



Dave Yost • Auditor of State

**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY
NOVEMBER 30, 2017 AND 2016**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Trumbull County Agricultural Society
Trumbull County
899 Everett Hull Road
Cortland, Ohio 44410

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the Trumbull County Agricultural Society, Trumbull County, Ohio (the Society) as of and for the years ended November 30, 2017 and 2016.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Society prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Society does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2017 and November 30, 2016, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Trumbull County Agricultural Society, Trumbull County as of November 30, 2017 and November 30, 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2018, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

May 31, 2018

TRUMBULL COUNTY AGRICULTURAL SOCIETY

Statement of Cash Receipts and Disbursements for the Year-Ending November 30, 2017

	Operating Fund	State & Local	Totals 2017
CASH RECEIPTS			
1100 Total Taxes	\$ 2,536.19	\$ -	\$ 2,536.19
1200 Admissions	\$409,408.00	\$ -	\$ 409,408.00
1300 Privilege Fees	\$ 80,763.60	\$ -	\$ 80,763.60
1400 Sales by Fairboard	\$ 2,084.38	\$ -	\$ 2,084.38
1500 Racing	\$ 21,753.95	\$ -	\$ 21,753.95
1600 Sales Activities	\$ -	\$ -	\$ -
1700 Utilities	\$ 19,334.81	\$ -	\$ 19,334.81
1800 Fees	\$ 15,464.90	\$ -	\$ 15,464.90
1900 Rentals	\$ 83,232.81	\$ -	\$ 83,232.81
2100 State Support	\$ -	\$ 124,928.30	\$ 124,928.30
2200 County Support	\$ -	\$ 25,000.00	\$ 25,000.00
3100 Restricted Support	\$ 29,459.31	\$ -	\$ 29,459.31
3200 Unrestricted Support	\$ 28,745.29	\$ -	\$ 28,745.29
3300 Sale of Notes	\$ -	\$ -	\$ -
3600 Interest Received	\$ 102.02	\$ -	\$ 102.02
3800 Mortgage	\$190,000.00	\$ -	\$ 190,000.00
3900 Sale of other Assets	\$ 2,041.00	\$ -	\$ 2,041.00
TOTAL CASH RECEIPTS	\$884,926.26	\$ 149,928.30	\$ 1,034,854.56
CASH DISBURSEMENTS			
4000 Salaries and Wages	\$ 96,746.47	\$ -	\$ 96,746.47
5000 Benefits	\$ 17,399.66	\$ -	\$ 17,399.66
6100 Administration Expense	\$ 16,749.31	\$ -	\$ 16,749.31
6200 Harness Race Expense	\$ 300.00	\$ 585.20	\$ 885.20
6400 Supplies	\$ 38,118.25	\$ 3,058.28	\$ 41,176.53
7100 Utilities	\$ 47,299.96	\$ -	\$ 47,299.96
7200 Racing Expense	\$ 13,886.00	\$ 69,007.40	\$ 82,893.40
7300 Services Expense	\$203,192.53	\$ -	\$ 203,192.53
7400 Property Expense	\$ 93,990.83	\$ -	\$ 93,990.83
7500 Advertising Expense	\$ 39,319.05	\$ -	\$ 39,319.05
7600 Repairs Expense	\$ 3,712.34	\$ -	\$ 3,712.34
7700 Insurance Expense	\$ 30,986.90	\$ -	\$ 30,986.90
7800 Rent /Lease Expense	\$ 12,266.57	\$ -	\$ 12,266.57
7900 Capital Outlay Expense	\$187,274.62	\$ 93,400.00	\$ 280,674.62
8000 Debt. Service	\$ 30,554.60	\$ -	\$ 30,554.60
9100 Senior Fair Expense	\$ 25,759.51	\$ 800.00	\$ 26,559.51
9200 Contest Expenses	\$ 13,359.50	\$ -	\$ 13,359.50
9300 Jr. Fair Expense	\$ 13,386.75	\$ 4,777.42	\$ 18,164.17
9400 Other Fair Expense	\$ -	\$ -	\$ -
9700 Miscellaneous Expenses	\$ 10,128.88	\$ -	\$ 10,128.88
TOTAL DISBURSEMENTS	\$894,431.73	\$ 171,628.30	\$ 1,066,060.03
Excess (Deficiency) of Receipts over (Under) Disbursements			\$ (31,205.47)
Cash Balance, Beginning Year			\$ 203,681.48
Cash Balances, End of Year			\$ 172,476.01

