



**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED NOVEMBER 30, 2005 - 2004**



**Auditor of State
Betty Montgomery**

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter.....	1
Independent Accountants' Report.....	3
Statement of Receipts, Disbursements, and Change in Cash Balance - For the Years Ended November 30, 2005 and 2004.....	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 Findings.....	13
Schedule of Prior Audit Findings.....	14

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

Albany Independent Agricultural Society
Athens County
3940 Factory Road
Albany, Ohio 45710

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 a February 2, 2005 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 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.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

April 25, 2006

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Albany Independent Agricultural Society
Athens County
3940 Factory Road
Albany, Ohio 45710

To the Board of Directors:

We have audited the accompanying financial statement of Albany Independent Agricultural Society, Athens County, Ohio (the Society), as of and for the years ended November 30, 2005 and 2004. 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.

Revisions to GAAP would require the Society to reformat its financial statement presentation and make other changes effective for the years ended November 30, 2005 and 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Society has elected not to reformat its statements. Since the Society does not use GAAP to measure financial statement amounts, 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, 2005 and 2004 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 2005 and 2004 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 Albany Independent Agricultural Society, Athens County, as of November 30, 2005 and 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Society to include Management's Discussion and Analysis for the years ended November 30, 2005 and 2004. 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 25, 2006, 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 25, 2006

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2005 AND NOVEMBER 30, 2004**

	2005	2004
Operating Receipts:		
Admissions	\$23,638	\$18,011
Privilege Fees	1,460	2,190
Contest Fees	11,358	8,720
Sales by Fairboard	4,231	2,931
Other Operating Receipts	61	55
Total Operating Receipts	40,748	31,907
Operating Disbursements:		
Wages and Benefits	305	20
Administrative Expenses	87	761
Supplies	4,296	4,480
Utilities	700	649
Professional Services	21,278	24,246
Equipment and Grounds Maintenance	5,027	3,244
Senior Fair	13,192	9,404
Junior Fair	7,793	6,725
Capital Outlay	0	26,126
Other Operating Disbursements	600	426
Total Operating Disbursements	53,278	76,081
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(12,530)	(44,174)
Non-Operating Receipts (Disbursements):		
State Support	6,740	7,134
County Support	3,687	3,687
Sponsorships / Promotions	7,253	7,784
Donations/Contributions	325	369
Net Non-Operating Receipts (Disbursements)	18,005	18,974
Excess (Deficiency) of Receipts Over (Under) Disbursements	5,475	(25,200)
Cash Balance, Beginning of Year	22,686	47,886
Cash Balance, End of Year	\$28,161	\$22,686

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

This page intentionally left blank.

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2005 and 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Albany Independent Agricultural Society, Athens 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 1967 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Albany Independent Fair during September. Athens 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 an appointed secretary and 15 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Alexander Local School District, Athens 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, demolition derby contests, facility rental, and community events. The reporting entity does not include any other activities or entities of Athens County, Ohio.

The financial activity of the Junior Fair Board' is summarized in Note 5.

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

This statement includes adequate disclosure of material matters, as the Auditor of State prescribe or permit.

C. Cash and Investments

All cash assets of the Society are maintained in a non-interest bearing checking account.

D. Budgetary Process

The Board of Directors annually prepares an operating budget which includes estimated disbursements only. Receipts are not budgeted. The Board reviews the budget throughout the year and compares it with actual results.

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant, and Equipment

The Society's accounting basis records acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The accompanying financial statement does not include these items as assets.

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. BUDGETARY ACTIVITY

For the year ended November 30, 2005 the Society had budgeted disbursements of \$51,916 and actual disbursements of \$53,278, resulting in a variance of (\$1,362).

For the year ended November 30, 2004 the Society had budgeted disbursements of \$54,770 and actual disbursements of \$76,081, resulting in a variance of (\$21,311).

3. CASH AND INVESTMENTS

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

	<u>2005</u>	<u>2004</u>
Demand deposits	<u>\$28,161</u>	<u>\$22,686</u>

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

4. RISK MANAGEMENT

General liability, property, and vehicle coverage is provided by The Ohio Fair Participating Plan. General liability has limits of \$1,000,000 and \$5,000,000 aggregate. Property has a limit of \$500,000, and vehicle has a limit of \$1,000,000. This policy also includes crime coverage for employee dishonesty with limits of liability \$500,000. The Society's Treasurer is bonded with coverage of \$10,000.

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2005 AND 2004
(Continued)**

5. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of students from Alexander Local School District, is responsible for the Junior Fair Division activities of the Albany Independent Fair. The Society did not make any disbursements directly to the Junior Fair Board, but disbursed \$7,793 in fiscal year 2005 and \$6,725 in fiscal year 2004 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statements as Junior Fair Disbursements. The Society was reimbursed \$500 by Athens County, and \$100 by Meigs County, in both fiscal years 2005 and 2004, for its support of Junior Club work.

The Junior Fair Board's financial activity for the years ended November 30, 2005 and 2004 follows:

	<u>2003</u>	<u>2002</u>
Beginning Cash Balance	\$381	\$662
Receipts	392	249
Disbursements	<u>(365)</u>	<u>(530)</u>
Ending Cash Balance	<u>\$408</u>	<u>\$381</u>

This page intentionally left blank.



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*

Albany Independent Agricultural Society
Athens County
3940 Factory Road
Albany, Ohio 45710

To the Board of Directors:

We have audited the financial statement of the Albany Independent Agricultural Society, Athens County, Ohio (the Society), as of and for the years ended November 30, 2005 and 2004, and have issued our report thereon dated April 25, 2006, wherein we noted the Society follows 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 to determine our auditing procedures in order 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 statements 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 material weaknesses. In a separate letter to the Society's management dated April 25, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 an instance of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2005-001.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

We intend this report solely for the information and use of the audit committee, 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

April 25, 2006

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2005 AND 2004**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2005-001

Finding for Recovery

The Society's minute record dated October 20, 2004, stated in part that gate admission ticket price would remain at \$5.00 per person. On June 4, 2005, the Society held a demolition derby. The Society's February 16, 2005 minute record indicated the Albany Baptist Church would collect the gate receipts during the event for a flat fee of \$500.00 which the Society paid on June 19, 2005 though check #3815.

We recalculated the total number of tickets sold, based on beginning and ending ticket numbers for each gate as documented on the Society's ticket accountability form for the event. We multiplied that by the price per ticket and compared the recalculated amount to the recorded gate admission ticket receipts in the Treasurer's receipt ledger. Our results show total gate admission ticket receipts for the derby being less than the recalculated amount by \$160, as documented by the Society. The following table reflects our recalculation:

<u>Gate</u>	<u>Beginning Ticket Number</u>	<u>Ending Ticket Number</u>	<u>Number of Tickets Sold</u>
North	372992	373045	53
West	797505	797803	298
Track	541026	541413	<u>387</u>
	Total Gate Admission Tickets sold		738
		Price per Ticket	\$ <u>5</u>
		Recalculated Gate Admissions	\$3,690
		Gate Admissions Received	\$3,530
		Variance	<u>\$ 160</u>

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted is hereby issued against the Albany Baptist Church, Charlene King, Treasurer of the Albany Independent Agricultural Society, and American State Insurance Company, Ms. King's bonding company, jointly and severally, in the amount of \$160.00 and in favor of the Albany Independent Agricultural Society General Fund.

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2003-001	The Society did not maintain ticket accountability forms for gate admissions.	Yes	



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

ALBANY INDEPENDENT AGRICULTURAL SOCIETY

ATHENS 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 13, 2006**