

**MEIGS COUNTY AGRICULTURAL SOCIETY  
MEIGS COUNTY**

**FINANCIAL STATEMENT  
(AUDITED)**

**FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013**

**KEN BUCKLEY, TREASURER**





# Dave Yost • Auditor of State

Board of Directors  
Meigs County Agricultural Society  
42455 Woods Road  
Coolville, Ohio 45723

We have reviewed the *Independent Auditor's Report* of the Meigs County Agricultural Society, prepared by Julian & Grube, Inc., for the audit period December 1, 2012 through November 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Meigs County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

October 15, 2015

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**MEIGS COUNTY AGRICULTURAL SOCIETY  
MEIGS COUNTY**

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### Independent Auditor's Report

Meigs County Agricultural Society  
Meigs County  
42455 Woods Road  
Coolville, Ohio 45723

To the Board of Directors:

#### ***Report on the Financial Statement***

We have audited the accompanying financial statement and related notes of the Meigs County Agricultural Society, Meigs County, Ohio, as of and for the years ended November 30, 2014 and 2013.

#### ***Management's Responsibility for the Financial Statement***

Management is responsible for preparing and fairly presenting this financial statement 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 this financial statement 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 statement is 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 Meigs County Agricultural Society's preparation and fair presentation of the financial statement 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 Meigs County Agricultural 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 statement, the Meigs County Agricultural Society prepared this financial statement 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.

Board of Directors  
Meigs County Agricultural Society  
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Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Meigs County Agricultural Society does not intend this statement 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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Meigs County Agricultural Society as of November 30, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances of the Meigs County Agricultural Society, Meigs County, Ohio, as of November 30, 2014 and 2013, and its 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 15, 2015, on our consideration of the Meigs County Agricultural 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 Meigs County Agricultural Society's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
July 15, 2015

**MEIGS COUNTY AGRICULTURAL SOCIETY  
MEIGS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN FUND BALANCE (CASH BASIS)  
FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>Operating Receipts:</b>		
Admissions	\$ 148,153	\$ 147,897
Privilege Fees	17,341	22,869
Sales by Fair Board	480	7,405
Racing	8,759	7,359
Sustaining and Entry Fees	11,757	11,427
Rentals	37,746	35,362
Local	10,000	6,500
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Total Operating Receipts	234,236	238,819
	<hr/>	<hr/>
<b>Operating Disbursements:</b>		
Wages and Benefits	16,092	13,101
Administration Expense	7,750	7,192
Supplies	3,377	3,434
Utilities	27,017	19,835
Racing Expenses	47,483	35,300
Professional Services	63,053	65,830
Property Services	25,793	28,974
Advertising	8,840	13,630
Repairs	14,249	5,699
Insurance	8,520	8,546
Rent and Leases	6,414	9,668
Capital Outlay	4,519	45,628
Senior Fair Expense	6,707	6,086
Contest Expense	18,352	19,820
Junior Fair Expense	12,925	12,921
Other Fair Expenses	251,497	243,844
Other Miscellaneous Expense	580	195
	<hr/>	<hr/>
Total Operating Disbursements	523,168	539,703
	<hr/>	<hr/>
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(288,932)	(300,884)
	<hr/>	<hr/>
<b>Non-Operating Receipts (Disbursements):</b>		
Interest	90	129
State Support	44,307	32,473
Restricted Support	277,190	276,759
Unrestricted Support	7,443	13,364
Other Financing Fees	(10)	(150)
	<hr/>	<hr/>
Net Non-Operating Receipts (Disbursements)	329,020	322,575
	<hr/>	<hr/>
Excess (Deficiency) of Receipts Over (Under) Disbursements	40,088	21,691
	<hr/>	<hr/>
Cash Balance, Beginning of Year	\$225,772	204,081
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<b>Cash Balance, End of Year</b>	<b><u>\$265,860</u></b>	<b><u>225,772</u></b>

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

**MEIGS COUNTY AGRICULTURAL SOCIETY  
MEIGS COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013

**NOTE 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 Agricultural Society, Meigs 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 1851 to operate an annual agricultural fair. The Society sponsors the week-long Meigs County Fair during September. During the fair, harness races are held. Meigs County is not financially accountable for the Society. The Board of Directors manage the Society. The Board is made up of sixteen directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Meigs 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 include facility rental, track and stall rental and other community fundraisers. The reporting entity does not include any other activities or entities of Meigs County, Ohio.

Notes 5 and 6 summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity, respectively.

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

**B. Accounting Basis**

This financial statement follows 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). The basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposit and Investments**

The Society's accounting basis includes investments as assets. This basis does not record disbursement 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 statement does not report these items as assets.

**MEIGS COUNTY AGRICULTURAL SOCIETY  
MEIGS COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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**

Harness stake races are held during the Meigs 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 The Southern Valley Colt Circuit 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 report these fees as Sustaining and Entry Fees.

Ohio Fairs Fund

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.

**NOTE 2 - DEPOSITS**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at November 30, 2014 and 2013 was as follows:

	<u>2014</u>	<u>2013</u>
Demand Deposits	<u>\$ 265,860</u>	<u>\$ 225,772</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institutions public entity deposit pool.

**NOTE 3 - HORSE RACING**

State Support Portion of Purse

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the years ended November 30, 2014 and 2013 was \$27,384 and \$21,932, respectively, as State Support.

**MEIGS COUNTY AGRICULTURAL SOCIETY  
MEIGS COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013

**NOTE 4 - RISK MANAGEMENT**

The Meigs County Commissioners provide general insurance coverage for all the buildings on the Meigs County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance, with limits of \$5,000,000 and \$1,000,000 aggregate. The Society also has bonds for the Secretary and Treasurer in the amount of \$100,000 and \$10,000, respectively.

**NOTE 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 Meigs County Fair. The Society disbursed \$12,925 and \$12,921, respectively, 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. This accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the years ended November 30, 2014 and 2013 follows:

	2014	2013
Beginning Cash Balance	\$ 4,792	\$ 1,582
Receipts	6,976	8,206
Disbursements	(7,036)	(4,996)
Ending Cash Balance	\$ 4,732	\$ 4,792

**NOTE 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 Meigs County's auction. A stall charge is assessed to each exhibitor in lieu of sales commission in order to cover auction and/or Junior Fair expenses. 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, 2014 and 2013 follows:

	2014	2013
Beginning Cash Balance	\$ 22,055	\$ 11,241
Receipts	299,791	256,527
Disbursements	(305,498)	(245,713)
Ending Cash Balance	\$ 16,348	\$ 22,055



## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By *Government Auditing Standards***

Meigs County Agricultural Society  
Meigs County  
42455 Woods Road  
Coolville, Ohio 45723

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 statement of the Meigs County Agricultural Society, Meigs County, Ohio, as of and for the years ended November 30, 2014 and 2013 and the related notes to the financial statement and have issued our report thereon dated July 15, 2015, wherein we noted the Meigs County Agricultural Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Meigs County Agricultural 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 statement, but not to the extent necessary to opine on the effectiveness of the Meigs County Agricultural 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 Meigs County Agricultural Society's financial statement. 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.

Board of Directors  
Meigs County Agricultural Society

***Compliance and Other Matters***

As part of reasonably assuring whether the Meigs County Agricultural Society's financial statement is 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 Meigs County Agricultural Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Meigs County Agricultural Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
July 15, 2015

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# Dave Yost • Auditor of State

**MEIGS COUNTY AGRICULTURAL SOCIETY**

**MEIGS 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 5, 2015**