



Mary Taylor, CPA  
Auditor of State



**GALLIA COUNTY AGRICULTURAL SOCIETY  
GALLIA COUNTY**

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Mary Taylor, CPA  
Auditor of State

Gallia County Agricultural Society  
Gallia County  
P.O. Box 931  
Gallipolis, Ohio 45631

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 statement presents are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

June 4, 2009

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Gallia County Agricultural Society  
Gallia County  
P.O. Box 931  
Gallipolis, Ohio 45631

To the Board of Directors:

We have audited the accompanying financial statement of Gallia County Agricultural Society, Gallia County, Ohio (the Society), as of and for the years ended November 30, 2008 and 2007. This financial statement is the responsibility of the Society's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Society has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require societies to reformat their statements. The Society has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended November 30, 2008 and 2007 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Gallia County Agricultural Society, Gallia County, 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 June 4, 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.

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**Mary Taylor, CPA**  
Auditor of State

June 4, 2009



**GALLIA COUNTY AGRICULTURAL SOCIETY  
GALLIA COUNTY**

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

	<b>2008</b>	<b>2007</b>
<b>Operating Receipts:</b>		
Admissions	\$240,276	\$212,002
Privilege Fees	40,946	39,977
Rentals	174,392	187,391
Sustaining and Entry Fees	9,486	7,650
Parimutuel Wagering Commission		
Other Operating Receipts	5,159	12,795
 Total Operating Receipts	 470,259	 459,815
<b>Operating Disbursements:</b>		
Wages and Benefits	70,392	61,143.0
Utilities	72,732	72,520.0
Professional Services	124,933	122,848.00
Equipment and Grounds Maintenance	126,759	116,054.0
Senior Fair	10,520	9,025.0
Junior Fair	47,893	54,977.0
Capital Outlay	29,840	9,108
Other Operating Disbursements	52,226	58,534
 Total Operating Disbursements	 535,295	 504,209
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 (65,036)	 (44,394)
<b>Non-Operating Receipts (Disbursements):</b>		
State Support	7,300	6,348
County Support		
Debt Proceeds		
Donations/Contributions	58,927	57,965
Investment Income	11,941	12,037
 Net Non-Operating Receipts (Disbursements)	 78,168	 76,350
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 13,132	 31,956
 Cash Balance, Beginning of Year	 396,144	 364,188
 <b>Cash Balance, End of Year</b>	 <b>\$409,276</b>	 <b>\$396,144</b>

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

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**GALLIA COUNTY AGRICULTURAL SOCIETY  
GALLIA 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 Gallia County Agricultural Society, Gallia 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 1950 to operate an annual agricultural fair. The Society sponsors the week-long Gallia County Fair during July/August. Gallia County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 15 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Gallia 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. Other year round activities at the fairgrounds including facility rental, track and stall rental, and community events including trade shows. The reporting entity does not include any other activities or entities of Gallia County, Ohio.

Notes 5 and 6, 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**

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

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

**C. 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.

The Society invests in certificates of deposit.

**D. Property, Plant, and Equipment**

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

**GALLIA COUNTY AGRICULTURAL SOCIETY  
GALLIA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Income Tax Status**

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509 (a). Contributions to the Society are deductible per Section 170(b)(1)(A)(v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

**2. DEPOSITS AND INVESTMENTS**

The Society maintains a deposit and investment pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at November 30, 2008 and 2007 was as follows:

	<u>2008</u>	<u>2007</u>
Demand deposits	\$290,022	\$290,360
Certificates of deposit	119,254	105,784
Total deposits and investments	<u>\$409,276</u>	<u>\$396,144</u>

**Deposits:** The Federal Deposit Insurance Company insures up to \$100,000 of the Society's bank balance; the remainder was uninsured and uncollateralized.

**3. RISK MANAGEMENT**

The Gallia County Commissioners provide general insurance coverage for all the buildings on the Gallia County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance, with limits of \$2,000,000 and \$500,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability 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 August 2008.

**4. RELATED PARTY TRANSACTIONS**

Brent Eastman, a Board member is part owner of a Eastman's Foodland Grocery Store from which the Society made various minor purchases throughout 2007 and 2008.

**5. JUNIOR FAIR BOARD**

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Gallia County Fair. The accompanying financial statement includes activity of the Junior Fair Youth Board. All Youth Board activity is accounted for and tightly commingled with the society's activity.

**GALLIA COUNTY AGRICULTURAL SOCIETY  
GALLIA COUNTY**

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

**6. 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 Gallia County's auction. There is no financial activity for the Junior Livestock Sale Committee. The buyer of the livestock pays the money directly to the child. There is no money paid to the Junior Livestock Sale Committee.

**7. SOCIAL SECURITY BENEFIT PLAN**

All employees contribute to social security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2008 and 2007, employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries through November 30, 2008.

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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*

Gallia County Agricultural Society  
Gallia County  
P.O. Box 931  
Gallipolis, Ohio 45631

To the Board of Directors:

We have audited the financial statement of the Gallia County Agricultural Society, Gallia County, Ohio (the Society), as of and for the years ended November 30, 2008 and 2007, and have issued our report thereon dated June 4, 2009, 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 statement, 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 that we reported to the Society's management in a separate letter dated June 4, 2009.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Society's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Society's management in a separate letter dated June 4, 2009.

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

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

**Mary Taylor, CPA**  
Auditor of State

June 4, 2009





**Mary Taylor, CPA**  
Auditor of State

**GALLIA COUNTY AGRICULTURAL SOCIETY**

**GALLIA 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 23, 2009**