



Mary Taylor, CPA  
Auditor of State



**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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Mary Taylor, CPA  
Auditor of State

Greene County Agricultural Society  
Greene County  
120 Fairgrounds Road  
Xenia, Ohio 45385

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 a February 2, 2005 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 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

August 20, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Greene County Agricultural Society  
Greene County  
120 Fairgrounds Road  
Xenia, Ohio 45385

To the Board of Directors:

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

Instead of the fund the accompanying financial statements present, GAAP require presenting entity wide statements. 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 Governments 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 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 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 fund cash balances of the Greene County Agricultural Society, Greene County, as of November 30, 2006 and 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 August 20, 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

August 20, 2007

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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

**Operating Receipts:**

Taxes	\$707
Admissions	135,439
Privilege Fees	58,673
Rentals	299,653
Sustaining and Entry Fees	22,464
Parimutuel Wagering Commission	1,532
Other Operating Receipts	17,344
Total Operating Receipts	535,812

**Operating Disbursements:**

Wages and Benefits	68,027
Utilities	119,689
Professional Services	32,319
Equipment and Grounds Maintenance	218,947
Race Purse	56,190
Senior Fair	18,523
Junior Fair	18,155
Capital Outlay	3,894
Other Operating Disbursements	98,259
Total Operating Disbursements	634,003

(Deficiency) of Operating Receipts	
(Under) Operating Disbursements	(98,191)

**Non-Operating Receipts (Disbursements):**

State Support	29,155
County Support	57,207
Debt Proceeds	25,000
Donations/Contributions	30,634
Sale of Assets	358
Investment Income	54
Debt Service	(48,182)
Net Non-Operating Receipts (Disbursements)	94,226

Excess of Receipts Over Disbursements	(3,965)
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Cash Balance, Beginning of Year	19,041
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<b>Cash Balance, End of Year</b>	<b>\$15,076</b>
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*The notes to the financial statements are an integral part of this statement.*

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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

**Operating Receipts:**

Taxes	\$220
Admissions	150,265
Privilege Fees	61,145
Rentals	287,430
Sustaining and Entry Fees	21,825
Parimutuel Wagering Commission	2,591
Other Operating Receipts	15,382
Total Operating Receipts	538,858

**Operating Disbursements:**

Wages and Benefits	61,788
Utilities	130,345
Professional Services	28,351
Equipment and Grounds Maintenance	223,368
Race Purse	50,875
Senior Fair	19,679
Junior Fair	20,709
Other Operating Disbursements	114,106
Total Operating Disbursements	649,221

Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(110,363)
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**Non-Operating Receipts (Disbursements):**

State Support	32,044
County Support	56,186
Donations/Contributions	20,339
Investment Income	86
Debt Service	(39,963)
Net Non-Operating Receipts (Disbursements)	68,692

Excess (Deficiency) of Receipts Over (Under) Disbursements	(41,671)
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Cash Balance, Beginning of Year	60,712
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<b>Cash Balance, End of Year</b>	<b>\$19,041</b>
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*The notes to the financial statements are an integral part of this statement.*

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE 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 Greene County Agricultural Society, Greene 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 1839 to operate an annual agricultural fair. The Society sponsors the week-long Greene County Fair during July. During the fair, harness races are held, culminating in the running of the Greene County Harness Racing. Greene County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of sixteen directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Greene 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, track and stall rental, and community events including Old Timers' weekend and Vince Comb's bluegrass. The reporting entity does not include any other activities or entities of Greene County, Ohio.

Notes 9 and 10, 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**

This financial statement follows 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. Budgetary presentations report budgetary expenditures when a commitment is made.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribe 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.

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE 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. 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 Colt Racing Association stake races are held during the Greene 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 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.

**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.

**2. BUDGETARY ACTIVITY**

For the year ended November 30, 2006, the Society had budgeted receipts of \$694,400, actual receipts of \$678,220, resulting in an unfavorable variance of \$16,180. Additionally, the Society had budgeted disbursements of \$690,400, actual disbursements of \$682,185, resulting in a favorable variance of \$8,215.

For the year ended November 30, 2005, the Society had budgeted receipts of \$664,300, actual receipts of \$647,513, resulting in an unfavorable variance of \$16,787. Additionally, the Society had budgeted disbursements of \$642,350, actual disbursements of \$689,184, resulting in an unfavorable variance of \$46,834.

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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

**3. CASH AND INVESTMENTS**

The carrying amount of cash and investments at November 30, 2006 follows:

	<b>2006</b>	<b>2005</b>
Demand deposits	\$15,076	\$19,041

**Deposits:** The Federal Depository Insurance Corporation insures up to \$100,000 of the Society's bank balance, of which both years were covered.

**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, 2006 and 2005 were \$17,704 and \$20,304, respectively, and are included as State Support on the accompanying financial statements.

**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>2006</b>
Total Amount Bet (Handle)	\$20,981
Less: Payoff to Bettors	(16,776)
Parimutuel Wagering Commission	4,205
Tote Service Set Up Fee	(100)
Tote Service Commission	(2,030)
State Tax	(543)
Society Portion	\$1,532
	<b>2005</b>
Total Amount Bet (Handle)	\$25,943
Less: Payoff to Bettors	(20,705)
Parimutuel Wagering Commission	5,238
Tote Service Set Up Fee	(100)
Tote Service Commission	(1,877)
State Tax	(670)
Society Portion	\$2,591

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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

**5. DEBT**

Debt outstanding at November 30, 2006 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Mortgage Promissory Note- 2000	\$237,909	Variable- Initial 8.67%
Mortgage Installment Note- 2002	140,917	7.92%
Total	\$378,826	

The Society entered into a mortgage loan agreement on May 5, 2000 in the amount of \$270,000. These funds were utilized for construction of a new Administration Building.