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

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TRUMBULL COUNTY AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Trumbull County Agricultural Society, the Trumbull County, (the Society) as a body incorporated and politic. The Society is a county agricultural society formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1846 to operate an annual agricultural fair. The Society sponsors the week-long Trumbull County Fair during July. Trumbull County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 15 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be 18 years of age or older, residents of Trumbull 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. Other year round activities at the fairgrounds including facility rental, storage rental. Trumbull County paid the Society \$24,500 for general operations, sr. fair and capital improvements. The reporting entity does not include any other activities or entities of Trumbull County, Ohio.

The Society received funds through a State ODA Grant of \$50,000 to apply to the construction of a new block restroom/shower house.

Notes 6 and 7 & 8, respectively, summarize the Junior Fair Board's, Junior Livestock Sale Committee's and Junior Dairy Cheese Auction financial activity.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-02-03(D)

TRUMBULL COUNTY AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2017
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Deposits and Investments

The Society's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. Property, Plant and Equipment

The Society records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

E. Restricted Support

Restricted support includes amounts that donors restrict for specific uses.

F. Income Tax Status

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509 (a). Contributions to the Society are deductible per Section 170(b) (1) (A) (v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

G. Race Purse

Home Talent Racing Circuit stake races are held during the Trumbull County Fair. The Society pays all sustaining and entry fees and the required portion of the cash received from the Ohio Fair Funds as Race Purse to winning horses.

Sustaining and Entry Fees

Horse owners pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement reports these fees as Racing.

Ohio Fair Funds

The State of Ohio contributes money to the Society from the Ohio Fairs /Fund to supplement the race purse. See Note 3 for additional information.

**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2017
(Continued)**

H. Pari-mutuel Wagering

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as the pari-mutuel wagering system determines. The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 3 for additional information.

2. DEPOSITS AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at November 30, 2017 were as follows:

	<u>2017</u>
Demand deposits	32,206.86
Money Market Account	40,269.15
Certificates of deposit	<u>100,000.00</u>
Total deposits & Investments	<u>172,476.01</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

3. HORSE RACING

State Support Portion of Purse

The financial statements report Ohio Fairs Funds money, received to supplement purse for the year ended November 30, 2017 was \$53,540 as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff of Bettors in the accompanying financial statement, rather, it records the Pari-mutuel Wagering Commission (commission) as Racing under receipts. The Society's share of total pari-mutuel wagers after paying winning bettors. The State tax is recorded as total taxes under receipts. The expenses of providing the pari-mutuel wagering system are called Tote Services and the State tax are called Race Tax, these expenses are included in Harness Racing Expenses, and the amount remaining is the Society's net portion.

TRUMBULL COUNTY AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2017
(Continued)

	<u>2017</u>
Total Amount Bet (Handle)	5,261.00
Less: Payoff to Bettors	4,110.30
Pari-mutuel Wagering Commission	928.93
Tote Service Set-up Fee	(600.00)
Tote Service Commission	(82.23)
State Tax	<u>173.75</u>
Society Portion	420.45

4. RISK MANAGEMENT

The Society provides health insurance for full-time, supervisory employees through The Trumbull County Commissioner's insurance program with an insurance company.

The Trumbull County Commissioners provide general insurance coverage for all the buildings on the Trumbull County Fairgrounds pursuant to Ohio Revised Code 1711.24. A private company provides general liability and vehicle insurance with limits of \$2,000,000 and \$2,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$2,000,000. The Society's Financial Secretary is bonded with coverage of \$20,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through June 30, 2018.

