



Mary Taylor, CPA
Auditor of State

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON 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, 2008 and 2007.....	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
Schedule of Prior Audit Findings	18

This page intentionally left blank.



Mary Taylor, CPA Auditor of State

Coshocton County Agricultural Society
Coshocton County
707 Kenilworth Avenue
Coshocton, Ohio 43812

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.

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

Mary Taylor, CPA
Auditor of State

April 15, 2009

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Coshocton County Agricultural Society
Coshocton County
707 Kenilworth Avenue
Coshocton, Ohio 43812

To the Board of Directors:

We have audited the accompanying financial statements of Coshocton County Agricultural Society, Coshocton County, Ohio, (the Society) as of and for the years ended November 30, 2008 and 2007. 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.

Except as discussed below in paragraph six, 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 the new 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, 2008 and 2007 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, 2008 and 2007, or its changes in financial position for the years then ended.

In addition, we were unable to obtain sufficient evidence to support receipts recorded as Class Entry Fees and Contest Fees included in Other Operating Receipts totaling \$17,225 and \$17,810 for 2008 and 2007, respectively.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence supporting Other Operating Receipts, the financial statements referred to above present fairly, in all material respects, the cash balances of the Coshocton County Agricultural Society, Coshocton County, Ohio, as of November 30, 2008 and 2007, 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 April 15, 2009, 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

April 15, 2009

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2008 AND 2007**

	2008	2007
Operating Receipts:		
Admissions	\$370,895	\$376,387
Privilege Fees	92,625	93,139
Rentals	45,858	42,350
Sustaining and Entry Fees	48,421	59,460
Parimutuel Wagering Commission	6,026	6,385
Other Operating Receipts	38,995	39,360
 Total Operating Receipts	 602,820	 617,081
Operating Disbursements:		
Wages and Benefits	99,128	90,938
Utilities	47,986	46,907
Professional Services	145,342	139,119
Equipment and Grounds Maintenance	90,802	99,484
Race Purse	71,192	87,772
Senior Fair	77,516	77,912
Junior Fair	28,691	26,816
Capital Outlay	19,369	30,798
Other Operating Disbursements	72,252	75,654
 Total Operating Disbursements	 652,278	 675,400
 (Deficiency) of Operating Receipts (Under) Operating Disbursements	 (49,458)	 (58,319)
Non-Operating Receipts (Disbursements):		
State Support	26,148	29,044
County Support	15,000	12,800
Sale of Assets		4
Donations/Contributions	14,343	27,603
Investment Income	1,624	3,480
Debt Service		
Principal	(11,964)	(11,446)
Interest Expense	(7,729)	(8,215)
 Net Non-Operating Receipts (Disbursements)	 37,422	 53,270
 (Deficiency) of Receipts (Under) Disbursements	 (12,036)	 (5,049)
 Cash Balance, Beginning of Year	 226,242	 231,291
 Cash Balance, End of Year	 \$214,206	 \$226,242

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

This page intentionally left blank.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007**

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 Coshocton County Agricultural Society, Coshocton 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 1851 to operate an annual agricultural fair. The Society sponsors the week-long Coshocton County Fair during September and October. During the fair, harness races are held. Coshocton 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 Coshocton 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 and Junior Fair Board activities. Other year round activities at the fairgrounds include facility rental, track and stall rental, and community events including horse shows, 4th of July Celebration and garage sales. The reporting entity does not include any other activities or entities of Coshocton County, Ohio.

Note 9 summarizes the Junior Fair Board'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. Deposits and Investments

The Society did not have any investments during the audit period.

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. Restricted Support

Restricted support includes amounts that donors restrict for specific uses.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(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

Stake races are held during the Coshocton 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. In addition, the Society contributes to each race purse.

Sustaining and Entry Fees

Horse owners and Home Talent Colt 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 reports 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 3 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 3 for additional information.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(Continued)**

2. DEPOSITS AND INVESTMENTS

The carrying amount of cash at November 30, 2008 and 2007 follows:

	2008	2007
Demand deposits	\$214,206	\$226,242

Deposits: Deposits are insured by the Federal Depository Insurance Corporation. At November 30, 2007, \$22,800, of the Society's deposits were not insured or collateralized, contrary to Ohio law.

3. 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, 2008 and 2007 was \$13,848 and \$17,696, respectively as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompanying 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.

	2008	2007
Total Amount Bet (Handle)	\$ 20,218	\$ 31,204
Less: Payoff to Bettors	(14,192)	(24,819)
Parimutuel Wagering Commission	6,026	6,385
Tote Service Set Up Fee	(800)	(800)
Tote Service Commission	(3,438)	(2,571)
State Tax	(556)	(910)
Society Portion	\$ 1,232	\$ 2,104

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(Continued)**

4. DEBT

Debt outstanding at November 30, 2008 was as follows:

	Principal	Interest Rate
Ohio Heritage Bank Loan	\$121,214	6.00%

The Ohio Heritage Bank loaned the Society \$185,000 at an interest rate of 7.65%. The loan was entered into on June 24, 1999 and matures November 2018. Proceeds of the loan were used to purchase three houses bordering the fair grounds. On January 26, 2004 the Society refinanced the loan in the amount of \$157,553 at an interest rate of 6.00% and maturity date of January 2019.