On March 29, 2002 the Society entered into a mortgage loan agreement in the amount of \$300,000. These funds were utilized for costs associated with reconstruction of the fairgrounds following the September 20, 2000 tornado.

Amortization of the above debt is scheduled as follows:

<b>Year ending November 30:</b>	<b>2002 Mortgage Loan</b>	<b>2000 Mortgage Loan</b>	<b>Interest</b>	<b>Total</b>
2007	\$4,935	\$9,230	\$31,310	\$45,475
2008	5,340	10,062	30,072	45,474
2009	5,779	10,151	28,725	44,655
2010	6,254	11,960	26,661	44,875
2011	6,767	13,039	25,667	45,473
2012 - 2016	43,147	85,116	99,110	227,373
2017 - 2021	64,028	98,351	33,883	196,262
2022	4,667		87	4,754
Total	\$140,917	\$237,909	\$275,515	\$654,341

The Society maintains a \$25,000 line of credit at a variable interest rate with U.S. Bank for operating purposes. The Society did not borrow against this line of credit during 2005. During 2006 the Society borrowed \$25,000 against this line of credit, the entire balance remained outstanding at year end.

**6. RISK MANAGEMENT**

The Greene County Commissioners provide general insurance coverage for all the buildings on the Greene County Fairgrounds pursuant to Ohio Revised Code § 1711.24 with a limit of \$11,183,148. A private company provides general liability insurance with limits of \$3,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$50,000. The Society's treasurer is bonded with coverage of \$140,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2006.

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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

**6. RISK MANAGEMENT (Continued)**

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

The Society insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**A. Casualty Coverage**

PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**B. Property Coverage**

Through 2004, PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**C. Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004 (the latest information available):

<b>Casualty Coverage</b>	<b>2005</b>	<b>2004</b>
Assets	\$29,719,675	\$27,437,169
Liabilities	(15,994,168)	(13,880,038)
Retained earnings	\$13,725,507	\$13,557,131

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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

**6. RISK MANAGEMENT (Continued)**

<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$4,443,332	\$3,648,272
Liabilities	(1,068,245)	(540,073)
Retained earnings	<u>\$3,375,087</u>	<u>\$3,108,199</u>

At December 31, 2005 and 2004, respectively, casualty coverage liabilities noted above include approximately \$14.3 million and \$12 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$14.3 million and \$12 million of unpaid claims to be billed to approximately 430 member governments in the future, as of December 31, 2005 and 2004, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Society's share of these unpaid claims collectible in future years is approximately \$54,346. This payable includes the subsequent year's contribution due if the Society terminates participation, as described in the last paragraph below.

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.

<u>Contributions to PEP</u>	
2003	\$ 25,828
2004	\$ 27,075
2005	\$ 27,173

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

**7. CONTINGENT LIABILITIES**

During March 2007, the Society received a letter from the State of Ohio Office of the Attorney General requesting payment in the amount of \$49,552 from a question cost generated by the 2002 financial audit. At this time, no payment scheduled has been established.

**8. RELATED PARTY TRANSACTIONS**

The Society awarded a contract from manure removal to KTK Enterprises, which is owned by board member John Saunders. The contract awarded during fiscal year 2005 resulted in \$17,105. John Saunders resigned his position on the board in late 2005 and discontinued the manure removal at that point in time.

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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

**9. 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 Greene County Fair. The Society disbursed \$150 directly to the Junior Fair Board and \$11,006 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Greene County paid the Society \$500 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, 2006 and 2005 follows:

	<b>2006</b>	<b>2005</b>
Beginning Cash Balance	\$5,983	\$5,135
Receipts	13,015	15,359
Disbursements	(11,198)	(14,511)
Ending Cash Balance	\$7,800	\$5,983

**10. 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 Greene County's auction. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30, 2006 and 2005 follows:

	<b>2006</b>	<b>2005</b>
Beginning Cash Balance	\$24,718	\$20,751
Receipts	9,708	11,465
Disbursements	(8,646)	(7,498)
Ending Cash Balance	\$25,780	\$24,718

**11. SUBSEQUENT EVENT**

The Society was in the process of making application to borrow funds to make repayment in full following the determination that some FEMA/State of Ohio grant funds had not been spent in accordance with applicable laws and regulations. (For questioned costs for the fiscal years ended November 31, 2002.)

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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*

Greene County Agricultural Society  
Greene County  
120 Fairgrounds Road  
Xenia, Ohio 45385

To the Board of Directors:

We have audited the financial statements of the Greene County Agricultural Society (the Society) as of and for the years ended November 30, 2006 and 2005, and have issued our report thereon dated August 20, 2007 wherein we noted the Society prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 opinions 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 August 20, 2007.

### **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 matters that we reported to the Society's management in a separate letter dated August 20, 2007.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 20, 2007

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2004-001	ORC § 117.28 - Finding for Recovery	Yes	Finding Repaid





**Mary Taylor, CPA**  
Auditor of State

**GREENE COUNTY AGRICULTURAL SOCIETY**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 5, 2008**