



**Auditor of State
Betty Montgomery**

**PORTAGE COUNTY AGRICULTURAL SOCIETY
PORTAGE COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Portage County Agricultural Society
Portage County
P.O. Box 213
Randolph, Ohio 44265-0213

To the Board of Directors:

We have audited the accompanying financial statement of Portage County Agricultural Society (the Society) as of and for the year ended November 30, 2002. This financial statement is the responsibility of the Agricultural 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 Agricultural 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 Agricultural 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 June 27, 2003 on our consideration of the Agricultural 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.

Portage County Agricultural Society
Portage County
Independent Accountants' Report
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This report is intended solely for the information and use of the 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

June 27, 2003

**PORTAGE COUNTY AGRICULTURAL SOCIETY
PORTAGE COUNTY**

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

	2002
Operating Receipts:	
Admissions	\$289,826
Privilege Fees	122,774
Sales	2,251
Utilities	6,933
Fees	6,971
Rentals	115,125
	543,880
Total Operating Receipts	543,880
Operating Disbursements:	
Wages and Benefits	106,695
Supplies	32,726
Utilities	43,879
Professional Services	164,164
Equipment and Grounds Maintenance	83,556
Senior Fair	15,320
Junior Fair	18,099
Contest Expenses	52,291
Capital Outlay	30,474
Other Operating Disbursements	9,468
	556,672
Total Operating Disbursements	556,672
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(12,792)
Non-Operating Receipts (Disbursements):	
State Support	8,139
County Support	3,300
Restricted Support (Donations/Contributions)	18,002
Unrestricted Support (Donations/Contributions)	5,323
Investment Income	23,068
	57,832
Net Non-Operating Receipts (Disbursements)	57,832
Excess (Deficiency) of Receipts Over (Under) Disbursements	45,040
Cash Balance, Beginning of Year	550,990
Cash Balance, End of Year	\$596,030

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

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**PORTAGE COUNTY AGRICULTURAL SOCIETY
PORTAGE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Portage County Agricultural Society, Portage 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 1803 to direct the operation of an annual agricultural fair. The Agricultural Society sponsors the week-long Randolph Fair during August. Portage County is not financially accountable for the Society. The responsibility for management of the affairs of the Agricultural Society is vested in the Board of Directors. The Board is made up of seventeen directors serving staggered three-year terms, elected from the membership of the Agricultural Society. Members of the Society must be residents of Portage County and pay an annual membership fee to the Agricultural Society.

Reporting Entity

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair during fair week. Other year round activities at the fairgrounds include facility rental, grounds rental and storage fees. The reporting entity also includes activity associated with the Junior Fair Board, see footnote 5 for additional information. The reporting entity does not include any other activities or entities of Portage County, Ohio.

The financial activity of the Junior Livestock Sale Committee is summarized in Note 6.

The Agricultural 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. Budgetary Process

The Board of Directors annually prepares an operating budget, including estimated disbursements. The Board approves the budget in its final form during the first six months of each fiscal year.

**PORTAGE COUNTY AGRICULTURAL SOCIETY
PORTAGE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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.

F. Restricted Support

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

G. Income Tax Status

The Agricultural Society is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Agricultural 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 Agricultural Society's tax status.

2. BUDGETARY ACTIVITY

For the year ended November 30, 2002, the Society had budgeted disbursements of \$564,000 and actual disbursements of \$556,672, resulting in a positive variance of \$7,328.

3. CASH AND INVESTMENTS

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

	<u>2002</u>
Demand deposits	<u>\$72,030</u>
Savings accounts	<u>524,000</u>
Total deposits	<u>596,030</u>
Total deposits and investments	<u>\$596,030</u>

Deposits: \$100,000 of the bank balance was covered by Federal Depository Insurance Corporation (FDIC) and (2) collateralized by the financial institution's public entity deposit pool.

4. RISK MANAGEMENT

The Portage County Commissioners provide general insurance coverage for all the buildings on the Portage County Fairgrounds pursuant to Ohio Revised Code § 1711. 24. General liability and vehicle coverage is provided by an insurance company with limits of \$1,000,000 and \$500,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$1,000,000. The Agricultural Society's secretary/treasurer is bonded with coverage of \$10,000.

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

**PORTAGE COUNTY AGRICULTURAL SOCIETY
PORTAGE COUNTY**

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

5. 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 Portage County Fair. The Agricultural Society disbursed \$18,099 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. The Agricultural Society was reimbursed \$3,300 by Portage County for its support of Junior Club work. All Junior Fair Board activity is accounted for in the Portage County Agricultural bank accounts.

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. Children may sell their animals directly to market or through the Portage County's auction. Monies to cover the cost of the auction are generated through a 1.5% commission per head for steer, 4% for pigs and lambs, and a 5% commission per head for all other animals, assessed on the auction price and 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	\$ 24,555
Receipts	388,359
Disbursements	<u>(406,073)</u>
Ending Cash Balance	<u>\$ 6,841</u>

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**Auditor of State
Betty Montgomery**

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

Portage County Agricultural Society
Portage County
P.O. Box 213
Randolph, Ohio 44265-0213

To the Board of Directors:

We have audited the financial statement of Portage County Agricultural Society (the Agricultural Society) as of and for the year ended November 30, 2002, and have issued our report thereon dated June 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 Agricultural 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 Agricultural 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 Agricultural Society in a separate letter dated June 27, 2003.

Portage County Agricultural Society
Portage 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 the 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

June 27, 2003



**Auditor of State
Betty Montgomery**

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800-282-0370
Facsimile 614-466-4490

PORTAGE COUNTY AGRICULTURAL SOCIETY

PORTAGE 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
AUGUST 12, 2003**