5. Debt

Debt outstanding at November 30, 2017, was as follows:

The Trumbull County loaned the Society \$90,000.00 on June 20, 2017 for the new restroom/shower house project. The Society must repay the loan to the County one payment of thirty thousand dollars (\$30,000) per year with no interest for 3 years. The first payment was due September 1, 2017 with 2 more payments of \$30,000 due in September of 2018 & 2019.

Amortization of the above debt is scheduled as follows:

Year Ending November 30	Loan	Payment	Balance
2017	90,000.00	30,000.00	60,000.00
2018	60,000.00	30,000.00	30,000.00
2019	30,000.00	30,000.00	0

TRUMBULL COUNTY AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2017
(Continued)

The Society received a 5 year loan for \$100,000.00 from Chemical Bank on March 30, 2017 for the new restroom/ shower house project and will mature on March 20, 2022. The Society's collateral for this loan is a \$100,000 CD which the bank will hold until loan is paid off. The \$100,000 loan bears an interest rate of 3.75 percent above the rate on the CD and is due to Chemical Bank.

Amortization of the above debt is scheduled as follows:

Year Ending		Principal	Interest	Remaining
November 30	Payment	Paid	Paid	Balance
2017				100,000.00
2018	22,305.19	18,555.19	3,750.00	81,444.81
2019	22,305.19	19,251.01	3,054.18	62,193.80
2020	22,305.19	19,972.92	2,332.27	42,220.88
2021	22,305.19	20,721.91	1,583.28	21,498.97
2022	22,305.18	21,498.97	806.21	0
Totals	111,525.94	100,000.00	11,525.94	

The Society bought a new JD 950M Zero Turn Mower for \$9,600.00 plus a finance charge of \$112 it was financed through John Deere Company for \$9,712.00. The Society will make 12 payments to John Deere Company on a quarterly basis with the first installment payment of \$809.33 due on July 20, 2017 and last payment of \$809.37 due on April 20, 2020.

Amortization of the above debt is scheduled as follows:

Year Ending	Tractor	Payments	Remaining
November 30	Loan	(qtrly)	Balance
2017	9,712.00	1,618.66	8,093.34
2018	8,093.34	3,237.32	4,856.02
2019	4,856.02	3,237.32	1,618.70
2020	1,618.70	1,618.70	0

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 Trumbull County Fair. The Society disbursed \$18,322.12 and \$18,164.17 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Trumbull County paid the Society \$500 to support Junior Club work. The Junior Fair Board accounts for its activities separately. These accompanying financial statements do not include this activity. The Junior Fair Board's financial activity for the year ended November 30 follows:

	<u>2017</u>
Beginning Cash Balance	3,274.90
Saving Account	537.90
Receipts	figures not turned in
Disbursements	<u>(figures not turned in)</u>
Ending Cash Balance	<u>2,122.42</u>

TRUMBULL COUNTY AGRICULTURAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2017
(Continued)

7. JUNIOR FAIR 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 Trumbull County's auction. A commission of 2.5 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. Also a state regulated check off fee is deducted from sale total for each species sold and that total is mailed to respective agencies. The Livestock Sale Committee lets the Cheese Auction Committee run credit card sales for their auction through the Livestock Sale Committees credit card machine. The Livestock Sale Committee in turn writes check to Cheese Auction Committee minus any fees. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the year ended November 30 follows:

	<u>2017</u>
Beginning Cash Balance	16,372.38
Receipts	269,256.40
Disbursements	<u>(268,668.96)</u>
Ending Cash Balance	<u>16,959.82</u>

8. JUNIOR DAIRY CHEESE AUCTION COMMITTEE

The Junior Cheese Auction Committee is a separate committee charged with running the Junior Dairy Cheese Auction. This auction is held during fair week. Children with dairy projects may sell a Cheese Basket through the Trumbull County's cheese auction. A \$10.00 fee per basket is charged against auction sales to cover auction costs. The Junior Dairy Cheese Auction Committee retains this money. Any credit card sales received are run through the Livestock Sale Committees credit card machine and the Livestock Sale Committee in turn reimburses the Cheese Auction Committee the total collected minus any fees. The accompanying financial statement does not include the Junior Dairy Cheese Auction Committee's activities. The Junior Dairy Cheese Auction Committee financial activity for the year ended November 30 follows:

