



Mary Taylor, CPA  
Auditor of State



**AGRICULTURAL SOCIETY  
MEIGS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
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> .....	11
Schedule of Prior Audit Findings.....	13

**This page intentionally left blank.**



Mary Taylor, CPA  
Auditor of State

Agricultural Society  
Meigs County  
42455 Woods Road  
Coolville, Ohio 45723

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 statement 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 statement 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

September 17, 2009

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Agricultural Society  
Meigs County  
42455 Woods Road  
Coolville, Ohio 45723

To the Board of Directors:

We have audited the accompanying financial statement of the Agricultural Society, Meigs 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 statement. 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 the 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.

GAAP require presenting entity wide statements. 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 agricultural 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 Agricultural Society, Meigs 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 statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 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

September 17, 2009



**AGRICULTURAL SOCIETY  
MEIGS COUNTY**

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

	<b>2008</b>	<b>2007</b>
<b>Operating Receipts:</b>		
Admissions	\$ 149,510	\$ 132,656
Privilege Fees	18,085	21,515
Rentals	33,870	27,771
Sustaining and Entry Fees	13,570	14,825
Other Operating Receipts	11,455	9,938
 Total Operating Receipts	 226,490	 206,705
<b>Operating Disbursements:</b>		
Wages and Benefits	10,890	10,000
Utilities	13,654	14,218
Professional Services	62,779	68,675
Equipment and Grounds Maintenance	23,552	28,576
Racing Expenses	36,008	41,423
Rent/Lease Expenses	9,530	9,616
Senior Fair	5,449	5,346
Contest Expenses	18,976	16,540
Junior Fair	13,050	11,769
Capital Outlay	16,688	10,895
Other Fair Expenses	0	1,688
Other Operating Disbursements	12,107	7,301
 Total Operating Disbursements	 222,683	 226,047
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 3,807	 (19,342)
<b>Non-Operating Receipts (Disbursements):</b>		
State Support	26,148	29,044
County Support	7,000	7,000
Donations/Contributions	14,758	17,735
Investment Income	1,928	191
Unrestricted Support	1,884	8,138
 Net Non-Operating Receipts (Disbursements)	 51,718	 62,108
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 55,525	 42,766
 Cash Balance, Beginning of Year (Restated - See Note 2)	 73,295	 30,529
 <b>Cash Balance, End of Year</b>	 <b>\$ 128,820</b>	 <b>\$ 73,295</b>

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

**This page intentionally left blank.**

**AGRICULTURAL SOCIETY  
MEIGS 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 Agricultural Society, Meigs 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 Meigs County Fair during September. During the fair, harness races are held. Meigs County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of sixteen directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Meigs 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 and harness racing during fair week. Other year round activities at the fairgrounds include facility rental, track and stall rental and other community fundraisers. The reporting entity does not include any other activities or entities of Meigs County, Ohio.

Notes 6 and 7, 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**

This 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. Property, Plant, and Equipment**

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

**D. Restricted Support**

Restricted support includes amounts that donors restrict for specific uses.

**AGRICULTURAL SOCIETY  
MEIGS 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.

**F. Race Purse**

Harness stake races are held during the Meigs 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 The Southern Valley Colt Circuit 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 4 for additional information.

**2. RESTATEMENT OF FUND BALANCES**

For the year ended November 30, 2006, adjustments resulted in fund balance restatements as follows:

Fund	Fund Balance at November 30, 2006	Restatement Amount	Fund Balance at December 1, 2006
General	\$ 28,929	\$ 1,600	\$ 30,529

This restatement was made to eliminate the Livestock Account activity from the books.

**3. DEPOSITS**

The carrying amount of deposits at November 30, 2008 and 2007 was as follows:

	2008	2007
Demand deposits	\$128,820	\$73,295

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

**AGRICULTURAL SOCIETY  
MEIGS COUNTY**

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

**4. HORSE RACING**

State Support Portion of Purse

The financial statement reports 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.

**5. RISK MANAGEMENT**

The Meigs County Commissioners provide general insurance coverage for all the buildings on the Meigs County Fairgrounds pursuant to Ohio Revised Code Section 1711. 24. A private company provides general liability and vehicle insurance, with limits of \$5,000,000 and \$1,000,000 aggregate. The Society also has bonds for the Secretary and Treasurer in the amount of \$100,000 and \$10,000, respectively.

**6. 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 Meigs County Fair. The Society disbursed \$13,050 for 2008 and \$11,769 for 2007 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Meigs County paid the Society \$500 in 2008 and \$500 in 2007 to support Junior Club work. The Junior Fair Board accounts for its activities separately. This accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the year ended November 30, 2008 and 2007 follows:

	<u>2008</u>	<u>2007</u>
Beginning Cash Balance	\$11,428	\$9,205
Receipts	4,173	3,420
Disbursements	<u>(2,689)</u>	<u>(1,197)</u>
Ending Cash Balance	<u><u>\$12,912</u></u>	<u><u>\$11,428</u></u>

**AGRICULTURAL SOCIETY  
MEIGS COUNTY**

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

**7. 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 Meigs County Fair auction. A stall charge is assessed to each exhibitor in lieu of sales commission in order to cover auction and/or junior fair expenses. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30 follows:

	<u>2008</u>	<u>2007</u>
Beginning Cash Balance	\$4,999	\$2,971
Receipts	79,539	72,884
Disbursements	<u>(75,237)</u>	<u>(70,856)</u>
Ending Cash Balance	<u>\$9,301</u>	<u>\$4,999</u>



# 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*

Agricultural Society  
Meigs County  
42455 Woods Road  
Coolville, Ohio 45723

To the Board of Directors:

We have audited the financial statement of the Agricultural Society, Meigs County, Ohio (the Society), as of and for the years ended November 30, 2008 and 2007, and have issued our report thereon dated September 17, 2009, wherein we noted the Society prepared its financial statement using accounting practices the Auditor of State prescribes or permits 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 the 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 September 17, 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 that 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 September 17, 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

September 17, 2009



**AGRICULTURAL SOCIETY  
MEIGS 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; <b><i>Explain</i></b>
2006-001	Reportable Condition for lack of sufficient records to support 2005 financial activity of the Junior Fair Livestock Committee	Yes	





**Mary Taylor, CPA**  
Auditor of State

**AGRICULTURE SOCIETY**

**MEIGS 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  
OCTOBER 8, 2009**