



Mary Taylor, CPA
Auditor of State

ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY

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Mary Taylor, CPA
Auditor of State

Albany Independent Agricultural Society
Athens County
P.O. Box 193
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 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 statement 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

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April 17, 2008

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Albany Independent Agricultural Society
Athens County
P.O. Box 193
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, 2007 and 2006. 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 statement is 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 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 statement. 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.

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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, 2007 and 2006 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, 2007 and 2006, 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 Albany Independent Agricultural Society, Athens County, as of November 30, 2007 and 2006, 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 April 17, 2008, 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.



Mary Taylor, CPA
Auditor of State

April 17, 2008

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2007 AND 2006**

	2007	2006
Operating Receipts:		
Admissions	\$ 19,954	\$ 21,393
Privilege Fees	1,220	1,400
Sustaining and Entry Fees	9,047	6,631
Other Operating Receipts	4,785	3,604
Total Operating Receipts	35,006	33,028
Operating Disbursements:		
Wages and Benefits	100	20
Administrative Expenses	907	491
Supplies	305	2,443
Utilities	1,019	1,037
Professional Services	19,090	22,844
Equipment and Grounds Maintenance	9,330	9,462
Senior Fair	9,232	9,669
Junior Fair	7,585	7,137
Other Operating Disbursements	344	25
Total Operating Disbursements	47,912	53,128
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(12,906)	(20,100)
Non-Operating Receipts (Disbursements):		
State Support	6,348	5,651
County Support	3,900	4,487
Donations/Contributions: Restricted	12,387	9,793
Donations/Contributions: Unrestricted	80	53
Net Non-Operating Receipts (Disbursements)	22,715	19,984
Excess (Deficiency) of Receipts Over (Under) Disbursements	9,809	(116)
Cash Balance, Beginning of Year	28,045	28,161
Cash Balance, End of Year	\$ 37,854	\$ 28,045

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

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**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2007 AND 2006**

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 Albany Independent Agricultural Society, Athens County (the Society), as a body corporate and politic. The Society is an independent agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1967 to operate 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 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 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.

Note 4, summarizes the Junior Fair Board'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. Cash and Investments

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

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.

E. Restricted Support

Restricted support includes amounts that donors restrict for specific uses.

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. CASH AND INVESTMENTS

The carrying amount of cash and investments at November 30 follows:

	2007	2006
Demand deposits	\$ 37,854	\$ 28,045

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

3. 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.

4. 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 County Fair. The Society did not make any disbursements directly to the Junior Fair Board, but dispersed \$7,585 in fiscal year 2007 and \$7,137 in fiscal year 2006 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. The Society was reimbursed \$500 by Athens County, and \$500 by Meigs County, in both fiscal years 2007 and 2006, for it's of support Junior Club work.

This accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the year ended November 30, 2007 and 2006 follows:

	2007	2006
Beginning Cash Balance	\$ 655	\$ 408
Receipts	233	497
Disbursements	(200)	(250)
Ending Cash Balance	\$ 688	\$ 655



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*

Albany Independent Agricultural Society
Athens County
P.O. Box 193
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, 2007 and 2006, and have issued our report thereon dated April 17, 2008, 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.

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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 did note a certain matter that we reported for the Society's management letter in a separate letter dated April 17, 2008.

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 or other matters that we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2007-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated April 17, 2008.

The Society's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Society's response and, accordingly, we express no opinion on it.

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



Mary Taylor, CPA
Auditor of State

April 17, 2008

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Noncompliance Citation

Ohio Rev. Code Section 9.38 provides public money must be deposited by public official other than a state officer, employee or agent with the treasurer of the public office *or* to a designated depository on the business day following the day of receipt if the total amount exceeds \$1,000. Public money collected for other public offices must be deposited by the first business day of the week following the date of collection.

For example, an employee other than the fiscal officer collecting funds and issuing a receipt must deposit the funds with the fiscal officer on the business day following the day of receipt. As an alternative to depositing the funds with the fiscal officer, the employee instead may deposit funds with the designated depository on the business day following the day of receipt.

If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their employees who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period.

The Society had 45% of the transactions tested in 2007 that were not deposited by the next business day following the day of receipt. In 2006, the Society had 5% of the transactions tested that were not deposited by the next business day following the day of receipt. The receipts not deposited timely were for premium books ads, sponsorship, and tent space and ranged from 4 to 38 days of not being deposited timely. Failure to deposit all cash receipts in a timely manner could result in errors and/or irregularities to occur and remain undetected for an extended period of time.

We recommend the Society consider adopting a policy addressing timely deposit and that all deposits are made in a timely manner.

Official's Response:

The Treasurer plans to suggest to the Board of Directors that they adopt a policy in accordance with Ohio Revised Code Section 9.38 – Deposit of Public Moneys, at their next regularly scheduled meeting.

**ALBANY INDEPENDENT AGRICULTURAL SOCIETY
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Finding for Recovery: Total gate admission ticket receipts for demo derby were less than the recalculated amount by \$160.	No	The Society has determined that they will not seek recovery of this finding.



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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
MAY 22, 2008**