	<u>2017</u>
Beginning Cash Balance	467.63
Receipts	11,335.00
Disbursements	<u>(11,256.90)</u>
Ending Cash Balance	<u>545.73</u>

TRUMBULL COUNTY AGRICULTURAL SOCIETY

Statement of Cash Receipts and Disbursements for the Year-Ending November 30, 2016

	Operating Fund	State & Local	Totals 2016
CASH RECEIPTS			
1100 Total Taxes	\$ 2,476.56		\$ 2,476.56
1200 Admissions	\$378,894.70		\$378,894.70
1300 Privilege Fees	\$ 79,517.50		\$ 79,517.50
1400 Sales by Fairboard	\$ -		\$ -
1500 Racing	\$ -		\$ -
1600 Sales Activities	\$ -		\$ -
1700 Utilities	\$ 16,303.05		\$ 16,303.05
1800 Fees	\$ 17,734.30		\$ 17,734.30
1900 Rentals	\$ 75,371.94		\$ 75,371.94
2100 State Support		\$ 7,337.62	\$ 7,337.62
2200 County Support		\$ 25,000.00	\$ 25,000.00
3100 Restricted Support	\$ 13,884.00		\$ 13,884.00
3200 Unrestricted Support	\$ 17,919.87		\$ 17,919.87
3300 Sale of Notes	\$ -		\$ -
3600 Interest Received	\$ 901.41		\$ 901.41
3800 Mortgage	\$ -		\$ -
3900 Sale of other Assets	\$ 750.00		\$ 750.00
TOTAL CASH RECEIPTS	\$603,753.33	\$ 32,337.62	\$636,090.95

CASH DISBURSEMENTS			
4000 Salaries and Wages	\$ 83,896.73		\$ 83,896.73
5000 Benefits	\$ 15,033.20		\$ 15,033.20
6100 Administration Expense	\$ 16,876.39		\$ 16,876.39
6200 Harness Race Expense	\$ -		\$ -
6400 Supplies	\$ 27,544.16	\$ 4,300.00	\$ 31,844.16
7100 Utilities	\$ 45,691.63		\$ 45,691.63
7200 Racing Expense	\$ -	\$ -	\$ -
7300 Services Expense	\$199,625.72		\$199,625.72
7400 Property Expense	\$ 86,375.70		\$ 86,375.70
7500 Advertising Expense	\$ 40,637.34		\$ 40,637.34
7600 Repairs Expense	\$ 8,098.14		\$ 8,098.14
7700 Insurance Expense	\$ 31,333.03		\$ 31,333.03
7800 Rent /Lease Expense	\$ 11,838.45		\$ 11,838.45
7900 Capital Outlay Expense	\$ 743.36	\$ -	\$ 743.36
8000 Debt. Service	\$ 30.00		\$ 30.00
9100 Senior Fair Expense	\$ 28,829.24	\$ 1,562.12	\$ 30,391.36
9200 Contest Expenses	\$ 16,715.65		\$ 16,715.65
9300 Jr. Fair Expense	\$ 13,546.62	\$ 4,775.50	\$ 18,322.12
9400 Other Fair Expense	\$ -		\$ -
9700 Miscellaneous Expenses	\$ 6,877.41		\$ 6,877.41
TOTAL DISBURSEMENTS	\$633,692.77	\$ 10,637.62	\$644,330.39
Excess (Deficiency) of Receipts over (Under) Disbursements			\$ (8,239.44)

Cash Balance, Beginning Year	\$211,920.92
Cash Balances, End of Year	\$203,681.48

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

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**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Trumbull County Agricultural Society, the Trumbull County, (the Society) as a body corporate and politic. The Society is a county agricultural society formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1846 to operate an annual agricultural fair. The Society sponsors the week-long Trumbull county Fair during July. Trumbull County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 15 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be 18 years of age or older, residents of Trumbull 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. Other year round activities at the fairgrounds including facility rental, storage rental. Trumbull County paid the Society \$24,500 for general operations, sr. fair and capital improvements. The reporting entity does not include any other activities or entities of Trumbull County, Ohio.

