



Mary Taylor, CPA
Auditor of State

TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY

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Mary Taylor, CPA
Auditor of State

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

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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November 17, 2010

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statements of Trumbull County Agricultural Society, Trumbull County, (the Society) as of and for the years ended November 30, 2009 and 2008. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Society has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require societies to reformat their statements. The Society has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended November 30, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Trumbull County Agricultural Society, Trumbull County, as of November 30, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Society has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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Mary Taylor, CPA
Auditor of State

November 17, 2010

**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2009 AND 2008**

	2009	2008
Operating Receipts:		
Admissions	\$352,919	\$392,234
Privilege Fees	87,152	87,085
Rentals	60,839	53,864
Other Operating Receipts	54,642	56,412
Total Operating Receipts	555,552	589,595
Operating Disbursements:		
Wages and Benefits	64,335	76,486
Utilities	31,523	33,322
Professional Services	135,284	176,834
Equipment and Grounds Maintenance	78,815	80,834
Senior Fair	23,838	18,553
Junior Fair	12,862	15,726
Capital Outlay	64,933	89,940
Other Operating Disbursements	151,623	147,458
Total Operating Disbursements	563,213	639,153
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(7,661)	(49,558)
Non-Operating Receipts (Disbursements):		
State Support	6,560	7,300
County Support	25,000	30,000
Investment Income	1,827	8,689
Sale of Assets	55	4,835
Net Non-Operating Receipts (Disbursements)	33,442	50,824
Excess (Deficiency) of Receipts Over (Under) Disbursements	25,781	1,266
Cash Balance, Beginning of Year	219,101	217,835
Cash Balance, End of Year	\$244,882	\$219,101

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, 2009 AND 2008**

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, Trumbull 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 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 fifteen directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be 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. Other year round activities at the fairgrounds including facility rental, track and stall rental and community events including demolition derbies. The reporting entity does not include any other activities or entities of Trumbull County, Ohio.

Notes 5 and 6, respectively, summarizes 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.

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

C. Cash 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.

The Society values certificates of deposit at cost.

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.

**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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 carrying amount of cash and investments at November 30, 2009 and 2008 follows:

	<u>2009</u>	<u>2008</u>
Demand deposits	\$94,882	\$115,109
Certificates of deposit	150,000	103,992
Total deposits	<u>244,882</u>	<u>219,101</u>

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

3. RETIREMENT SYSTEM

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2009 and 2008 employees contributed 6.2% of their gross salaries. The Society contributed an amount equal to 6.2% of the participants' gross salaries through November 30, 2009.

4. RISK MANAGEMENT

The Society provides health coverage for full-time, supervisory employees through Medical Mutual of Ohio Insurance Company through the Trumbull County Commissioners.

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. The policy includes crime coverage for employee dishonesty with limits 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 August 2010.

**TRUMBULL COUNTY AGRICULTURAL SOCIETY
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2009 AND 2008
(Continued)**

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 Trumbull County Fair. The Society disbursed \$12,862 and \$15,726 directly to vendors to support Junior Fair activities in 2009 and 2008, respectively. 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 year ended November 30 follows:

	2009	2008
Beginning Cash Balance	\$ 1,241	\$ 476
Receipts	633	8,654
Disbursements	(882)	(7,889)
Ending Cash Balance	\$ 992	\$ 1,241

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 Trumbull County's auction. A commission of 3.5 percent on auction sales per head 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, 2009 and 2008 follows:

	2009	2008
Beginning Cash Balance	\$ 4,442	\$ 4,457
Receipts	504,802	430,106
Disbursements	(503,486)	(430,121)
Ending Cash Balance	\$ 5,758	\$ 4,442

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' 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 the financial statements of the Trumbull County Agricultural Society, Trumbull County, (the Society) as of and for the years ended November 30, 2009 and 2008, and have issued our report thereon dated November 17, 2010, wherein we noted the Society followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Society's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Society's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Society's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Society's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Society's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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, providing an opinion 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*.

We did note a certain noncompliance or other matter that we reported to the Society's management in a separate letter dated November 17, 2010.

We intend this report solely for the information and use of the audit committee, management, and Board of Directors. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 17, 2010



Mary Taylor, CPA
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
DECEMBER 7, 2010**