



**Auditor of State  
Betty Montgomery**



**BARLOW INDEPENDENT AGRICULTURAL SOCIETY  
WASHINGTON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Barlow Independent Agricultural Society  
Washington County  
1170 Watertown Road  
Waterford, Ohio 45786

To the Board of Directors:

We have audited the accompanying financial statement of the Barlow Independent Agricultural Society, Washington County, Ohio (the Society), as of and for the years ended November 30, 2004 and 2003. 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 statement 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 Barlow Independent Agricultural Society, Washington County, Ohio as of November 30, 2004 and 2003, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2005, 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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.

Barlow Independent Agricultural Society  
Washington County  
Independent Accountants' Report  
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This report is intended solely for the information and use of the management, the Board of Directors and other officials authorized to receive this report under Section 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

February 7, 2005

**BARLOW INDEPENDENT AGRICULTURAL SOCIETY  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

	<b>2004</b>	<b>2003</b>
<b>Operating Receipts:</b>		
Admissions	\$ 21,695	\$ 15,189
Privilege Fees	6,289	5,076
Rentals	9,065	8,565
Sustaining and Entry Fees	6,446	5,928
 Total Operating Receipts	 43,495	 34,758
<b>Operating Disbursements:</b>		
Supplies and Administrative	9,458	8,784
Utilities	3,686	3,346
Professional Services	11,250	10,896
Equipment and Grounds Maintenance	17,263	20,166
Senior Fair	4,734	3,954
Contest	1,692	780
Junior Fair	6,440	6,444
Capital Outlay		1,036
Other Operating Disbursements	131	1,150
 Total Operating Disbursements	 54,654	 56,556
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 (11,159)	 (21,798)
<b>Non-Operating Receipts (Disbursements):</b>		
State Support	7,134	7,392
County Support	6,600	1,000
Miscellaneous	14,014	13,849
Investment Income	392	303
Debt Service	(4,255)	(4,381)
 Net Non-Operating Receipts (Disbursements)	 23,885	 18,163
Excess (Deficiency) of Receipts Over (Under) Disbursements	12,726	(3,635)
Cash Balance, Beginning of Year	26,154	29,789
<b>Cash Balance, End of Year</b>	<b>\$ 38,880</b>	<b>\$ 26,154</b>

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

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**BARLOW INDEPENDENT AGRICULTURAL SOCIETY  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Barlow Independent Agricultural Society, Washington 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 an independent agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1971 to direct the operation of an annual agricultural fair. The Society sponsors a three day Barlow Mechanical Association Fair during September. Washington 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 thirteen directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Washington County and pay an annual membership fee to the Society.

**Reporting Entity**

The reporting entity includes all activity occurring on the fairgrounds. In addition to the fair, other year round activities at the fairgrounds include facility rental and community events. The reporting entity does not include any other activities or entities of Washington County, Ohio.

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. Cash**

All cash assets of the Society are maintained in interest bearing checking and savings accounts.

**D. 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.

**E. 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.

**BARLOW INDEPENDENT AGRICULTURAL SOCIETY  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2004 AND 2003  
(Continued)**

**2. CASH**

The carrying amount of cash at November 30 was as follows:

	2004	2003
Demand deposits	\$ 38,880	\$ 26,154

**Deposits:** The bank balance was covered by the Federal Deposit Insurance Corporation (FDIC).

**3. DEBT**

Debt outstanding at November 30, 2004, was as follows:

	Principal	Interest Rate
Loan	\$ 16,424	4.76%

On May 21, 2002 the Society obtained a loan from Peoples Bank for improvements to the fair grounds. The bank approved up to \$30,000 in a loan to the Society with an interest rate of 6.75%, with a maturity date of May 21, 2007. The loan was based on a draw down line of credit. The total amount of the draw down was \$22,021 as of November, 2004. The collateral for this loan is real property of the Barlow Agriculture and Mechanical Association, Inc.

Amortization of the above debt is scheduled as follows:

Year Ending November 30	Loan
2004	\$ 6,930
2005	6,930
2006	6,930
2007	3,465
Total	\$ 24,255

**4. RISK MANAGEMENT**

The Society provides general insurance coverage for all the buildings on the Society's fairgrounds pursuant to Ohio Revised Code Section 1711.24. General liability and vehicle coverage is provided by an insurance company. The Society's Treasurer is bonded with coverage of \$10,000.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Barlow Independent Agricultural Society  
Washington County  
1170 Watertown Road  
Waterford, Ohio 45786

To the Board of Directors:

We have audited the financial statement of the Barlow Independent Agricultural Society, Washington County, Ohio (the Society), as of and for the years ended November 30, 2004 and 2003, and have issued our report thereon dated February 7, 2005. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Society's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statement and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statement we audited may occur and not be timely detected by employees when 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. In a separate letter to the Society's management dated February 7, 2005, we reported other matters involving internal control over financial reporting.

**Compliance and Other Matters**

As part of reasonably assuring 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 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. In a separate letter to the Society's management dated February 7, 2005, we reported another matter related to compliance we deemed immaterial.

Barlow Independent Agricultural Society  
Washington County  
Independent Accountants' Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Required by *Government Auditing Standards*  
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We intend this report solely for the information and use of the management and the Board of Directors. It is not intended for 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

February 7, 2005



**Auditor of State  
Betty Montgomery**

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**BARLOW INDEPENDENT AGRICULTURAL SOCIETY**

**WASHINGTON 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 5, 2005**