Notes 4 and 5 & 6, respectively, summarize the Junior Fair Board's, Junior Livestock Sale Committee's and Junior Dairy Cheese Auction financial activity.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-02-03(D)

**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2016
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Deposits and Investments

The Society's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. Property, Plant and Equipment

The Society records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

E. Restricted Support

Restricted support includes amounts that donors restrict for specific uses.

F. Income Tax Status

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509 (a). Contributions to the Society are deductible per Section 170(b) (1) (A) (v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

2. DEPOSITS AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at November 30, 2016 was as follows:

	<u>2016</u>
Demand deposits	13,817.35
Money Market Account	189,867.13
Certificates of deposit	<u>0.00</u>
Total deposits & Investments	<u>203,681.48</u>

Deposits: Deposits are insured by the Federal Depositary Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2016
(Continued)**

3. RISK MANAGEMENT

The Society provides health insurance for full-time, supervisory employees through The Trumbull County Commissioner's insurance program with an insurance company.

The Trumbull County Commissioners provide general insurance coverage for all the buildings on the Trumbull County Fairgrounds pursuant to Ohio Revised Code 1711.24. A private company provides general liability and vehicle insurance with limits of \$2,000,000 and \$2,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$2,000,000. The Society's Financial Secretary is bonded with coverage of \$20,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through June 30, 2017.

4. 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 Trumbull County Fair. The Society disbursed \$17,992.25 and \$18,322.12 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Trumbull County paid the Society \$500 to support Junior Club work. The Junior Fair Board accounts for its activities separately. These accompanying financial statements do not include this activity. The Junior Fair Board's financial activity for the year ended November 30 follows:

	<u>2016</u>
Beginning Cash Balance	2,264.97
Saving Account	527.78
Receipts	1,548.87
Disbursements	<u>(1,066.72)</u>
Ending Cash Balance	<u>3,274.90</u>

**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2016
(Continued)**

5. JUNIOR FAIR 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 Trumbull County's auction. A commission of 2.5 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. Also a state regulated check off fee is deducted from sale total for each species sold and that total is mailed to respective agencies. The Livestock Sale Committee lets the Cheese Auction Committee run credit card sales for their auction through the Livestock Sale Committees credit card machine. The Livestock Sale Committee in turn writes check to Cheese Auction Committee minus any fees. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the year ended November 30 follows:

	<u>2016</u>
Beginning Cash Balance	15,354.41
Receipts	286,821.27
Disbursements	<u>(285,803.30)</u>
Ending Cash Balance	<u>16,372.38</u>

6. JUNIOR DAIRY CHEESE AUCTION COMMITTEE

The Junior Cheese Auction Committee is a separate committee charged with running the Junior Dairy Cheese Auction. This auction is held during fair week. Children with dairy projects may sell a Cheese Basket through the Trumbull County's cheese auction. A \$10.00 fee per basket is charged against auction sales to cover auction costs. The Junior Dairy Cheese Auction Committee retains this money. Any credit card sales received are run through the Livestock Sale Committees credit card machine and the Livestock Sale Committee in turn reimburses the Cheese Auction Committee the total collected minus any fees. The accompanying financial statement does not include the Junior Dairy Cheese Auction Committee's activities. The Junior Dairy Cheese Auction Committee financial activity for the year ended November 30 follows:

	<u>2016</u>
Beginning Cash Balance	414.35
Receipts	13,775.00
Disbursements	<u>(13,721.72)</u>
Ending Cash Balance	<u>467.63</u>



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Trumbull County Agricultural Society
Trumbull County
899 Everett Hull Road
Cortland, Ohio 44410

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements of the Trumbull County Agricultural Society, Trumbull County, (the Society) as of and for the year ended November 30, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated May 31, 2018, wherein we noted the Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-02-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Society's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Society's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Society's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Society's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

May 31, 2018



Dave Yost • Auditor of State

TRUMBULL COUNTY AGRICULTURAL SOCIETY

TRUMBULL 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 10, 2018