



**Auditor of State
Betty Montgomery**

MEIGS COUNTY AGRICULTURAL SOCIETY
MEIGS COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Meigs County Agricultural Society
Meigs County
42455 Woods Drive
Coolville, Ohio 45723

To the Board of Directors:

We have audited the accompanying financial statement of the Meigs County Agricultural Society, Meigs 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 Meigs County Agricultural Society, Meigs 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 March 20, 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, 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

March 20, 2003

743 E. State St. / Athens Mall Suite B / Athens, OH 45701
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

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**MEIGS COUNTY AGRICULTURAL SOCIETY
MEIGS COUNTY**

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

Operating Receipts:

Admissions	\$ 146,277
Privilege Fees	25,749
Rentals	19,452
Sustaining and Entry Fees	17,525
Other Operating Receipts	8,404
Total Operating Receipts	<u>217,407</u>

Operating Disbursements:

Utilities	15,219
Professional Services	98,575
Equipment and Grounds	50,359
Race Purse	48,538
Senior Fair	25,985
Junior Fair	11,468
Capital Outlay	5,746
Other Operating Disbursements	14,736
Total Operating Disbursements	<u>270,626</u>

Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	<u>(53,219)</u>
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Non-Operating Receipts (Disbursements):

State Support	38,627
County Support	6,500
Donations/Contributions	15,820
Investment Income	1,780
Other Non-Operating Receipts	50
Net Non-Operating Receipts (Disbursements)	<u>62,777</u>

Excess (Deficiency) of Receipts Over (Under) Disbursements	9,558
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Cash Balance, Beginning of Year	<u>60,823</u>
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Cash Balance, End of Year	<u>\$ 70,381</u>
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The notes to the financial statement are an integral part of this statement.

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**MEIGS COUNTY AGRICULTURAL SOCIETY
MEIGS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Meigs County Agricultural Society, Meigs 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 1851 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Meigs County Fair during August. During the fair, harness races are held. Meigs 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 fifteen directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Meigs 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, harness racing during the fair and other year-round activities at the fairgrounds including facility rental, stall rental and community events. The reporting entity does not include any other activities or entities of Meigs County, Ohio.

The financial activity of the Junior Fair Board and the Junior Livestock Sale Committee is summarized in Note 6 and Note 7, respectively.

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. Budgetary Process

The Board of Directors annually prepares an operating budget, including estimated receipts and 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.

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.

**MEIGS COUNTY AGRICULTURAL SOCIETY
MEIGS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Race Purse

Harness stake races are conducted during the Meigs County Fair. The Society pays all Sustaining and Entry fees and the required portions of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees

Horse owners and the Southern Valley Colt Circuit 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 4 for additional information.

F. 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.

2. BUDGETARY ACTIVITY

For the year ended November 30, 2002, the Society had budgeted receipts of \$286,100, actual receipts of \$280,184, resulting in a unfavorable variance of \$5,916. Additionally, the Society had budgeted disbursements of \$273,165, actual disbursements of \$270,626, resulting in a favorable variance of \$2,539.

3. CASH

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

Demand Deposits	\$ 31,924
Certificate of Deposit	38,457
Total deposits	<u>\$ 70,381</u>

Deposits: The total amount of deposits were covered by Federal Deposit Insurance Corporation (FDIC).

**MEIGS COUNTY AGRICULTURAL SOCIETY
MEIGS COUNTY**

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

4. HORSE RACING

State Support Portion of Purse

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

5. RISK MANAGEMENT

The Meigs County Commissioners provide general insurance coverage for all the buildings on the Meigs 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 Treasurer is bonded with coverage of \$100,000.

6. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Meigs County Fair. The Society disbursed \$6,327 directly to the vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. The Society was reimbursed \$500 by Meigs County for its support of Junior Club work. All Junior Fair Board activity is accounted for in a separate account by the Junior Fair Board. The accompanying financial statement does not include activities of the Junior Fair Board. The Junior Fair Board's financial activity for the year ended November 30, 2002 follows:

Beginning Cash Balance	\$ 9,296
Receipts	2,406
Disbursements	<u>(3,918)</u>
Ending Cash Balance	<u><u>\$ 7,784</u></u>

7. 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 checks from the buyers to the sellers are directly paid to the seller. All expenses for the livestock sale are donated. The accompanying financial statement does not include the activity of the Junior Livestock Sale Committee. The Junior Livestock Sale Committee's activity for the year ended November 30, 2002, follows:

Beginning Cash Balance	\$ 0
Receipts	128,793
Disbursements	<u>(128,793)</u>
Ending Cash Balance	<u><u>\$ 0</u></u>

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Auditor of State Betty Montgomery

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

Meigs County Agricultural Society
Meigs County
42455 Woods Road
Coolville, Ohio 45723

To the Board of Directors:

We have audited the financial statement of the Meigs County Agricultural Society, Meigs County, Ohio (the Society), as of and for the year ended November 30, 2002, and have issued our report thereon dated March 20, 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 March 20, 2003.

Meigs County Agricultural Society
Meigs County
Independent Accountants' Report 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 20, 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

MEIGS COUNTY AGRICULTURAL SOCIETY

MEIGS 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**