



Dave Yost • Auditor of State

**PERRY COUNTY AGRICULTURAL SOCIETY
PERRY COUNTY**

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Dave Yost • Auditor of State

Perry County Agricultural Society
Perry County
5445 State Route 37 East
P.O. Box 189
New Lexington, Ohio 43764

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.

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Dave Yost
Auditor of State

June 24, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Perry County Agricultural Society
Perry County
5445 State Route 37 East
P.O. Box 189
New Lexington, Ohio 43764

To the Board of Directors:

We have audited the accompanying financial statement of the Perry County Agricultural Society, Perry County, Ohio (the Society), as of and for the years ended November 30, 2011 and 2010. This financial statement is the responsibility of the Society's management. Our responsibility is to express an opinion on this financial statement 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 this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require agricultural 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 statement referred to above for the years ended November 30, 2011 and 2010 does 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, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances as of November 30, 2011 and 2010 of the Perry County Agricultural Society, Perry County, Ohio, and its 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 June 24, 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.

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Dave Yost
Auditor of State

June 24, 2012

**PERRY COUNTY AGRICULTURAL SOCIETY
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2011 AND 2010**

	2011	2010
Operating Receipts:		
Admissions	\$185,821	\$203,511
Privilege Fees	40,682	39,245
Rentals	55,624	49,226
Fees	45,163	40,988
Other Operating Receipts	30	2,536
 Total Operating Receipts	 327,320	 335,506
Operating Disbursements:		
Wages and Benefits	39,811	30,414
Utilities	46,133	30,566
Professional Services	138,793	156,718
Equipment and Grounds Maintenance	58,764	59,043
Senior Fair	2,491	2,729
Junior Fair	37,686	34,463
Contest Expenses	38,882	31,905
Capital Outlay	40,298	2,000
Other Operating Disbursements	7,107	9,485
 Total Operating Disbursements	 409,965	 357,323
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 (82,645)	 (21,817)
Non-Operating Receipts (Disbursements):		
State Support	5,748	6,152
County Support	9,152	9,752
Restricted Support	64,644	28,880
Donations/Contributions	7,663	6,397
Investment Income	80	106
 Net Non-Operating Receipts (Disbursements)	 87,287	 51,287
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 4,642	 29,470
 Cash Balance, Beginning of Year	 85,461	 55,991
 Cash Balance, End of Year	 \$90,103	 \$85,461

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

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**PERRY COUNTY AGRICULTURAL SOCIETY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
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 Agricultural Society, Perry 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 1954 to operate an annual agricultural fair. The Society sponsors the week-long Perry County Fair during July. Perry County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 18 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Perry 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 other year round activities at the fairgrounds including facility rental, track and stall rental, and community events including tug pulls, horse riding, bull riding, concerts, and truck and tractor pulls. The reporting entity does not include private activities occurring at the fairgrounds, such as the "Gun Bash", nor any other activities or entities of Perry County, Ohio.

Notes 4 and 5, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

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

B. Accounting Basis

This financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. 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.

D. Restricted Support

Restricted support includes amounts that donors restrict for specific uses.

**PERRY COUNTY AGRICULTURAL SOCIETY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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. 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. DEPOSITS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at November 30, 2011 and 2010 was as follows:

	<u>2011</u>	<u>2010</u>
Demand deposits	<u>\$90,103</u>	<u>\$85,461</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. RISK MANAGEMENT

The Perry County Commissioners provide general insurance coverage for all the buildings on the Perry County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability insurance, with limits of \$5,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$60,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund.

4. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H organization representatives, is responsible for the Junior Fair Division activities of the Perry County Fair. The Society disbursed \$37,686 in 2011 and \$34,463 in 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. Perry County paid the Society \$4,576 in 2011 and \$4,876 in 2010 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the years ended November 30, 2011 and 2010 follows:

**PERRY COUNTY AGRICULTURAL SOCIETY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2011 AND 2010
(Continued)**

4. JUNIOR FAIR BOARD (Continued)

	2011	2010
Beginning Cash Balance	\$ 156	\$ 993
Receipts	1,648	0
Disbursements	(1,662)	(837)
Ending Cash Balance	\$ 142	\$ 156

5. 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 auction. A commission of 6 percent on auction sales of the grand champion and reserve grand champion livestock, and a 4.5 percent commission for all other livestock 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, 2011 and 2010 follows:

	2011	2010
Beginning Cash Balance	\$ 20,706	\$ 18,004
Receipts	302,163	247,874
Disbursements	(289,858)	(245,172)
Ending Cash Balance	\$ 33,011	\$ 20,706

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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

Perry County Agricultural Society
Perry County
5445 State Route 37 East
P.O. Box 189
New Lexington, Ohio 43764

To the Board of Directors:

We have audited the financial statement of the Perry County Agricultural Society, Perry County, Ohio, (the Society), as of and for the years ended November 30, 2011 and 2010, and have issued our report thereon dated June 24, 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 statement, 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 statement is 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 June 24, 2012.

We intend this report solely for the information and use of management, 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 style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 24, 2012



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PERRY COUNTY AGRICULTURAL SOCIETY

PERRY 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 05, 2012**