



**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED NOVEMBER 30, 2007-2006**



**Mary Taylor, CPA**  
Auditor of State



**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

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**Mary Taylor, CPA**  
Auditor of State

Bellville Independent Agricultural Society  
Richland County  
131 Main Street  
Bellville, Ohio 44813

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

April 4, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Bellville Independent Agricultural Society  
Richland County  
131 Main Street  
Bellville, Ohio 44813

To the Board of Directors:

We have audited the accompanying financial statements of the Bellville Independent Agricultural Society, Richland County, Ohio, (the Society) as of and for the years ended November 30, 2007 and 2006. 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, 2007 and 2006 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, 2007 and 2006, 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 the Bellville Independent Agricultural Society, Richland County, Ohio, as of November 30, 2007 and 2006, 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 4, 2008, 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

April 4, 2008



**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEARS ENDED NOVEMBER 30, 2007 AND 2006**

	<b>2007</b>	<b>2006</b>
<b>Operating Receipts:</b>		
Privilege Fees	\$41,308	\$37,222
Rentals	800	
Other Operating Receipts	6,016	2,559
Total Operating Receipts	48,124	39,781
<b>Operating Disbursements:</b>		
Wages and Benefits	4,840	5,008
Utilities	2,178	2,008
Professional Services	17,925	13,400
Equipment and Grounds Maintenance	21,759	16,855
Senior Fair	2,363	2,447
Junior Fair	7,285	8,290
Capital Outlay	2,900	45,700
Other Operating Disbursements	52,871	43,279
Total Operating Disbursements	112,121	136,987
Deficiency of Operating Receipts Under Operating Disbursements	(63,997)	(97,206)
<b>Non-Operating Receipts (Disbursements):</b>		
State Support	6,348	6,450
County Support	10,300	7,300
Restricted Donations/Contributions	40,238	36,777
Unrestricted Donations/Contributions	14,292	9,675
Promissory Note Proceeds		30,000
Investment Income	135	286
Debt Service	(4,222)	(2,581)
Net Non-Operating Receipts (Disbursements)	67,091	87,907
Excess (Deficiency) of Receipts Over (Under) Disbursements	3,094	(9,299)
Cash Balance, Beginning of Year	33,656	42,955
<b>Cash Balance, End of Year</b>	<b>\$36,750</b>	<b>\$33,656</b>

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

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**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2007 AND 2006**

**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 Bellville Independent Agricultural Society, Richland County, Ohio, (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 1815 to operate an annual agricultural fair. The Society sponsors the week-long Bellville Agricultural Society Street and Junior Fair and Homecoming during September. Richland County nor entities of Richland County are financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 16 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Richland County and pay an annual membership fee to the Society.

**Reporting Entity**

The reporting entity includes all activity occurring on the streets of the Village of Bellville. This includes the annual Street and Junior Fair and Homecoming; Junior Fair Board activities; and Junior Livestock Sale Committee activities. The reporting entity does not include any other activities or entities of Richland County, Ohio. 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. Cash**

The Society had no investments at November 30, 2007 and 2006.

**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 Donations/Contributions**

Restricted donations/contributions include amounts that donors restrict for specific uses.

**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2007 AND 2006  
(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.

**2. CASH**

The carrying amount of cash at November 30, 2007 and 2006 follows:

	2007	2006
Demand deposits	\$36,750	\$33,656

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

**3. DEBT**

Debt outstanding at November 30, 2007 was as follows:

	Principal	Interest Rate
Promissory Note for Building	\$26,705	7.00%

On May 4, 2006, the Society purchased a building for \$45,000. The building is financed by a \$30,000 seller financed promissory note for 10 years at 7% interest and payable in semi-annual installments of \$2,111.

Amortization of the above debt is scheduled as follows:

Year ending November 30:	Building Note	Interest	Total
2008	\$2,394	\$1,828	\$4,222
2009	2,564	1,658	4,222
2010	2,747	1,475	4,222
2011	2,943	1,279	4,222
2012	3,152	1,070	4,222
2013-2017	12,905	1,869	14,774
Total	\$26,705	\$9,179	\$35,884

**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2007 AND 2006  
(Continued)**

**4. RISK MANAGEMENT**

A private company provides general liability and vehicle insurance, with limits of \$5,000,000 and \$1,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000. The Society's general manager is bonded with coverage of \$10,000.

The Society provides workers' compensation coverage on all employees through the State of Ohio workers' compensation fund. Coverage is currently in effect through December 31, 2007.

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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*

Bellville Independent Agricultural Society  
Richland County  
131 Main Street  
Bellville, Ohio 44813

To the Board of Directors:

We have audited the financial statements of the Bellville Independent Agricultural Society, Richland County, Ohio, (the Society) as of and for the years ended November 30, 2007 and 2006, and have issued our report thereon dated April 4, 2008, 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 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Society's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Society's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Society's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters we reported to the Society's management in a separate letter dated April 4, 2008.

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

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

April 4, 2008





**Mary Taylor, CPA**  
Auditor of State

**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY**

**RICHLAND 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  
MAY 27, 2008**