



OHIO AUDITOR OF STATE  
**KEITH FABER**





**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - For the Year Ended November 30, 2020 .....	5
Notes to the Financial Statements For the Year Ended November 30, 2020 .....	7
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – For the Year Ended November 30, 2019 .....	13
Notes to the Financial Statements For the Year Ended November 30, 2019 .....	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	21
Schedule of Findings.....	23

**This page intentionally left blank.**



One First National Plaza  
130 West Second Street, Suite 2040  
Dayton, Ohio 45402-1502  
(937) 285-6677 or (800) 443-9274  
WestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Greene County Agricultural Society  
Greene County  
120 Fairground Road  
Xenia, Ohio 45385

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each proprietary fund type combined total as of and for the fiscal year ended November 30, 2020 and for each proprietary fund type as of and for the fiscal year ended November 30, 2019, and related notes of the Greene County Agricultural Society, Greene County, Ohio (the Society).

### ***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 2 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, 2020 and 2019, and the respective changes in financial position or cash flows 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 for each proprietary fund type combined total as of and for the fiscal year ended November 30, 2020 and for each proprietary fund type as of and for the fiscal year ended November 30, 2019, and related notes of the Society, 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 2.

***Emphasis of Matter***

As discussed in Note 10 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Society. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021, 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.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

November 8, 2021

**This page intentionally left blank.**



**Greene County Agricultural Society**  
*Greene County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Fiscal Year Ended November 30, 2020*

<b>Operating Receipts</b>	
Admissions	\$8,824
Privilege Fees	6,015
Rentals	311,851
Sustaining and Entry Fees	24,655
Other Operating Receipts	91,074
	91,074
<i>Total Operating Receipts</i>	<i>442,419</i>
	<i>442,419</i>
<b>Operating Disbursements</b>	
Wages and Benefits	122,412
Utilities	93,505
Professional Services	72,171
Equipment and Grounds Maintenance	48,468
Property and Rent Services	92,861
Race Purse	86,072
Senior Fair	981
Junior Fair	292,366
Capital Outlay	52,097
Other Operating Disbursements	44,060
	44,060
<i>Total Operating Disbursements</i>	<i>904,993</i>
	<i>904,993</i>
<i>Excess (Deficiency) of Operating Receipts</i>	
<i>Over (Under) Operating Disbursements</i>	<i>(462,574)</i>
	<i>(462,574)</i>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	13,805
Local Support	7,913
Debt Proceeds	185,762
Donations/Contributions	402,743
Investment Income	269
Debt Service	(47,993)
	(47,993)
<i>Net Non-Operating Receipts (Disbursements)</i>	<i>562,499</i>
	<i>562,499</i>
<i>Excess of Receipts Over Disbursements</i>	<i>99,925</i>
	<i>99,925</i>
Cash Balance, Beginning of Year	196
	196
<i>Cash Balance, End of Year</i>	<i>\$100,121</i>
	<i>\$100,121</i>

**This page intentionally left blank.**

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2020*

---

**Note 1 – Reporting Entity**

The Greene County Agricultural Society (the Society), Greene County, is a body politic and corporate 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 1839 to operate an annual agricultural fair. The Society sponsors the week-long Greene County Fair during July/August. During the fair, harness races are held, culminating in the running of the Greene County Harness Racing. Greene County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 16 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Greene County and pay an annual membership fee to the Society.

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, and community events including wedding receptions, high school proms, family reunions, trade shows and auctions. The reporting entity does not include any other activities or entities of Greene County, Ohio.

Notes 8 and 9 summarize the Junior Fair Board's and the Junior Livestock Sale Committee's financial activity. The Junior Livestock Sale Committee's financial activity are reported in the Society's financial statement.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Society's financial statement consists of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

***Basis of Accounting***

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). This 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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.

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2020*

---

***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.

***Capital Assets***

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

***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.

***Race Purse***

Greene County stake races are held during the Greene 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 Greene County Horseman's Association 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 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 4 for additional information.

**Note 3 – Deposits and Investments**

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

	2020
Demand deposits	<u>\$100,121</u>
Total deposits	<u><u>\$100,121</u></u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation, National Credit Union Association, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2020*

---

deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 4 – Horse Racing**

***State Support Portion of Purse***

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the fiscal year ended November 30, 2020, in the amount of \$8,740 as State Support.

**Note 5 – Risk Management**

Workers’ Compensation coverage is provided by the State of Ohio. The Society pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Greene County Commissioners provide general insurance coverage for all the buildings on the Greene County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance with limits of \$12,400,000 and \$12,400,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$50,000.

**Note 6 – Social Security**

Society employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants’ gross salaries. The Society has paid all contributions required through November 30, 2020.

**Note 7 – Debt**

Debt outstanding at November 30, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Mortgage Note	\$203,828	4.95%
Bobcat Loan	9,429	5.25%
SBA Economic Injury Disaster Loan #7810	148,718	2.75%
Payroll Protection Program (PPP) Loan #7300	35,862	0.00%
Total	<u>\$397,837</u>	

The mortgage note on the buildings was incurred as a result of the destruction of most of the buildings during the tornado of September 2000. The original note was issued in January 2008 for \$429,424, at an interest rate of 6.42%. During 2018, the Agricultural Society refinanced this note at an interest rate of 4.95%. The outstanding balance of this note is \$203,828 as of November 30, 2020.

