



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



NOBLE COUNTY AGRICULTURAL SOCIETY  
NOBLE COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Noble County Agricultural Society  
Noble County  
42440 Rich Valley Road  
Caldwell, Ohio 43724

To the Board of Directors:

We have audited the accompanying financial statement of the Noble County Agricultural Society, Noble 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 Noble County Agricultural Society, Noble 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 June 27, 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 § 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, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

June 27, 2002

**NOBLE COUNTY AGRICULTURAL SOCIETY  
NOBLE COUNTY**

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

	<b>2001</b>
<b>Operating Receipts:</b>	
Admissions	\$91,560
Privilege Fees	13,708
Rentals	28,964
Sustaining and Entry Fees	37,594
Other Operating Receipts	1,728
Total Operating Receipts	173,554
<b>Operating Disbursements:</b>	
Wages and Benefits	8,908
Utilities	13,175
Professional Services	51,972
Equipment and Grounds Maintenance	13,607
Race Purse	59,935
Senior Fair	4,761
Junior Fair	13,097
Contests	10,483
Supplies	7,707
Administrative	4,017
Capital Outlay	14,025
Other Operating Disbursements	18,609
Total Operating Disbursements	220,296
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(46,742)
<b>Non-Operating Receipts (Disbursements):</b>	
State Support	40,483
County Support	2,800
Donations/Contributions	15,335
Investment Income	1,690
Debt Service	(14,960)
Net Non-Operating Receipts (Disbursements)	45,348
Excess (Deficiency) of Receipts Over (Under) Disbursements	(1,394)
Cash Balance, Beginning of Year	30,059
<b>Cash Balance, End of Year</b>	<b>\$28,665</b>

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

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**NOBLE COUNTY AGRICULTURAL SOCIETY  
NOBLE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Noble County Agricultural Society, Noble 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 1952 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Noble Fair during August. During the fair, harness races are held. Noble 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 Noble 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 harness racing during fair week. Other year round activities at the fairgrounds including facility rental, track and stall rental, building rental, and community events. The reporting entity does not include any other activities or entities of Noble County, Ohio.

The financial activity of the Junior Fair Board and the Junior Livestock Sale Committee is summarized in Note 7 and Note 8, 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. 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.

**NOBLE COUNTY AGRICULTURAL SOCIETY  
NOBLE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Race Purse**

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

*Sustaining and Entry Fees*

Horse owners and US Trotting Association 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.

**2. CASH**

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

	2001
Demand deposits	\$21,895
Certificates of deposit	6,770
Total deposits	28,665

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

**3. HORSE RACING**

*State Support Portion of Purse*

Ohio Fairs Fund money received to supplement purse for the year ended November 30, 2001 was \$26,800 and is included within State Support on the accompanying financial statement.

**4. DEBT**

Debt outstanding at November 30, 2001 was as follows:

	Principal	Interest Rate
Notes Payable - McDonald House	\$36,655	7.50%
Notes Payable - Shaffer Hall	95,348	6.125%
Total	\$132,003	

The Schaffer Hall Note is due to Caldwell Savings and Loan. The note was entered into on February 1, 1994 and matures February 1, 2014. Proceeds of the note were used to purchase a property adjacent to the fairgrounds and the property is pledged as collateral.

**NOBLE COUNTY AGRICULTURAL SOCIETY  
NOBLE COUNTY**

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

**4. DEBT (Continued)**

The McDonald House Note is due to Farmers and Merchants Bank. The note was entered into on October 27, 1999 and matures October 26, 2019. Proceeds of the note were used for the construction of a new fair office, Shaffer Hall. The building is pledged as collateral.

Amortization of the above debt, including interest of \$32,897 on the McDonald House Note and \$40,433 on the Shaffer Hall Note, is scheduled as follows:

Year ending November 30:	Shaffer Hall	McDonald House	Total
2002	11,084	3,864	\$14,948
2003	11,084	3,864	14,948
2004	11,084	3,864	14,948
2005	11,084	3,864	14,948
2006	11,084	3,864	14,948
2007 - 2011	55,422	19,320	74,742
2012 - 2016	24,938	19,320	44,258
2017 - 2019		11,592	11,592
Total	<u>\$135,780</u>	<u>\$69,552</u>	<u>\$205,332</u>

**5. RETIREMENT SYSTEM**

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2001 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, 2001.

**6. RISK MANAGEMENT**

The Noble County Commissioners provide general insurance coverage for all the buildings on the Noble County Fairgrounds pursuant to Ohio Revised Code § 1711. 24. General liability and vehicle coverage is provided by the Ohio Fair Participating Plan (the "Fair Plan"), an associated plan of the Ohio Government Risk Management Plan (the "Plan"), with limits of \$1,000,000 and \$3,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000.

The Ohio Government Risk Management Plan (the "Plan"), is an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

**NOBLE COUNTY AGRICULTURAL SOCIETY  
NOBLE COUNTY**

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

**6. RISK MANAGEMENT (Continued)**

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2001. The Society's Treasurer is bonded with coverage of \$10,000.

**7. 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 Noble County Fair. The Society disbursed \$13,097 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 Society was reimbursed \$500 by Noble 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 the activities of the Junior Fair Board. The Junior Fair Board's financial activity for the year ended November 30, 2001 follows:

Beginning Cash Balance	\$ 1,627
Receipts	5,225
Disbursements	<u>4,969</u>
Ending Cash Balance	<u><u>\$ 1,883</u></u>

**8. 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 Noble County's auction. Monies to cover the cost of the auction are generated through a 3% commission per head. 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, 2001 follows:

Beginning Cash Balance	\$ 5,168
Receipts	6,178
Disbursements	<u>5,260</u>
Ending Cash Balance	<u><u>\$ 6,086</u></u>



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

Noble County Agricultural Society  
Noble County  
42440 Rich Valley Road  
Caldwell, Ohio 43724

To the Board of Directors:

We have audited the financial statement of the Noble County Agricultural Society, Noble County, Ohio (the Society), as of and for the year ended November 30, 2001, and have issued our report thereon dated June 27, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Society in a separate letter dated June 27, 2002.

**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 June 27, 2002.

Noble County Agricultural Society  
Noble 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

June 27, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**NOBLE COUNTY AGRICULTURAL SOCIETY**

**NOBLE 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 30, 2002**