Amortization of the above debt is scheduled as follows:

	Ohio Heritage Loan	Interest	Total
Year ending November 30:			
2009	8,929	6,985	15,914
2010	9,526	6,432	15,958
2011	10,114	5,844	15,958
2012	10,722	5,236	15,958
2013	11,398	4,559	15,957
2014 - 2019	70,525	4,356	74,881
Total	\$121,214	\$33,412	\$154,626

5. RETIREMENT SYSTEM

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2008, 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, 2008.

6. RISK MANAGEMENT

The Society provides health coverage for full-time, supervisory employees through an insurance company.

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

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(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.

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. 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.

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

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, 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 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(Continued)**

6. RISK MANAGEMENT (Continued)

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, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$37,560,071	\$36,123,194
Liabilities	<u>(17,340,825)</u>	<u>(16,738,904)</u>
Net Assets	<u>\$20,219,246</u>	<u>\$19,384,290</u>

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, 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 \$24,211. 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.

Contributions to PEP

2005	\$20,364
2006	22,245
2007	23,966

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they 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 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. The Society is exposed to various risks of property and casualty losses, and injuries to employees.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2008 AND 2007
(Continued)**

7. RELATED PARTY TRANSACTIONS

Rodney Adams, a Board Member, owns R & K Industrial. The Society paid R & K Industrial \$3,023 and \$894 respectively for 2008 and 2007 for compression equipment, paint, caution tape, fire extinguishers, and other supplies.

8. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, Juvenile Granges and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Coshocton County Fair. The Society disbursed \$28,691 in 2008 and \$26,816 in 2007 directly to vendors to support Junior Fair Board activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. The Junior Fair Board's financial activity for the years ended November 30, 2008 and 2007 follows:

	2008	2007
Beginning Cash Balance	\$ 4,666	\$ 5,123
Receipts	8,520	7,299
Disbursements	(8,168)	(7,756)
Ending Cash Balance	\$ 5,018	\$ 4,666

This page intentionally left blank.



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*

Coshocton County Agricultural Society
Coshocton County
707 Kenilworth Avenue
Coshocton, Ohio 43812

To the Board of Directors:

We have audited the financial statements of the Coshocton County Agricultural Society, Coshocton County, Ohio, (the Society) as of and for the years ended November 30, 2008 and 2007, and have issued our report thereon dated April 15, 2009, wherein we noted the Society follows accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America and our opinion was qualified due to inadequate Other Operating Receipts supporting documentation. Except as discussed in the preceding sentence, 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.

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 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 Finding Number 2008-001 described in the Schedule of Findings to be a significant deficiency in internal control over financial reporting.

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.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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 deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, the significant deficiency described above is also a material weakness.

We also noted certain matters related to internal control over financial reporting that we reported to the Society's management in a separate letter dated April 15, 2009.

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 or other matters that we reported to the Society's management in a separate letter dated April 15, 2009.

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



Mary Taylor, CPA
Auditor of State

April 15, 2009

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Material Weakness

Entry Fees, Donations and Annual Financial Report/Reconciliation

During our testing of Other Operating Receipts, the Society did not have supporting documentation for Class Entry Fees (fair entries) totaling \$5,606 and \$5,748 for fiscal years 2008 and 2007, respectively and Contest Fees (Rough Truck Summer Event and other unused fair premiums and entry fees) totaling \$11,619 and \$12,062 for fiscal years 2008 and 2007, respectively. Lack of supporting documentation could allow errors and irregularities to occur and go undetected for an extended period of time.

Donations/Contributions and Other Operating Disbursements were initially overstated by \$18,000 due to the improper recognition of "change" to be used during fair week. Debt principal and interest payments totaling \$3,624 for fiscal years 2008 and 2007 were initially reflected as capital outlay expenditures rather than as debt service principal and interest payments. The financial statements have been adjusted accordingly.

Lastly, at November 30, 2007, the Society's annual financial report did not reconcile to the bank by \$11,614. The unreconciled difference was a result of inaccurately and double posting certain wages and benefits, other operating expenses and senior fair expense from the respective expenditure accounts to the annual financial report. The financial statements have been adjusted accordingly.

Sound financial reporting is the responsibility of the Secretary, Treasurer and the Board of Directors and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To ensure the Society's financial statements are complete and accurate, the Society should maintain supporting documentation, such as entry forms, for all Class Entry Fees and Contest Fees received. Recognition of "change" for the fair week is not additional revenue; therefore, it should not be recognized on the financial statements. Loan proceeds and debt principal and interest payments should be recorded appropriately on the Society's financial statements. Lastly, the Society should ensure the accuracy of the Annual Report prior to submission. This will help ensure errors or irregularities are detected timely and the financial statements are complete and accurate.

Officials' Response: The Society has elected not to respond.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Errors were noted in the financial statements that required audit adjustments.	No	Not Corrected, See Finding 2008-001



Mary Taylor, CPA
Auditor of State

AGRICULTURAL SOCIETY

COSHOCTON 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
JUNE 2, 2009**