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2020*

During 2018, the Agricultural Society entered into a loan agreement for the purchase of a Bobcat Tractor in the amount of \$18,500 at an interest rate of 5.25%, for a period five years. The outstanding balance of this loan is \$9,429 as of November 30, 2020.

During 2020, the society entered into a U.S. Small Business Administration (SBA) Economic Injury Disaster Loan related to the COVID-19 pandemic, in the amount of \$150,000 for a period of thirty years. Payments are not scheduled to begin until June 2021. The outstanding balance of this loan at November 30, 2020 is \$148,718 due to the Society making two early payments during fiscal year 2020.

During 2020, the Society received a forgivable Paycheck Protection Program loan in the amount of \$35,862. The loan was incurred to assist with the financial hardship related to the COVID-19 pandemic. As of November 30, 2020, the entire balance is outstanding. During fiscal year 2021, the Society applied to have the entire balance forgiven.

Amortization of the above debt is scheduled as follows:

Fiscal Year Ending November 30:	Mortgage Note	Bobcat Loan	SBA Loan	Total
2021	\$33,910	4,215	\$4,487	\$42,612
2022	33,910	4,215	7,692	45,817
2023	155,388	1,631	7,692	164,711
2024			7,692	7,692
2025			7,692	7,692
2026-2030			38,460	38,460
2031-2035			38,460	38,460
2036-2040			38,460	38,460
2041-2045			38,460	38,460
2046-2050			24,813	24,813
Total Payments	223,208	10,061	213,908	447,177
Less: Interest	(19,380)	(632)	(65,190)	(85,202)
Principal Payments	<u>\$203,828</u>	<u>\$9,429</u>	<u>\$148,718</u>	<u>\$361,975</u>

**Note 8 – Junior Fair Board**

The Junior Fair Board, which is composed of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Greene County Fair. The Society disbursed \$0 directly to the Junior Fair Board and \$292,366 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Greene County paid the Society \$500 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the fiscal year ended November 30, 2020, follows:

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2020*

---

---

	2020
Beginning Cash Balance	\$ 6,209
Receipts	8,149
Disbursements	<u>(6,492)</u>
Ending Cash Balance	<u>\$ 7,866</u>

**Note 9 – Junior Livestock Sale Committee**

The Junior Livestock Sale Committee is included in the books of the Greene County Agricultural Society. A separate committee is 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 Greene County’s auction. A commission of 3 percent on auction sales covers auction costs.

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Society. The impact on the Society’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**This page intentionally left blank.**



**Greene County Agricultural Society**  
*Greene County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Fiscal Year Ended November 30, 2019*

<b>Operating Receipts</b>	
Taxes	\$407
Admissions	167,755
Privilege Fees	78,025
Rentals	397,122
Sustaining and Entry Fees	11,195
Pari-mutuel Wagering Commission	1,106
Other Operating Receipts	<u>89,156</u>
<i>Total Operating Receipts</i>	<u>744,766</u>
<b>Operating Disbursements</b>	
Wages and Benefits	170,488
Utilities	108,749
Professional Services	242,481
Equipment and Grounds Maintenance	81,150
Property and Rent Services	136,569
Race Purse	102,080
Senior Fair	6,719
Junior Fair	32,980
Capital Outlay	29,669
Other Operating Disbursements	<u>446,398</u>
<i>Total Operating Disbursements</i>	<u>1,357,283</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(612,517)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	83,000
Local Support	66,029
Donations/Contributions	454,870
Investment Income	24
Debt Service	<u>(44,807)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>559,116</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(53,401)
Cash Balance, Beginning of Year	<u>53,597</u>
<i>Cash Balance, End of Year</i>	<u><u>\$196</u></u>

**This page intentionally left blank.**

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2019*

---

**Note 1 – Reporting Entity**

The Greene County Agricultural Society (the Society), Greene County, is a body politic and corporate 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 1839 to operate an annual agricultural fair. The Society sponsors the week-long Greene County Fair during July/August. During the fair, harness races are held, culminating in the running of the Greene County Harness Racing. Greene County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 16 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Greene County and pay an annual membership fee to the Society.

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, and community events including wedding receptions, high school proms, family reunions, trade shows and auctions. The reporting entity does not include any other activities or entities of Greene County, Ohio.

Note 8 and 9 summarize the Junior Fair Board's and the Junior Livestock Sale Committee's financial activity. The Junior Livestock Sale Committee's financial activity are reported in the Society's financial statement.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Society's financial statement consists of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

***Basis of Accounting***

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). This 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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.

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2019*

---

***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.

***Capital Assets***

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

***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.

***Race Purse***

Greene County stake races are held during the Greene 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 Greene County Horseman's Association 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 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 4 for additional information.

