



**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED NOVEMBER 30, 2006-2005



Mary Taylor, CPA
Auditor of State

HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter.....	1
Independent Accountants' Report.....	3
Statement of Receipts, Disbursements, and Change in Cash Balance - For the Years Ended November 30, 2006 and November 30, 2005.....	5
Notes to the Financial Statement	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Findings.....	17

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Mary Taylor, CPA
Auditor of State

Hartford Independent Agricultural Society
Licking County
14028 Fairground Road
P.O. Box 317
Croton, Ohio 43013-0317

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 9, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Hartford Independent Agricultural Society
Licking County
14028 Fairground Road
P.O. Box 317
Croton, Ohio 43013-0317

To the Board of Directors:

We have audited the accompanying financial statements of the Hartford Independent Agricultural Society, Licking County, Ohio, (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 and also presenting the Society's larger (i.e. major) funds separately. While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require 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 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 cash balances of Hartford Independent Agricultural Society, Licking 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 July 9, 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

July 9, 2007

**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2006 AND 2005**

	2006	2005
Operating Receipts:		
Admissions	\$296,489	\$283,739
Privilege Fees	106,521	110,082
Rentals	125,607	124,187
Sustaining and Entry Fees	31,159	34,726
Parimutuel Wagering Commission	666	3,045
Other Operating Receipts	68,439	65,243
 Total Operating Receipts	 628,881	 621,022
Operating Disbursements:		
Wages and Benefits	93,223	89,012
Utilities	37,507	32,516
Professional Services	32,688	33,208
Equipment and Grounds Maintenance	101,716	85,808
Race Purse	66,857	73,445
Senior Fair	95,318	83,547
Junior Fair	56,839	55,779
Capital Outlay	399,786	159,220
Other Operating Disbursements	105,328	94,319
 Total Operating Disbursements	 989,262	 706,854
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 (360,381)	 (85,832)
Non-Operating Receipts (Disbursements):		
State Support	29,155	32,044
County Support	30,000	38,640
Donations/Contributions - Restricted	177,316	112,406
Investment Income	19,383	11,195
Sale of Assets	1,242	22,447
 Net Non-Operating Receipts (Disbursements)	 257,096	 216,732
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 (103,285)	 130,900
 Cash Balance, Beginning of Year	 683,200	 552,300
 Cash Balance, End of Year	 \$579,915	 \$683,200

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

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**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
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 Hartford Independent Agricultural Society, Licking County, (the Society) as a body corporate and politic. The Society is an independent agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1858 to operate an annual agricultural fair. The Society sponsors the week-long Hartford Independent Fair during August. During the fair, harness races are held. Licking 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 Licking County or designated townships in Delaware and Knox Counties 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 Licking County, Ohio.

Notes 8 and 9, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

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

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.

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.

**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
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. Restricted support for the Society included sponsorships of trophies and awards, and donations to help fund the Society's capital improvements.

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

Hartford Independent Fair stake races are held during the Hartford Independent 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. 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.

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.

**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

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

2. BUDGETARY ACTIVITY

For the year ended November 30, 2006, the Society had budgeted receipts of \$997,000, actual receipts of \$885,977 resulting in a variance of \$101,023. Additionally, the Society had budgeted disbursements of \$997,000, actual disbursements of \$989,262, resulting in a variance of \$2,262.

For the year ended November 30, 2005, the Society had budgeted receipts of \$885,000, actual receipts of \$837,752, resulting in a variance of \$47,246. Additionally, the Society had budgeted disbursements of \$885,000, actual disbursements of \$706,854, resulting in a variance of \$178,146.

3. CASH AND INVESTMENTS

The carrying amount of cash and investments at November 20, 2006 and November 30, 2005 follows:

	2006	2005
Demand deposits	\$98,967	\$56,401
Certificates of deposit	480,948	626,799
Total deposits	\$579,915	\$683,200

Deposits: At November 30, 2006, \$532,849 of the bank balance was covered by The Federal Depository Insurance Corporation (FDIC). At November 30, 2005, \$ 575,265 of the bank balance was covered by The Federal Depository Insurance Corporation (FDIC). The remainder was uninsured and uncollateralized.

4. HORSE RACING

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the years ended November 30, 2006 and November 30, 2005, was \$20,304 and \$17,704, respectively, as the State Support Portion of Purse.

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 (for 2005) 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. For 2006, the Pari-mutuel Wagering Commission was reported at net.

