



**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
Route 1, Box 156
Waterford, Ohio 45786

To the Board of Directors:

We have audited the accompanying financial statement of Barlow Independent Agricultural Society, Washington County, Ohio (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 cash balance of the Barlow Independent Agricultural Society, Washington County, 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 February 27, 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.

Barlow Independent Agricultural Society
Washington County
Independent Accountants' Report
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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.

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Betty Montgomery
Auditor of State

February 27, 2003

**BARLOW INDEPENDENT AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

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

	2002
Operating Receipts:	
Admissions	\$19,631
Privilege Fees	5,994
Rentals	5,831
Fees	6,682
Total Operating Receipts	38,138
Operating Disbursements:	
Benefits	26
Utilities	3,235
Professional Services	9,790
Equipment and Grounds Maintenance	11,340
Senior Fair	7,756
Junior Fair	5,918
Capital Outlay	26,512
Other Operating Disbursements	17,156
Total Operating Disbursements	81,733
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(43,595)
Non-Operating Receipts (Disbursements):	
State Support	7,781
County Support	8,300
Debt Proceeds	22,000
Donations/Contributions	13,365
Investment Income	1,001
Debt Service	(10,678)
Net Non-Operating Receipts (Disbursements)	41,769
Excess (Deficiency) of Receipts Over (Under) Disbursements	(1,826)
Cash Balance, Beginning of Year	31,615
Cash Balance, End of Year	\$29,789

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, 2002**

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 a independent agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1871 to direct the operation of an annual agricultural fair. The Society sponsors a three day Barlow Agriculture and 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. 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.

D. 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. CASH

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

	2002
Demand deposits	<u>\$29,789</u>

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

**BARLOW INDEPENDENT AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

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

3. DEBT

Debt outstanding at November 30, 2002 was as follows:

	Principal	Interest Rate
General Obligation Note	\$30,000	6.75%
Total	\$30,000	

On May 21, 2002 the Society obtained Loan # 1426087 from Peoples Bank, National Association Marietta Office 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 \$22,000 as of November 2002. The collateral for this loan is real property of the Barlow Agriculture & Mechanical Association, Inc.

Amortization of the above debt, including interest of \$5,430, is scheduled as follows:

Year ending November 30:	G.O. Note
2003	\$7,086
2004	7,086
2005	7,086
2006	7,086
2007	7,086
Total	\$35,430

4. RISK MANAGEMENT

The Barlow Independent Agriculture Society provides general insurance coverage for all the buildings on the Society's Fairgrounds pursuant to Ohio Revised Code § 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 COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Barlow Independent Agricultural Society
Washington County
Route 1, Box 156
Waterford, Ohio 45786

To the Board of Directors:

We have audited the financial statement of Barlow Independent Agricultural Society, Washington County, Ohio (the Society) ,as of and for the year ended November 30, 2002, and have issued our report thereon dated February 27, 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*.

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 February 27, 2003.

Barlow Independent Agricultural Society
Washington 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 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

February 27, 2003



**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 8, 2003**