***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 4 for additional information.

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2019*

---

**Note 3 – Deposits and Investments**

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

	2019
Demand deposits	\$196
Total deposits	\$196

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation, National Credit Union Association, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 4 – Horse Racing**

***State Support Portion of Purse***

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the fiscal year ended November 30, 2019, in the amount of \$72,572 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 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 the Pari-mutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society’s net portion.

	2019
Total Amount Bet (Handle)	\$ 19,136
Less: Payoff to Bettors	(15,414)
Parimutuel Wagering Commission	3,722
Tote Service Set Up Fee	(550)
Tote Service Commission	(1,659)
State Tax	(407)
Society Portion	\$ 1,106

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2019*

---

**Note 5 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Society pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Greene County Commissioners provide general insurance coverage for all the buildings on the Greene County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with limits of \$12,400,000 and \$12,400,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$50,000.

**Note 6 – Social Security**

Society employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2019.

**Note 7 – Debt**

Debt outstanding at November 30, 2019, was as follows:

	Principal	Interest Rate
Mortgage Note	\$226,815	4.95%
Bobcat Loan	13,759	5.25%
Total	\$240,574	

The mortgage note on the buildings was incurred as a result of the destruction of most of the buildings during the tornado of September 2000. The original note was issued in January 2008 for \$429,424, at an interest rate of 6.42%. During 2018, the Agricultural Society refinanced this note at an interest rate of 4.95%. The outstanding balance of this note is \$226,815 as of November 30, 2019.

During 2018, the Agricultural Society entered into a loan agreement for the purchase of a Bobcat Tractor in the amount of \$18,500 at an interest rate of 5.25%, for a period five years. The outstanding balance of this loan is \$13,759 as of November 30, 2019.

**Greene County Agricultural Society**  
*Greene County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2019*

---

Amortization of the above debt is scheduled as follows:

Fiscal Year Ending November 30:	Mortgage Note	Bobcat Loan	Total
2020	\$33,910	\$4,953	\$38,863
2021	33,910	4,215	38,125
2022	33,910	4,215	38,125
2023	155,350	1,696	157,046
Total Payments	257,080	15,079	272,159
Less: Interest	(30,265)	(1,320)	(31,585)
Principal Payments	<u>\$226,815</u>	<u>\$13,759</u>	<u>\$240,574</u>

**Note 8 – Junior Fair Board**

The Junior Fair Board, which is composed of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Greene County Fair. The Society disbursed \$210 directly to the Junior Fair Board and \$32,770 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Greene County paid the Society \$500 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board’s financial activity for the fiscal year ended November 30, 2019, follows:

	2019
Beginning Cash Balance	\$ 5,362
Receipts	14,797
Disbursements	(13,950)
Ending Cash Balance	<u>\$ 6,209</u>

**Note 9 – Junior Livestock Sale Committee**

The Junior Livestock Sale Committee is included in the books of the Greene County Agricultural Society. A separate committee is 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 Greene County’s auction. A commission of 3 percent on auction sales covers auction costs.

**This page intentionally left blank.**





One First National Plaza  
130 West Second Street, Suite 2040  
Dayton, Ohio 45402-1502  
(937) 285-6677 or (800) 443-9274  
WestRegion@ohioauditor.gov

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

Greene County Agricultural Society  
Greene County  
120 Fairground Road  
Xenia, Ohio 45385

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 for each proprietary fund type combined total as of and for the fiscal year ended November 30, 2020 and for each proprietary fund type as of and for the fiscal year ended November 30, 2019, and related notes of the Greene County Agricultural Society, Greene County, (the Society) and have issued our report thereon dated November 8, 2021, wherein we noted the Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Society.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Society’s internal control over financial reporting (internal control) as a basis for designing 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

***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 financial statements. 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 8, 2021

**GREENE COUNTY AGRICULTURAL SOCIETY  
GREENE COUNTY**

**SCHEDULE OF FINDING  
NOVEMBER 30, 2020 AND 2019**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2020-001**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors in the Society's annual financial reports for fiscal years 2020 and 2019 were identified as material and have been adjusted in the financial statements:

During fiscal year 2020:

- Debt Proceeds were understated by \$185,762 and Donations & Contributions were overstated by the same amount.
- Debt payments in the amounts of \$9,697 were improperly recorded as Equity in the Accounting System, instead of Principal/Loan Expenditures.
- Junior Fair Expenses were understated by \$272,722 and Other Fair Expenses were overstated by the same amount.
- Beginning Equity and Cash were understated by \$18,190.

During fiscal year 2019:

- Beginning Equity and Cash were understated by \$53,597.

Other immaterial errors ranging from \$2,244 to \$68,800 that did not require audit adjustments were also noted during the audit and have been communicated to those charged with governance in the summary of identified misstatements form.

Policies and procedures should be developed and implemented to verify that all receipts and expenditures are posted in correct accounts and in the proper amounts. The Society should review posting each month and again at the end of the fiscal year to verify that all amounts are classified and posted correctly.

**Officials' Response**

We did not receive a response from Officials to this finding.

# OHIO AUDITOR OF STATE KEITH FABER



**GREENE COUNTY AGRICULTURAL SOCIETY**

**GREENE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/7/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)