



Dave Yost • Auditor of State

**WILLIAMS COUNTY AGRICULTURAL SOCIETY
WILLIAMS COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Years Ended November 30, 2010 and 2009	5
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13
Schedule of Prior Audit Findings	15

This page intentionally left blank.



Dave Yost • Auditor of State

Williams County Agricultural Society
Williams County
P.O. Box 28
Montpelier, Ohio 43543-0028

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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 11, 2011

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Williams County Agricultural Society
P.O. Box 28
Montpelier, Ohio 43543-0028

To the Board of Directors:

We have audited the accompanying financial statements of Williams County Agricultural Society, Ohio (the Society), as of and for the years ended November 30, 2010 and 2009. 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.

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, 2010 and 2009 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, 2010 and 2009, 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 balance of Williams County Agricultural Society, as of November 30, 2010 and 2009, 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 11, 2011, 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

July 11, 2011

**WILLIAMS COUNTY AGRICULTURAL SOCIETY
WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2010 AND 2009**

	2010	2009
Operating Receipts:		
Admissions	\$166,477	\$200,339
Privilege Fees	65,503	65,820
Rentals	49,698	46,538
Sustaining and Entry Fees	18,171	22,585
Contest Fees	8,568	8,788
Parimutuel Wagering Commission	1,535	2,267
Total Operating Receipts	309,952	346,337
Operating Disbursements:		
Wages and Benefits	3,362	18,939
Administrative	12,631	8,035
Supplies	32,123	14,525
Utilities	54,915	60,703
Professional Services	50,827	40,257
Equipment and Grounds Maintenance	34,617	40,525
Race Purse	40,461	45,103
Advertising	14,922	12,347
Repairs	19,552	13,984
Insurance	21,644	7,637
Rental/Lease Expense	16,687	15,227
Contest Expense	26,261	23,063
Senior Fair	6,808	6,704
Junior Fair	9,588	11,063
Capital Outlay		33,471
Other Operating Disbursements	12,531	10,875
Total Operating Disbursements	356,929	362,458
Excess of Operating Disbursements Over Operating Receipts	(46,977)	(16,121)
Non-Operating Receipts (Disbursements):		
State Support	22,267	23,704
County Support	3,300	3,300
Promotions	4,715	3,737
Donations/Contributions	23,301	69,164
Investment Income	33	37
Debt Service		(68)
Net Non-Operating Receipts (Disbursements)	53,616	99,874
Excess of Receipts Over Disbursements	6,639	83,753
Cash Balance, Beginning of Year	128,527	44,774
Cash Balance, End of Year	\$135,166	\$128,527

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

This page intentionally left blank.

**WILLIAMS COUNTY AGRICULTURAL SOCIETY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009**

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 Ohio County and Independent Agricultural Society, Williams County, The Williams County Agricultural 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 1900 to operate an annual agricultural fair. The Society sponsors the week-long Williams County Fair during September. During the fair, harness races are held, culminating in the running of the harness racing event. Williams County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of approximately 26 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Williams 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, harness racing during fair week. Other year round activities at the fairgrounds including facility rental, track and stall rental, and community events including the Antique Tractor Show, the Mud Run, circus and garage sales. The reporting entity does not include any other activities or entities of Williams 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. Accounting Basis

These financial statements follow 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.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Society's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. 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.

E. Donations/Contributions

Donations/Contributions include amounts that donors restrict for specific uses.

**WILLIAMS COUNTY AGRICULTURAL SOCIETY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Northwestern Ohio Colt stake races are held during the Williams 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 Williams County Horseman's 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 5 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 5 for additional information.

**WILLIAMS COUNTY AGRICULTURAL SOCIETY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009
(Continued)**

2. BUDGETARY ACTIVITY

For the years ended in November 30, 2010 and 2009, the Society had the following budgetary activity:

<u>Year</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
2010	388,635	356,929	31,706
2009	410,535	362,526	48,009

3. PRIOR PERIOD ADJUSTMENT

In fiscal year 2008 the Society included expenditures that should not have been reported until fiscal year 2009. As a result the previously reported cash balance of \$41,613 has been restated to \$44,774 as of December 1, 2008.

