Support	38,627
County Support	20,500
Restricted Donations/Contributions	15,383
Unrestricted Donations/Contributions	11,682
Investment Income	1,221
Other Non-Operating Receipts	33,039
Debt Service	(4,332)
Net Non-Operating Receipts (Disbursements)	116,120
Excess of Receipts Over Disbursements	17,807
Cash Balance, Beginning of Year	85,038
Cash Balance, End of Year	\$102,845

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

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Crawford County Agricultural Society, Crawford County, Ohio, (the Society) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1848 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Crawford County Fair during July. During the fair, harness races are held. Crawford County is not financially accountable for the Society. The responsibility for management of the affairs of the Society is vested in the Board of Directors. The Board is made up of 24 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Crawford County and pay an annual membership fee to the Society.

Reporting Entity

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and harness racing during fair week. Other year-round activities at the fairgrounds include facility rental and track and stall rental. The reporting entity does not include any other activities or entities of Crawford County, Ohio.

The financial activity of the Junior Fair Board and the Junior Livestock Sale Committee is summarized in Note 7 and Note 8, respectively.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

The Society maintains an interest-bearing checking account.

D. Budgetary Process

The Board of Directors annually prepares an operating budget, including estimated receipts and disbursements. The Board approves the budget in its final form during the first six months of each fiscal year.

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

F. Restricted Support

Restricted support includes amounts that are required by the donor to be set aside for specific uses.

G. Income Tax Status

The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(v1). Management is not aware of any actions or events that would jeopardize the Society's tax status.

H. Race Purse

Harness stake races are conducted during the Crawford County Fair. The Society pays all Sustaining and Entry fees and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees

Horse owners and Home Talent Colt Stakes pay fees to the Society to qualify horses for entry into stake races. These payments must be made before a horse can participate in a stake race. These fees are reflected on the accompanying financial statements as Sustaining and Entry Fees.

Ohio Fairs Fund

The State of Ohio contributes money to the Society from the Ohio Fairs Fund to help supplement race purse. See Note 4 for additional information.

I. Parimutuel 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 determined by the parimutuel wagering system. The Society contracts with a totalizer service to collect bets and provide the parimutuel wagering system.

Parimutuel wagering commission (commission) is the Society's share of total parimutuel 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 statements as Parimutuel Wagering Commission. See Note 4 for additional information.

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002
(Continued)**

2. BUDGETARY ACTIVITY

For the year ended November 30, 2003, the Society had budgeted receipts of \$377,070, actual receipts of \$408,756, resulting in a variance of \$31,686. Additionally, the Society had budgeted disbursements of \$449,820, actual disbursements of \$421,903, resulting in a variance of \$27,917.

For the year ended November 30, 2002, the Society had budgeted receipts of \$449,120, actual receipts of \$473,187, resulting in a variance of \$24,067. Additionally, the Society had budgeted disbursements of \$449,470, actual disbursements of \$455,380, resulting in a variance of (\$5,910).

3. CASH

The carrying amount of cash at November 30, 2003 and November 30, 2002 follows:

	2003	2002
Deposits	\$89,698	\$102,845

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

4. HORSE RACING

State Support Portion of Purse

Ohio Fairs Fund money received to supplement purse for the years ended November 30, 2003, and November 30, 2002, was \$28,384 and \$29,488, respectively, and is included within State Support on the accompanying financial statements.

Parimutuel Wagering

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

	2003	2002
Total Amount Bet (Handle)	\$ 38,753	\$ 44,033
Less: Payoff to Bettors	\$ (30,968)	\$ (35,173)
Parimutuel Wagering Commission	7,785	8,860
Tote Service Set Up Fee	(3,655)	(4,168)
State Tax	(1,017)	(1,115)
Society Portion	\$ 3,113	\$ 3,577

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002
(Continued)**

5. RETIREMENT SYSTEM

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2003 and 2002, employees contributed 6.2% of their gross salaries. The Society contributed an amount equal to 6.2% of participant's gross salaries through November 30, 2003.

6. RISK MANAGEMENT

The Crawford County Commissioners provide general insurance coverage for all buildings on the Crawford County Fairgrounds pursuant to Ohio Revised Code § 1711. 24. For 2003, general liability and vehicle coverage was provided by ARCH Insurance Company with a limit of \$5,000,000 aggregate. For 2002, general liability and vehicle coverage was provided by Specialty National with a limit of \$5,000,000 aggregate. For 2003 and 2002, the Society also had a policy with Ohio Farmers Insurance which includes crime coverage for employee dishonesty with limits of liability of \$15,000. The Society's Treasurer and Secretary are bonded with coverage of \$30,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2004.

7. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, and FCCLA, is responsible for the Junior Fair Division activities of the Crawford County Fair. For the years ended November 20, 2003, and November 30, 2002, the Society disbursed \$15,045 and \$20,555, respectively, directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statements as Junior Fair Disbursements. For each of the years ended November 30, 2003, and November 30, 2002, the Society was reimbursed \$500 by Crawford County for its support of Junior Fair work. All Junior Fair Board activity is accounted for in a separate account by the Junior Fair Board. The accompanying financial statements do not include the activities of the Junior Fair Board. The Junior Fair Board's financial activity for the years ended November 30, 2003, and November 30, 2002, follows:

	2003	2002
Beginning Cash Balance	\$ 2,710	\$ 1,970
Receipts	5,994	6,786
Disbursements	(5,330)	(6,046)
Ending Cash Balance	\$ 3,374	\$ 2,710

8. JUNIOR LIVESTOCK SALE COMMITTEE

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through Crawford County's auction. Monies to cover the cost of the auction are generated through a 5% commission on champions, 4% commission on reserve champions, and a 3% commission on all others, assessed on the auction price and are retained by the Junior Livestock Committee. The accompanying financial statements do not include the activities of the Junior Livestock Committee. The Junior Livestock Committee's financial activity for the years ended November 30, 2003, and November 30, 2002, follows:

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002
(Continued)**

8. JUNIOR LIVESTOCK SALE COMMITTEE (Continued)

	<u>2003</u>	<u>2002</u>
Beginning Cash Balance	\$ 12,449	\$ 10,450
Receipts	272,054	261,759
Disbursements	<u>(271,735)</u>	<u>(259,760)</u>
Ending Cash Balance	<u><u>\$ 12,768</u></u>	<u><u>\$ 12,449</u></u>

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Board of Directors:

We have audited the financial statements of the Crawford County Agricultural Society, Crawford County, Ohio, (the Society) as of and for the years ended November 30, 2003, and November 30, 2002, and have issued our report thereon dated September 7, 2004. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Society's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the Society's management in a separate letter dated September 7, 2004.

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Crawford County Agricultural Society
Crawford County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

September 7, 2004

**CRAWFORD COUNTY AGRICULTURAL SOCIETY
CRAWFORD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-60517-01	Finding for Recovery - A finding was issued against the rides vendor for underpaying the Society \$400 from gross sales.	Yes	The rides vendor could not be located and the Society was never able to collect on the \$400. The Society no longer conducts business with this vendor.



**Auditor of State
Betty Montgomery**

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CRAWFORD COUNTY AGRICULTURAL SOCIETY

CRAWFORD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 12, 2004**