



**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED NOVEMBER 30, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Bellville Independent Agricultural Society  
Richland County  
131 Main Street  
Bellville, Ohio 44813

To the Board of Directors:

We have audited the accompanying financial statement of the Bellville Independent Agricultural Society, Richland County, Ohio, (the Society) as of and for the year ended November 30, 2001. 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 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 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 Society as of November 30, 2001, 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 May 21, 2002, 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.

Bellville Independent Agricultural Society  
Richland County  
Report of Independent Accountants  
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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, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end of the last name.

**Jim Petro**  
Auditor of State

May 21, 2002

**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED NOVEMBER 30, 2001**

	<b>2001</b>
<b>Operating Receipts:</b>	
Privilege Fees	\$30,596
Other Operating Receipts	4,158
Total Operating Receipts	34,754
<b>Operating Disbursements:</b>	
Wages and Benefits	3,545
Utilities	2,436
Professional Services	11,070
Equipment and Grounds Maintenance	18,372
Senior Fair	2,719
Junior Fair	27,879
Capital Outlay	1,063
Other Operating Disbursements	14,855
Total Operating Disbursements	81,939
(Deficiency) of Operating Receipts	
(Under) Operating Disbursements	(47,185)
<b>Non-Operating Receipts:</b>	
State Support	8,683
County Support	3,300
Restricted Donations/Contributions	23,944
Unrestricted Donations/Contributions	7,152
Investment Income	1,525
Net Non-Operating Receipts	44,604
(Deficiency) of Receipts (Under) Disbursements	(2,581)
Cash Balance, Beginning of Year	39,755
<b>Cash Balance, End of Year</b>	<b>\$37,174</b>

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

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**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Bellville Independent Agricultural Society, Richland County, Ohio, (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 1815 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Bellville Agricultural Society Street and Junior Fair and Homecoming during September. Richland 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 12 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Richland County and pay an annual membership fee to the Society.

**Reporting Entity**

The reporting entity includes all activity occurring on the streets of the Village of Bellville. This includes the annual Street and Junior Fair and Homecoming; Junior Fair Board activities; and Junior Livestock Sale Committee activities. The reporting entity does not include any other activities or entities of Richland 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 and Investments**

Investments are included in cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process**

The Board of Directors annually prepares an operating budget, including estimated disbursements. The Board approves the budget in its final form during the first six months of each fiscal year. The Board reviews the budget throughout the year and compares it with actual results.

**E. 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.

**F. Restricted Support**

Restricted support includes amounts that are required by the donor to be set aside for specific uses.

**G. 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.

**2. BUDGETARY ACTIVITY**

For the fiscal year ended November 30, 2001, the Society did not budget receipts. However, the Society's actual and budgeted disbursements approximated \$89,000.

**3. CASH AND INVESTMENTS**

The carrying amount of cash and investments at November 30, 2001 follows:

Demand deposits	\$6,904
MFS Mutual Funds	<u>30,270</u>
Total deposits and investments	<u>\$37,174</u>

**Deposits:** Deposits were covered by Federal Depository Insurance Corporation (FDIC).

**Investments:** The Society invested in MFS Mutual Funds during the year. The market value of the funds at year end were \$21,457 resulting in an unrealized loss of \$8,813.

**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2001  
(Continued)**

**4. RISK MANAGEMENT**

General liability and vehicle coverage is provided by Ohio Fair Participating Plan, with limits of \$1,000,000 and \$3,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000. The Society's general manager is bonded with coverage of \$10,000.

The Society provides workers compensation coverage on all Board members through the State of Ohio workers compensation fund. Coverage is currently in effect through January 2002.

**5. SUBSEQUENT EVENT**

On December 26, 2001, the Society redeemed all shares of the MFS Mutual Fund. The carrying amount of these shares was \$30,315 while the aggregate redemption totaled \$21,474; therefore, the Society realized a \$8,841 loss on the sale of the investment.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Bellville Independent Agricultural Society  
Richland County  
131 Main Street  
Bellville, Ohio 44813

To the Board of Directors:

We have audited the financial statement of the Bellville Independent Agricultural Society, Richland County, Ohio, (the Society) as of and for the year ended November 30, 2001, and have issued our report thereon dated May 21, 2002. 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 a certain immaterial instance of noncompliance that we have reported to management of the Society in a separate letter dated May 21, 2002.

**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 statement 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 misstatement in amounts that would be material in relation to the financial statement 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 May 21, 2002.

Bellville Independent Agricultural Society  
Richland County  
Report of Independent Accountants 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.

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**Jim Petro**  
Auditor of State

May 21, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**BELLVILLE INDEPENDENT AGRICULTURAL SOCIETY**

**RICHLAND 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 18, 2002**