4. DEPOSITS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31, 2010 and 2009 was as follows:

	<u>2010</u>	<u>2009</u>
Demand deposits	\$83,807	\$88,963
Other time deposits (savings and NOW accounts)	51,359	39,564
Total deposits	\$135,166	\$128,527

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

5. HORSE RACING

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the year ended November 30, 2010 and 2009 was \$17,778 and \$19,069, respectively as State Support.

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.

**WILLIAMS COUNTY AGRICULTURAL SOCIETY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009
(Continued)**

5. HORSE RACING (Continued)

	2010	2009
Total Amount Bet (Handle)	\$ 7,478	\$ 10,859
Less: Payoff to Bettors	(5,943)	(8,592)
Parimutuel Wagering Commission	1,535	2,267
Tote Service Set Up Fee	(1,082)	(1,200)
Tote Service Commission	(116)	(358)
State Tax	(222)	(352)
Society Portion	\$ 115	\$ 357

6. RISK MANAGEMENT

The Williams County Commissioners provide general insurance coverage for all the buildings on the Williams County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance, with limits of \$1,000,000 and \$3,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$100,000 and forgery or alteration limits of \$10,000.

The Society provides workers compensation coverage on all employees and independent contractors through the State of Ohio workers compensation fund. Coverage is currently in effect through July 2011.

7. SUBSEQUENT EVENTS

The Williams County Fair received \$7,642 in December 2010 for the maintenance and care of the trees planted in 2010 for the Conservation Reserve Enhancement Program.

8. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H and FFA representatives, is responsible for the Junior Fair Division activities of the Williams County Fair. The Society disbursed \$9,588 and \$11,063 directly to vendors to support Junior Fair activities for 2010 and 2009, respectively. These expenses are reflected as a disbursement in the accompanying financial statements as Junior Fair Disbursement. 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 2010 and 2009 follows:

	2010	2009
Beginning Cash Balance	\$ 2,818	\$ 2,152
Receipts	12,501	8,755
Disbursements	(12,039)	(8,089)
Ending Cash Balance	\$ 3,280	\$ 2,818

**WILLIAMS COUNTY AGRICULTURAL SOCIETY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2010 AND 2009
(Continued)**

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 Williams County's auction. A commission of five percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statements do not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30, 2010 and 2009 follows:

	2010	2009
Beginning Cash Balance	\$ 18,415	\$ 19,250
Receipts	154,810	149,363
Disbursements	(154,256)	(150,198)
Ending Cash Balance	\$ 18,969	\$ 18,415

10. WILLIAMS COUNTY FAIR FOUNDATION

The Williams County Fair Foundation was established in September 1976 and is governed by three trustees. The purpose of the Williams County Fair Foundation is to assume mortgages on County fairground buildings and raise money to pay them off. The Williams County Fair Foundation shall have the power to do everything and anything reasonably and lawfully necessary, proper, suitable or convenient for the achievement of the foregoing statement of purpose, including the power to raise, receive, manage and distribute funds and property of every kind and nature exclusively for the benefit of the Society, thereby promoting and supporting the Society. The accompanying financial statements do not include the activities of the Williams County Fair Foundation. Financial information can be obtained from the Williams County Fair Foundation, P O Box 442, Montpelier, Ohio 43543.

This page intentionally left blank.



Dave Yost • Auditor of State

Williams County Agricultural Society
Williams County
P.O. Box 28
Montpelier, Ohio 43543-0028

To the Board of Directors:

We have audited the financial statements of the Williams County Agricultural Society, Ohio (the Society), as of and for the years ended November 30, 2010 and 2009, and have issued our report thereon dated July 11, 2011, 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 statements, 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 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 matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated July 11, 2011.

Williams County Agricultural Society
Williams 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, 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

July 11, 2011

**WILLIAMS COUNTY AGRICULTURAL SOCIETY
WILLIAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Finding for Recovery for Undocumented expenditures	Yes	
2008-002	Finding for Recovery Employee overcompensated	Yes	
2008-003	Material Weakness Admissions	Yes	
2008-004	Material Weakness Monthly Bank Reconciliations	Yes	

This Page is Intentionally Left Blank.



Dave Yost • Auditor of State

WILLIAMS COUNTY AGRICULTURAL SOCIETY

WILLIAMS 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 26, 2011**