



**Auditor of State
Betty Montgomery**

**GALLIA COUNTY AGRICULTURAL SOCIETY
GALLIA COUNTY**

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**Auditor of State
Betty Montgomery**

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 the Gallia County Agricultural Society, Gallia County, Ohio (the Society), as of and for the year ended November 30, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Society prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, 2002, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Gallia County Agricultural Society
Gallia County
Independent Accountants' Report
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This report is intended solely for the information and use of management, the Board of Directors and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 4, 2003

**GALLIA COUNTY AGRICULTURAL SOCIETY
GALLIA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2002**

	2002
Operating Receipts:	
Admissions	\$224,621
Privilege Fees	44,048
Rentals	141,921
Other Operating Receipts	20,211
Total Operating Receipts	430,801
Operating Disbursements:	
Wages and Benefits	82,068
Utilities	43,931
Professional Services	119,513
Equipment and Grounds Maintenance	85,528
Senior Fair	13,335
Junior Fair	38,007
Capital Outlay	296,348
Other Operating Disbursements	69,792
Total Operating Disbursements	748,522
Deficiency of Operating Receipts Under Operating Disbursements	(317,721)
Non-Operating Receipts (Disbursements):	
State Support	8,139
Federal Support	227,323
Donations/Contributions	35,792
Investment Income	8,516
Net Non-Operating Receipts (Disbursements)	279,770
Deficiency of Receipts Under Disbursements	(37,951)
Cash Balance, Beginning of Year	438,699
Cash Balance, End of Year	\$400,748

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**GALLIA COUNTY AGRICULTURAL SOCIETY
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Gallia County Agricultural Society, Gallia County (the Society), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1950 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Gallia County Fair during July. Gallia County is not financially accountable for the Society. The responsibility for management of the affairs of the Society is vested in the Board of Directors. The Board is made up of 15 directors serving staggered three-year terms, elected from the membership of the Society. 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 include facility rental and community events including trade shows. The reporting entity does not include any other activities or entities of Gallia County, Ohio.

The financial activity of the Junior Fair Board is included in the Society's books. The financial activity of the Junior Fair Youthboard and the Junior Livestock Sale Committee is summarized in Note 5 and Note 6, respectively.

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 basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

D. Income Tax Status

The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(v1). Management is not aware of any actions or events that would jeopardize the Society's tax status.

**GALLIA COUNTY AGRICULTURAL SOCIETY
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2002
(Continued)**

2. CASH

The carrying amount of cash at November 30, 2002 follows:

	<u>2002</u>
Demand deposits	\$380,606
Certificates of deposit	<u>20,142</u>
Total deposits	<u><u>\$400,748</u></u>

Deposits: \$100,000 of the demand deposits and certificate of deposit were covered by Federal Deposit Insurance Corporation (FDIC). The remainder of the deposits was uninsured and uncollateralized.

3. RETIREMENT SYSTEM

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2002, 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, 2002.

4. 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. General liability and vehicle coverage is provided by the Nationwide Mutual Fire Insurance Company, with limits of \$1,000,000. The Society also has an employee dishonesty policy with The Wiseman Insurance Agency 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 2002.

5. JUNIOR FAIR YOUTHBOARD

The Junior Fair Youthboard, which is comprised of 4-H, FFA, FCCLA, Boy Scouts, and Girl Scouts, is responsible for the Junior Fair Division activities of the Gallia County Fair. The accompanying financial statement includes activity of the Junior Fair Youthboard. All Junior Fair Youthboard activity is accounted for and tightly commingled with the Society's activity.

6. JUNIOR LIVESTOCK SALE COMMITTEE

The Junior Livestock Sale 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 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.

**GALLIA COUNTY AGRICULTURAL SOCIETY
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2002
(Continued)**

7. CONTRACTUAL COMMITMENT

The Society has entered into a contract for the digging of water and sewer lines to the Society's campground. The outstanding contractual commitment at November 30, 2002 was \$108,340 to Grace Myers Excavating, Inc.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
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 accompanying financial statement of the Gallia County Agricultural Society, Gallia County, Ohio (the Society), as of and for the year ended November 30, 2002, and have issued our report thereon dated April 4, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Society's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Society in a separate letter dated April 4, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Society in a separate letter dated April 4, 2003.

Gallia County Agricultural Society
Gallia County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 4, 2003



**Auditor of State
Betty Montgomery**

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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
MAY 29, 2003**