**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

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

4. HORSE RACING (Continued)

	2006	2005
Total Amount Bet (Handle)	\$ 19,058	\$ 17,345
Less: Payoff to Bettors	(15,247)	(13,859)
Parimutuel Wagering Commission	3,811	3,486
Tote Service Set Up Fee	(600)	(600)
Tote Service Commission	(2,043)	(1,838)
State Tax	(487)	(436)
Society Portion	\$ 681	\$ 612

5. RETIREMENT SYSTEM

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

Casualty Coverage

For an occurrence prior to January 1, 2006 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. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

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

6. RISK MANAGEMENT (Continued)

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 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

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 values. 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 2006 was \$1,901,127.

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.

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, 2006 and 2005.

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$30,997,868	\$29,719,675
Liabilities	(15,875,741)	(15,994,168)
Retained earnings	<u>\$15,122,127</u>	<u>\$13,725,507</u>

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$5,125,326	\$4,443,332
Liabilities	(863,163)	(1,068,245)
Retained earnings	<u>\$4,262,163</u>	<u>\$3,375,087</u>

**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

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

6. RISK MANAGEMENT (Continued)

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$14.4 million and \$14.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$14.4 million and \$14.3 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2006 and 2005, 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 \$58,774. 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>	
2004	\$39,510
2005	\$28,882
2006	\$29,387

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give 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 budgetary 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 occurred or was reported prior to the withdrawal.

**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

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

7. RELATED PARTY TRANSACTIONS

The following table summarizes related party transactions that occurred during the audit period:

Society Member	Position	Vendor	Relationship	Audit Period Expenditures
John McDavid	Secretary	John McDavid Nursery & Landscaping	Owner	\$ 955
		John McDavid Associates	Owner	\$ 5,662
Rodney Arter	Director	Graybar Electric	Salesman	\$18,805
Richard Fisher	Director	D & D Agri Hauling	Owner	\$74,292
Randall Sabo	Director	Sabo Company	Owner	\$ 137
Herman Buckenberger	Director	Agri Trac	Salesman	\$ 820
Melvin McInturff	Director	NuWay	Partner	\$40,580
Daniel Small	Director	D & L Grain Hardware	Salesman	\$ 577
Wm. Stanley Hall	Director	M & H Screen Printing	Partner	\$ 8,158

8. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, and FCCLA organization representatives, is responsible for the Junior Fair Division activities of the Hartford Independent Fair. The Junior Fair Board activity is accounted for within the accounting records of the Society and is reflected in the accompanying financial statements. The Society subsidizes the Junior Fair Division to the extent necessary each year.

9. 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 Society's auction. A commission of two 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 November 30, 2005 follows:

	2006	2005
Beginning Cash Balance	\$ 19,386	\$ 15,382
Receipts	560,339	488,538
Disbursements	(559,110)	(484,534)
Ending Cash Balance	<u>\$ 20,615</u>	<u>\$ 19,386</u>

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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*

Hartford Independent Agricultural Society
Licking County
14028 Fairgrounds Road
P.O. Box 317
Croton, Ohio 43013-317

To the Board of Directors:

We have audited the financial statements of Hartford Independent Agricultural Society, Licking County, Ohio, (the Society) as of and for the years ended November 30, 2006 and 2005, and have issued our report thereon dated July 9, 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 opinion 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-001.

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

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 that we must report under *Government Auditing Standards*.

The Society's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Society's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the management and the Society's Board of Directors. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

July 9, 2007

**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

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

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2006-001

Financial Statement Presentation – Significant Deficiency

A monitoring system by the Fiscal Officer and Board should be in place to prevent or detect misstatements and for the accurate presentation of the Society's financial statements.

In 2006, the Society expended \$32,121 of donations totaling \$40,050 for capital expenditures for a new nature park at the fairgrounds.

Although the activity was recorded in the accounting records of the Society and the expenditures were approved by the Society's Board, the activity was not included in the 2006 financial statements. This resulted in an understatement of receipts and expenditures in the 2006 financial statements.

We recommend that all financial activity be reported on the Society's year end financial statements and that donated funds for the park be budgeted and accounted for similar to all other Society funds throughout the year.

The Society has posted the adjustment to the accompanying financial statements and accounting records.

Officials' Response:

The Natural Resource Area advisory board has been made aware of this reportable condition and it has been mutually agreed to incorporate the Natural Resource Area funds into the Hartford Fair financial statement. This action can be taken at the next Hartford Independent Agricultural Society Board meeting on August 20th, 2007.



Mary Taylor, CPA
Auditor of State

HARTFORD INDEPENDENT AGRICULTURAL SOCIETY

LICKING 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
AUGUST 14, 2007**