



Dave Yost • Auditor of State

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statement of Receipts, Disbursements, and Changes in Fund Balance (Cash Basis) - For the Years Ended November 30, 2013 and 2012.....	3
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9

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INDEPENDENT AUDITOR'S REPORT

Columbiana County Agricultural Society
Columbiana County
PO Box 356
Lisbon, Ohio 44432

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Columbiana County Agricultural Society, Columbiana County, (the "Society") as of and for the years ended November 30, 2013 and 2012.

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 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 opinion.

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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, or 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 combined cash balances of Columbiana County Agricultural Society, Columbiana County as of November 30, 2013 and 2012, and its combined cash receipts and disbursements 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 July 23, 2014, 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

July 23, 2014

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN FUND BALANCE (CASH BASIS)
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012**

	2013	2012
Operating Receipts:		
Admissions	\$242,000	\$227,846
Privilege Fees	48,313	45,411
Rentals	46,958	33,406
Sustaining and Entry Fees	15,250	15,479
Pari-Mutual Wagering Commission	151	254
Other Operating Receipts	23,295	22,322
 Total Operating Receipts	 375,967	 344,718
Operating Disbursements:		
Wages and Benefits	33,794	36,602
Utilities	23,594	27,992
Professional Services	87,853	84,147
Equipment and Grounds Maintenance	72,413	61,744
Race Purse	46,568	33,740
Senior Fair	29,755	29,187
Junior Fair	14,381	14,497
Capital Outlay	166,748	107,742
Other Operating Disbursements	131,190	129,917
 Total Operating Disbursements	 606,296	 525,568
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 (230,329)	 (180,850)
Non-Operating Receipts (Disbursements):		
State Support	32,474	18,729
County Support	20,000	10,000
Debt Proceeds	50,000	10,000
Donations/Contributions	33,325	103,007
Investment Income	2,191	1,174
Sale of Assets	3,409	0
Gas and Oil Lease	379	247,161
Debt Service	(2,490)	(10,098)
 Net Non-Operating Receipts (Disbursements)	 139,288	 379,973
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 (91,041)	 199,123
 Cash Balance, Beginning of Year	 370,801	 171,678
 Cash Balance, End of Year	 \$279,760	 \$370,801

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

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**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2013 AND 2012**

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 Columbiana County Agricultural Society, Columbiana County, (the "Society") as a body corporate and politic. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1845 to operate 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 Board of Directors manages the Society. The Board is made up of 12 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Columbiana 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 fair week and simulcast relating to harness racing. Other year round activities at the fairgrounds including facility rental, and track and stall rental. The reporting entity does not include any other activities or entities of Columbiana County, Ohio.

Notes 5 and 6, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's 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 the Auditor of State prescribes or permits. 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. Budgetary presentations report budgetary expenditures when a commitment is made

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

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.

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2013 AND 2012
(Continued)**

2. Deposits and Investments

The Society maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at November 30, 2013 and 2012 was as follows:

	2013	2012
Demand deposits	\$130,017	\$110,841
Certificates of deposit	151,653	261,152
Total deposits	\$281,670	\$371,993

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. Horse Racing

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the years ended November 30, 2013 and 2012 were \$13,133.48 and 14,486.37, respectively as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompany financial statement, rather, it records the Pari-mutuel Wagering Commission (commission) which is the Society's share of total pari-mutuel wagers after paying winning bettors. The expenses of providing the pari-mutuel wagering system are called Tote Services, and these expenses are included in Professional Service Disbursements, State taxes, which are also paid from Pari-mutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society's net portion.

	2013	2012
Total Amount Bet (Handle)	\$ 869	\$ 1,447
Less: Payoff to Bettors	(718)	(1,193)
Parimutuel Wagering Commission	151	254
Tote Service Set Up Fee	0	0
Tote Service Commission	0	0
State Tax	(21)	(42)
Society Portion	\$ 130	\$ 212

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2013 AND 2012
(Continued)**

4. Debt

Debt outstanding at November 30, 2013 was as follows:

	Principal	Interest Rate
Commerical Building Loan	\$48,513	3.37%

The \$50,000 Commercial Building Loan bears an interest rate of 3.37 percent and is due to the Huntington National Bank. The note was entered into on April 24, 2013 and matures April 30, 2018. Proceeds of the note were used to build a commercial building and are collateralized by a \$50,000 certificate of deposit. This promissory note also has a balloon payment of \$36,354 due in 2018 as the final payment.

Amortization of the above debt is scheduled as follows:

Year ending			
November 30:	Building Loan	Interest	Total
2014	\$2,651	\$1,607	\$4,258
2015	2,743	1,525	4,268
2016	2,835	1,433	4,268
2017	2,937	1,331	4,268
2018	37,347	521	37,868
Total	\$48,513	\$6,417	\$54,930

5. Risk Management

The Society provides health coverage for full-time, supervisory employees through an insurance company.

The Columbiana County Commissioners provide general insurance coverage for all the buildings on the Columbiana County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance, with a limit of \$2,000,000 aggregate. The Society's Treasurer 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 December 2013.

**COLUMBIANA COUNTY AGRICULTURAL SOCIETY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2013 AND 2012
(Continued)**

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 Columbiana County Fair. The Society disbursed \$14,381 and \$14,498 during 2013 and 2012, respectively, directly to the Junior Fair Board. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. 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 years ended November 30, 2013 and 2012 follows:

	2013	2012
Beginning Cash Balance	\$ 824	\$ 2,317
Receipts	7,188	5,994
Disbursements	(6,009)	(7,487)
Ending Cash Balance	\$ 2,003	\$ 824

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. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30, 2013 and 2012 follows:

	2013	2012
Beginning Cash Balance	\$ 30,729	\$ 21,198
Receipts	446,982	429,148
Disbursements	(435,477)	(419,617)
Ending Cash Balance	\$ 42,234	\$ 30,729



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

Columbiana County Agricultural Society
Columbiana County
PO Box 356
Lisbon, Ohio 44432

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 Columbiana County Agricultural Society, Columbiana County, (the "Society") as of and for the years ended November 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements and have issued our report thereon dated July 23, 2014.

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 communication 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

July 23, 2014



Dave Yost • Auditor of State

COLUMBIANA COUNTY AGRICULTURE 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
NOVEMBER 06, 2014**