



**Auditor of State
Betty Montgomery**

**JEFFERSON COUNTY AGRICULTURAL SOCIETY
JEFFERSON COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Jefferson County Agricultural Society
Jefferson County
3365 State Highway 152
Richmond, Ohio 43944

To the Board of Directors:

We have audited the accompanying financial statement of Jefferson County Agricultural Society, Jefferson County, (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 Jefferson County Agricultural Society, Jefferson 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 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 management, audit committee, 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

**JEFFERSON COUNTY AGRICULTURAL SOCIETY
JEFFERSON COUNTY**

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

	2002
Operating Receipts:	
Admissions	\$141,063
Privilege Fees	39,704
Rentals	13,449
Other Operating Receipts	15,443
Total Operating Receipts	209,659
Operating Disbursements:	
Wages and Benefits	16,692
Utilities	6,452
Professional Services	106,776
Equipment and Grounds Maintenance	55,251
Senior Fair	12,615
Junior Fair	12,358
Capital Outlay	2,639
Other Operating Disbursements	36,445
Total Operating Disbursements	249,228
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(39,569)
Non-Operating Receipts (Disbursements):	
State Support	8,139
County Support	22,800
Unrestricted Support Donations/Contributions	7,718
Investment Income	79
Net Non-Operating Receipts (Disbursements)	38,736
Excess (Deficiency) of Receipts Over (Under) Disbursements	(833)
Cash Balance, Beginning of Year	15,441
Cash Balance, End of Year	\$14,608

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

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**JEFFERSON COUNTY AGRICULTURAL SOCIETY
JEFFERSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Jefferson County Agricultural Society, Jefferson 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 1871 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Jefferson County Fair during August. Jefferson 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 21 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Jefferson County and pay an annual membership fee to the Society.

B. 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. The reporting entity does not include any other activities or entities of Jefferson County, Ohio.

As discussed in Note 5, Junior Fair Board activity is reflected in the accompanying financial statements.

The financial activity of the Junior Livestock Sale Committee is summarized in Note 6. Its activity is not reflected in the accompanying financial statements.

The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

C. 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.

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. 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.

**JEFFERSON COUNTY AGRICULTURAL SOCIETY
JEFFERSON COUNTY**

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

2. CASH

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

	<u>2002</u>
Demand deposits	\$14,608

Deposits: The bank balance, \$14,608, was covered by Federal Depository Insurance Corporation (FDIC).

3. 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.

4. RISK MANAGEMENT

The Jefferson County Commissioners provide general insurance coverage for all the buildings on the Jefferson County Fairgrounds pursuant to Ohio Revised Code § 1711. 24. General liability and vehicle coverage is provided by Whitaker Myers Insurance Agency Inc. with limits of \$1,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$40,000. The Society's employees are bonded with coverage of \$ 10,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2003.

5. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H and Future Farmers of America (FFA) representatives, is responsible for the Junior Fair Division activities of the Jefferson County Fair. The Junior Fair Board activity is accounted for within the accounting records of the Jefferson County Agricultural Society and is reflected in the accompanying financial statements. The Society subsidizes the Junior Fair Division to the extent necessary each year.

6. JUNIOR LIVESTOCK SALE COMMITTEE

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. All animals are sold through the Jefferson County's auction. Monies to cover the cost of the auction are generated through a 2% commission on gross sales are retained by the Junior Livestock Committee. The accompanying financial statement does not include the activities of the Junior Livestock Committee. The Junior Livestock Committee's financial activity for the year ended November 30, 2002 follows:

Beginning Cash Balance	\$ 9,040
Receipts	10,013
Disbursements	<u>(10,129)</u>
Ending Cash Balance	<u>\$ 8,924</u>



**Auditor of State
Betty Montgomery**

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

Jefferson County Agricultural Society
Jefferson County
3365 State Highway 152
Richmond, Ohio 43944

To the Board of Directors:

We have audited the financial statement of Jefferson County Agricultural Society, Jefferson County, (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*.

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.

Jefferson County Agricultural Society
Jefferson 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, audit committee, 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**

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JEFFERSON COUNTY AGRICULTURAL SOCIETY

JEFFERSON 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
JULY 15, 2003**