



**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED NOVEMBER 30, 2006 AND 2005



Mary Taylor, CPA
Auditor of State

WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY

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Mary Taylor, CPA

Auditor of State

Wyandot County Agricultural Society
Wyandot County
P.O. Box 3
Upper Sandusky, Ohio 43351

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 Society 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.

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Mary Taylor, CPA
Auditor of State

September 10, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Wyandot County Agricultural Society
Wyandot County
P.O. Box 3
Upper Sandusky, Ohio 43351

To the Board of Directors:

We have audited the accompanying financial statements of the Wyandot County Agricultural Society, Wyandot County, Ohio, (the Society) as of and for the years ended November 30, 2006, and November 30, 2005. 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.

Revisions to GAAP would require the Society to reformat its financial statement presentation and make other changes effective for the years ended November 30, 2006, and November 30, 2005. While the Society does not follow GAAP, generally accepted auditing standards require 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, 2006, and November 30, 2005, 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, 2006, and November 30, 2005, 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 Wyandot County Agricultural Society, Wyandot County, Ohio, as of November 30, 2006, and November 30, 2005, 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 September 10, 2007, 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

September 10, 2007

**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2006**

	2006
Operating Receipts:	
Admissions	\$143,354
Taxes	156
Privilege Fees	61,591
Sales	38,687
Rentals	43,820
Sustaining and Entry Fees	65,900
Other Racing Fees and Charges	2,268
Parimutuel Wagering Commission	3,447
Other Operating Receipts	17,500
Total Operating Receipts	376,723
Operating Disbursements:	
Wages and Benefits	44,344
Administrative	16,952
Utilities	46,212
Advertising	14,045
Professional Services	41,590
Equipment and Grounds Maintenance	113,968
Rent and Lease	10,024
Race Purse	91,714
Other Race Expenses	5,117
Senior Fair	16,934
Junior Fair	16,194
Capital Outlay	7,380
Other Operating Disbursements	25,014
Total Operating Disbursements	449,488
Deficiency of Operating Receipts Under Operating Disbursements	(72,765)
Non-Operating Receipts:	
State Support	29,155
County Support	3,300
Restricted Donations/Contributions	7,816
Unrestricted Donations/Contributions	1,200
Investment Income	1,012
Other Non-Operating Receipts	29,109
Net Non-Operating Receipts	71,592
Deficiency of Receipts Under Disbursements	(1,173)
Cash Balance, Beginning of Year	82,854
Cash Balance, End of Year	\$81,681

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

**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2005**

	2005
Operating Receipts:	
Admissions	\$126,088
Privilege Fees	66,476
Sales	26,234
Rentals	42,178
Sustaining and Entry Fees	79,250
Other Racing Fees and Charges	1,413
Parimutuel Wagering Commission	3,999
Other Operating Receipts	31,041
Total Operating Receipts	376,679
Operating Disbursements:	
Wages and Benefits	39,804
Administrative	14,519
Utilities	40,358
Advertising	11,295
Professional Services	34,862
Equipment and Grounds Maintenance	111,907
Rent and Lease	9,059
Race Purse	108,168
Other Race Expenses	3,989
Senior Fair	14,204
Junior Fair	14,221
Capital Outlay	23,581
Other Operating Disbursements	25,778
Total Operating Disbursements	451,745
Deficiency of Operating Receipts Under Operating Disbursements	(75,066)
Non-Operating Receipts:	
State Support	34,874
County Support	3,300
Restricted Donations/Contributions	8,803
Unrestricted Donations/Contributions	2,051
Investment Income	663
Net Non-Operating Receipts	49,691
Deficiency of Receipts Under Disbursements	(25,375)
Cash Balance, Beginning of Year	108,229
Cash Balance, End of Year	\$82,854

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

**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2006 AND 2005**

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 Wyandot County Agricultural Society, Wyandot 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 1852 to operate an annual agricultural fair. The Society sponsors the week-long Wyandot County Fair during September. During the fair, harness races are held. Wyandot County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 24 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Wyandot 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 track and stall rental. The reporting entity does not include any other activities or entities of Wyandot County, Ohio.

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.

B. Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and 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. Cash and Investments

The Society's accounting basis includes investments in its cash balances. Accordingly, this basis does not report investment purchases as disbursements or investment sales as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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. The Board reviews the budget throughout the year and compares it with actual results.

**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant, and Equipment

The Society's accounting basis records acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The accompanying financial statements do not include these items as assets.

F. Restricted Support

Restricted support includes amounts that donors restrict for specific uses.

G. 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.

H. Race Purse

Harness stake races are held during the Wyandot 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 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 statements 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 4 for additional information.

