



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Vinton County Agricultural Society
Vinton County
P.O. Box 241
McArthur, Ohio 45651

To the Board of Directors:

We have audited the accompanying financial statement of the Vinton County Agricultural Society, Vinton 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 Vinton County Agricultural Society, Vinton County, 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 24, 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.

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 Section 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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Jim Petro
Auditor of State

May 24, 2002

**VINTON COUNTY AGRICULTURAL SOCIETY
ATHENS COUNTY**

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

Operating Receipts:

Admissions	\$ 51,722
Privilege Fees	5,900
Rentals	7,150
Sustaining and Entry Fees	5,877
Other Operating Receipts	109,156
Total Operating Receipts	179,805

Operating Disbursements:

Wages and Benefits	1,025
Utilities	10,734
Professional Services	40,736
Equipment and Grounds Maintenance	12,396
Junior Fair	128,608
Capital Outlay	913
Other Operating Disbursements	62
Total Operating Disbursements	194,474

Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(14,669)
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Non-Operating Receipts (Disbursements):

State Support	8,683
County Support	2,500
Debt Proceeds	7,415
Donations/Contributions - Restricted	3,590
Donations/Contributions - Unrestricted	2,115
Investment Income	128
Debt Service	(14,915)
Net Non-Operating Receipts (Disbursements)	9,516

Excess (Deficiency) of Receipts Over (Under) Disbursements	(5,153)
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Cash Balance, Beginning of Year	10,637
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Cash Balance, End of Year	\$ 5,484
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The notes to the financial statement are an integral part of this statement.

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**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Vinton County Agricultural Society, Vinton 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 county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1971 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Vinton County Junior Fair during July. Vinton 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 appointed treasurer, and fifteen directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Vinton 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 and other year-round activities at the fairgrounds including facility rental and community events such as demolition derbies, motorcycle races, speed pit events, and motocross races. The reporting entity does not include any other activities or entities of Vinton County, Ohio.

The Vinton County Junior Fair does not have a separate Junior Fair Board with separate financial activity to summarize. The financial activity of the Junior Livestock Sale Committee is included on the financial statement and 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 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.

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.

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Restricted Support

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

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.

2. CASH AND INVESTMENTS

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

Demand deposits	<u>\$ 5,484</u>
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Deposits: The bank balance was covered by Federal Deposit Insurance Corporation (FDIC).

3. DEBT

Debt outstanding at November 30, 2001, was as follows:

	Principal	Interest Rate
Promissory Note	<u>\$ 5,080</u>	6.00%

The promissory note bears an interest rate of 6.00% and is due to The Milton Banking Company. The original note was entered into on April 27, 1999, at a principal amount of \$20,000, and the proceeds were used to build a campground at the fairgrounds. The note has been renewed annually since that time. The Society renewed the note on June 5, 2001, at a principal amount of \$7,415. The balance of the promissory note is payable in monthly installments of \$500, with the final payment of the entire unpaid balance due on June 5, 2002. The debt is backed by the full faith and credit of the Society.

Amortization of the above debt is scheduled as follows:

Year ending November 30:	Promissory Note
2002	<u>\$ 5,232</u>

VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY

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

4. RISK MANAGEMENT

The Vinton County Commissioners provide general insurance coverage for all the buildings on the Vinton County Fairgrounds, pursuant to Ohio Revised Code Section 1711.24. General liability coverage is provided by the Ohio Fair Participating Plan with limits of \$1,000,000 and \$3,000,000 aggregate. Vehicle coverage is also provided by the Ohio Fair Participating Plan with a limit of \$1,000,000. 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 \$50,000.

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.

5. JUNIOR LIVESTOCK SALE COMMITTEE

The Junior Livestock Sale Committee is a committee charged with running the Junior Fair Livestock Auction. This auction is held during fair week. The Livestock Committee is made up of individuals from the Board of Directors, local businesses, and individuals involved with 4-H. The Livestock Committee makes decisions concerning the livestock auction, but has no real fiscal power. The Livestock Committee checking account is controlled by the Society, and checks are signed by the Society's Treasurer and the Committee President, who is also on the Board of Directors. Auction-related expenses, which amounted to \$1,853 for fiscal year 2001, are paid directly from the Society's general checking account. Receipts from buyers and checks to sellers are accounted for in the Junior Livestock Sale Committee bank account. Monies to cover the cost of the auction are generated through an \$8 commission per animal sold. The commission is retained in the Junior Livestock Sale Committee bank account and is periodically remitted to the Society. During the audit period, the Society recorded a receipt of \$1,943 from the Junior Livestock Sale Committee bank account. The accompanying financial statement includes the bank activity of the Junior Livestock Sale Committee. The Junior Livestock Sale Committee's bank activity for the year ended November 30, 2001, follows:

Beginning Cash Balance	\$ 2,043
Receipts	100,042
Disbursements	<u>(99,531)</u>
Ending Cash Balance	<u><u>\$ 2,554</u></u>

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Athens Mall Suite B
Athens, Ohio 45701
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Facsimile 740-594-2110
www.auditor.state.oh.us

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

Vinton County Agricultural Society
Vinton County
P.O. Box 241
McArthur, Ohio 45651

To the Board of Directors:

We have audited the financial statement of the Vinton County Agricultural Society, Vinton County, Ohio (the Society), as of and for the year ended November 30, 2001, and have issued our report thereon dated May 24, 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*.

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 24, 2002.

Vinton County Agricultural Society
Vinton 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 24, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

VINTON COUNTY AGRICULTURAL SOCIETY

VINTON 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 27, 2002**