



**Auditor of State
Betty Montgomery**

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Receipts, Disbursements, and Change in Cash Balance - For the Years Ended November 30, 2003 and 2002	3
Notes to the Financial Statement.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Columbiana County Agricultural Society
Columbiana County
38012 Saltwell Road
Lisbon, Ohio 44432

To the Board of Directors:

We have audited the accompanying financial statement of Columbiana County Agricultural Society (the Society) as of and for the years ended November 30, 2003 and 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 Society as of November 30, 2003 and November 30, 2002, and its cash receipts and disbursements for the years 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 15, 2005 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 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

March 15, 2005

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2003 AND NOVEMBER 30, 2002**

	2003	2002
Operating Receipts:		
Taxes		\$105
Admissions	\$164,438	150,704
Privilege Fees	45,575	42,871
Sales	4,924	2,648
Sustaining and Entry Fees	20,225	23,022
Utilities	8,514	7,316
Fees	6,062	7,506
Rentals	20,436	25,847
Total Operating Receipts	270,174	260,019
Operating Disbursements:		
Wages and Benefits	30,363	34,486
Administrative and Supplies	25,095	16,712
Utilities	21,637	21,491
Professional Services	99,390	63,650
Equipment and Grounds Maintenance	40,304	41,303
Race Purse	54,391	56,971
Senior Fair	20,155	15,025
Junior Fair	14,355	16,905
Capital Outlay	16,245	2,055
Other Operating Disbursements	31,479	21,867
Total Operating Disbursements	353,414	290,465
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(83,240)	(30,446)
Non-Operating Receipts (Disbursements):		
State Support	37,275	38,627
County Support	6,000	
Restricted Support (Donations/Contributions)	21,400	15,865
Unrestricted Support (Donations/Contributions)	2,154	4,070
Sale of Bonds or Notes	200,450	33,000
Sale of Personal Property	148,988	
Debt Service	(125,384)	(61,213)
Net Non-Operating Receipts (Disbursements)	290,883	30,349
Excess (Deficiency) of Receipts Over (Under) Disbursements	207,643	(97)
Cash Balance, Beginning of Year	5,400	5,497
Cash Balance, End of Year	\$213,043	\$5,400

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

This page intentionally left blank.

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Columbiana County Agricultural Society, Columbiana 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 1845 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Columbiana County Fair during July-August. During the fair, harness races are held, culminating in the running of the Home Talent Colt Stakes. Columbiana 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 twelve directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Columbiana 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 harness racing during fair week. Other year round activities at the fairgrounds including facility rental, track and stall rental. The reporting entity does not include any other activities or entities of Columbiana County, Ohio.

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 Society. All Junior Fair Board activity is included in the Society's financial statements.

The financial activity of the Junior Livestock Sale Committee is summarized in Note 7.

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.

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Support

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

F. 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.

G. Race Purse

Home Talent Colt Stakes stake races are conducted during the Columbiana 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 Home Talent Colt Stakes 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 3 for additional information.

2. CASH AND INVESTMENTS

The carrying amount of cash and investments at November 30, 2003 and November 2002 follows:

	2003	2002
Demand deposits	\$213,043	\$5,400
Total deposits	213,043	5,400

Deposits: All of the bank balance was covered by Federal Depository 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, 2003 and November 2002, respectively was \$37,275 and \$38,627 and is included within State Support on the accompanying financial statements.

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2003 AND NOVEMBER 30, 2002
(Continued)**

4. DEBT

Debt outstanding at November 30, 2003 was as follows:

	Principal	Interest Rate
Consolidation Loan	150,000	5%

The \$150,000 consolidation loan bears an interest rate of 5% and is due to National City Bank. The note was entered into on November 25, 2003. Proceeds of the note were used to consolidate the loan on horse barn, replacement of grandstand fund money, pay off line of credit and roof replacement. The loan is collateralized with the Society's savings account.

The loan matures November 30, 2008, with monthly payments of \$2,838, \$34,051 annually.

5. RETIREMENT SYSTEM

All Employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2003 employees contributed 6.2% of their gross salaries. The Society contributed an amount equal to 6.2% of the participant's gross salaries through November 30, 2003.

6. RISK MANAGEMENT

The Columbiana County Commissioners provide general insurance coverage for all the buildings on the Columbiana 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. The Society's fair manager is bonded with coverage of \$50,000.

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.

7. 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 Columbiana County's auction. Monies to cover the cost of the auction are generated through a 3% commission per head, 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 Sale Committee's financial activity for the years ended November 30, 2003 and November 30, 2002 follows:

	2003	2002
Beginning Cash Balance	\$ -	\$ 123,912
Receipts	261,033	250,054
Disbursements	(260,400)	(373,966)
Ending Cash Balance	\$ 633	\$ -

This page intentionally left blank.



Auditor of State Betty Montgomery

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

Columbiana County Agricultural Society
Columbiana County
38012 Saltwell Road
Lisbon, Ohio 44432

To the Board of Directors:

We have audited the financial statement of Columbiana County Agricultural Society (the Society) as of and for the years ended November 30, 2003 and November 30, 2002, and have issued our report thereon dated March 15, 2005. 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 15, 2005.

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

March 15, 2005



**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

COLUMBIANA COUNTY AGRICULTURAL SOCIETY

COLUMBIANA 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
JUNE 2, 2005**