I. 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.

**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2006 AND 2005
(Continued)**

2. BUDGETARY ACTIVITY

For the year ended November 30, 2006, the Society had budgeted receipts of \$489,800 and actual receipts of \$448,315, resulting in a negative variance of \$41,485. Additionally, the Society had budgeted disbursements of \$489,800 and actual disbursements of \$449,488, resulting in a positive variance of \$40,312.

For the year ended November 30, 2005, the Society had budgeted receipts of \$489,800 and actual receipts of \$426,370, resulting in a negative variance of \$63,430. Additionally, the Society had budgeted disbursements of \$489,800 and actual disbursements of \$451,745, resulting in a positive variance of \$38,055.

3. CASH AND INVESTMENTS

The carrying amount of cash and investments at November 30 follows:

	<u>2006</u>	<u>2005</u>
Deposits	\$43,603	\$45,615
Certificates of deposit	38,078	37,239
Total deposits	<u>\$81,681</u>	<u>\$82,854</u>

Deposits: The bank balance was covered by the Federal Depository Insurance Corporation.

4. HORSE RACING

State Support Portion of Purse

Ohio Fairs Fund money received to supplement purse for the years ended November 30, 2006 and 2005 was \$22,704 and \$25,304, respectively, and is included within State Support on the accompanying financial statements.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompany financial statements, 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 Race Expenses, and the amount remaining is the Society's net portion.

**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2006 AND 2005
(Continued)**

4. HORSE RACING (Continued)

	2006	2005
Total Amount Bet (Handle)	\$ 16,938	\$ 19,579
Less: Payoff to Bettors	(13,491)	(15,580)
Parimutuel Wagering Commission	3,447	3,999
Tote Service Set Up Fee/Commission	(1,861)	(2,156)
State Tax	(479)	(539)
Society Portion	\$ 1,107	\$ 1,304

5. RETIREMENT SYSTEMS

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2006 and 2005, 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, 2006

6. RISK MANAGEMENT

The Wyandot County Commissioners provide general insurance coverage for all the buildings on the Wyandot County Fairgrounds pursuant to Ohio Revised Code § 1711.24. General liability and vehicle coverage is provided by County Risk Sharing Authority with limits of \$1,000,000. The Society also has a policy with Public Entities Pool of Ohio which includes crime coverage for employee dishonesty with limits of liability of \$10,000. During the fair, this limit is increased to \$50,000. The Society's Secretary/Treasurer is bonded with coverage of \$20,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2007.

7. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, FCCLA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Wyandot County Fair. For the years ending November 30, 2006, and November 30, 2005, the Society disbursed \$16,194 and \$14,221, respectively, directly to vendors to support Junior Fair activities. These expenses are reflected as disbursements in the accompanying financial statements as Junior Fair Disbursements. For both years ending November 30, 2006, and November 30, 2005, the Society was reimbursed \$500 by Wyandot 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, 2006, and November 30, 2005 follows:

**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2006 AND 2005
(Continued)**

7. JUNIOR FAIR BOARD (Continued)

	2006	2005
Beginning Cash Balance	\$ 12,666	\$ 12,376
Receipts	24,507	21,680
Disbursements	(19,368)	(21,390)
Ending Cash Balance	\$ 17,805	\$ 12,666

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 the Wyandot County's auction. Monies to cover the cost of the auction are generated through a 4% commission on champions and reserve champions, and a 3% commission on all others, assessed on the auction price. The Junior Livestock Committee retains the money. 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, 2006, and November 30, 2005 follows:

	2006	2005
Beginning Cash Balance	\$ 13,104	\$ 9,862
Receipts	288,083	299,586
Disbursements	(283,772)	(296,344)
Ending Cash Balance	\$ 17,415	\$ 13,104

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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*

Wyandot County Agricultural Society
Wyandot County
P.O. Box 3
Upper Sandusky, Ohio 43351

To the Board of Directors:

We have audited the financial statements of the Wyandot County Agricultural Society, Wyandot County, Ohio, (the Society) as of and for the years ended November 30, 2006, and November 30, 2005, and have issued our report thereon dated September 10, 2007, wherein we noted the Society follows 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Society's management dated September 10, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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*. In a separate letter to the Society's management dated September 10, 2007, we reported an other matter related to noncompliance we deemed immaterial.

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www.auditor.state.oh.us

Wyandot County Agricultural Society
Wyandot County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, and the Board of Directors. It is not intended for anyone other than these specified parties.

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Mary Taylor, CPA
Auditor of State

September 10, 2007

**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2006 AND NOVEMBER 30, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2004-001	Finding for Recovery Repaid Under Audit – Alcohol Purchases	Yes	



Mary Taylor, CPA
Auditor of State

AGRICULTURAL SOCIETY

WYANDOT 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 18, 2007**