



**Auditor of State  
Betty Montgomery**



**LOGAN COUNTY AGRICULTURAL SOCIETY  
LOGAN COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Logan County Agricultural Society  
Logan County  
301 East Lake Street  
Bellefontaine, Ohio 43311

To the Board of Directors:

We have audited the accompanying financial statement of the Logan County Agricultural Society (the "Society") as of and for the year ended November 30, 2002. 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 fund cash balances of the Society as of November 30, 2002, 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 22, 2003 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.

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 22, 2003

**LOGAN COUNTY AGRICULTURAL SOCIETY  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCES  
FOR THE YEAR ENDED NOVEMBER 30, 2002**

	<u>Operating</u>	<u>State and Local</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Admissions	\$182,664		182,664
Privilege Fees	34,297		34,297
Sales	1,367		1,367
Racing Fees and Charges	23,985		23,985
Fees	1,108		1,108
Rentals	29,114		29,114
State Support		38,627	38,627
Local Support		15,000	15,000
Restricted Support	249,649		249,649
Unrestricted Support	21,653		21,653
Investment Income	476		476
Other Receipts	614		614
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	544,927	53,627	598,554
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries and Wages	21,083		21,083
Benefits	3,852		3,852
Administrative	521		521
Racing Supplies	1,207		1,207
Supplies	1,344		1,344
Utilities	31,522		31,522
Racing	38,063	25,488	63,551
Professional Services	105,780		105,780
Property Services	21,651	5,498	27,149
Advertising	8,556		8,556
Repairs	3,758		3,758
Insurance	10,529		10,529
Rent and Lease	13,892		13,892
Capital Outlay	5,111	16,700	21,811
Senior Fair	9,784	800	10,584
Contest	175		175
Junior Fair	17,537	5,141	22,678
Other Fair	249,467		249,467
Miscellaneous	21,010		21,010
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	564,842	53,627	618,469
	<hr/>	<hr/>	<hr/>
Total Receipts (Under) Disbursements	(19,915)		(19,915)
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts:</b>			
Sales of Fixed Assets	2,789		2,789
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	(17,126)		(17,126)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 1	32,355		32,355
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, November 30</b>	<u>\$15,229</u>	<u>\$0</u>	<u>\$15,229</u>

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

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**LOGAN COUNTY AGRICULTURAL SOCIETY  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Logan County Agricultural Society (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 a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1849 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Logan County Fair during July. During the fair, harness races are held, culminating in the running of the Logan County Standard Bred races. Logan 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 27 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Logan 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 Junior Fair Board, Junior Livestock Sale Committee, annual fair, and harness racing during fair week. Other year round activities at the fairgrounds include facility rental, stall rental, and community events including homecomings and auctions. The reporting entity does not include any other activities or entities of Logan 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**

The Society kept all cash in demand deposits and held no investments.

**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. Restricted Support**

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

**LOGAN COUNTY AGRICULTURAL SOCIETY  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2002  
(Continued)**

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

**F. 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.

**G. Race Purse**

Standard bred stake races are conducted during the Logan 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 N.C.O.C. Association pay fees to the Society to qualify horses for entry into stake races. These payments must be made before a horse can participate in a stake race. These fees are reflected on the accompanying financial statement as Sustaining and Entry Fees.

**Ohio Fairs Fund**

The State of Ohio contributes money to the Society from the Ohio Fairs Fund to help supplement race purse. See Note 3 for additional information.

**H. Parimutuel Wagering**

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as determined by the parimutuel wagering system. The Society contracts with a totalizer service to collect bets and provide the parimutuel wagering system.

Parimutuel wagering commission (commission) is the Society's share of total parimutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Parimutuel Wagering Commission. See Note 3 for additional information.

**2. CASH AND INVESTMENTS**

The carrying amount of cash at November 30, 2002 follows:

	2002
Demand Deposits	\$15,229

**Deposits:** The bank balance was covered by up to \$100,000 of Federal Depository Insurance Corporation (FDIC).

**LOGAN COUNTY AGRICULTURAL SOCIETY  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2002  
(Continued)**

**3. HORSE RACING**

**A. State Support Portion of Purse**

Ohio Fairs Fund money received to supplement purse for the year ended November 30, 2002 was \$25,488 and is included within State Support on the accompanying financial statement.

**B. Parimutuel Wagering**

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompany financial statement, rather, it records the Parimutuel Wagering Commission (commission) which is the Society's share of total parimutuel wagers after paying winning bettors. The expenses of providing the parimutuel wagering system are called Tote Services, and these expenses are included in Professional Service Disbursements, State taxes, which are also paid from Parimutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society's net portion.

	2002
Total Amount Bet (Handle)	\$ 18,990
Less: Payoff to Bettors	15,169
Parimutuel Wagering Commission	3,821
Less Tote Service Set Up Fee	(600)
Less Tote Service Commission	(1,670)
Less State Tax	(458)
Society Portion	\$ 1,093

**4. RETIREMENT SYSTEM**

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2002, employees contributed 6.2% of their gross salaries. The Society contributed an amount equal to 6.2% of participant's gross salaries through November 30, 2002.

**5. RISK MANAGEMENT**

The Logan County Commissioners provide general insurance coverage for all the buildings on the Logan County Fairgrounds pursuant to Ohio Revised Code § 1711. 24. General liability coverage is provided by an Insurance Company with limits of \$6,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$1,000,000.

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

**LOGAN COUNTY AGRICULTURAL SOCIETY  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2002  
(Continued)**

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**Auditor of State  
Betty Montgomery**

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

Logan County Agricultural Society  
Logan County  
301 East Lake Avenue  
Bellefontiane, Ohio 43311

To the Board of Directors:

We have audited the financial statement of the Logan Agricultural Society (the "Society") as of and for the year ended November 30, 2002, and have issued our report thereon dated May 22, 2003. 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 certain immaterial instances of noncompliance that we have reported to management of the Society in a separate letter dated May 22, 2003.

**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 22, 2003.

Logan County Agricultural Society  
Logan County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended solely for the information and use of the audit committee, management and the Board of Directors, 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

May 22, 2003



**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

**LOGAN COUNTY AGRICULTURAL SOCIETY**

**LOGAN 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 17, 2003**