



OHIO AUDITOR OF STATE
KEITH FABER



**BELMONT COUNTY AGRICULTURAL SOCIETY
BELMONT COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Belmont County Agricultural Society
Belmont County
P.O. Box 704
St. Clairsville, Ohio 43950

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Belmont County Agricultural Society, Belmont County, Ohio (the Society), which comprises the cash balances, receipts and disbursements as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Society, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Society on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's 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.



Keith Faber
Auditor of State
Columbus, Ohio

October 17, 2023

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Belmont County Agricultural Society
Belmont County
Statement of Receipts, Disbursements and
Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended November 30, 2022

Operating Receipts	
Taxes	\$2,960
Admissions	150,530
Privilege Fees	22,180
Rentals	89,205
Other Operating Receipts	<u>16,401</u>
<i>Total Operating Receipts</i>	<u>281,276</u>
Operating Disbursements	
Wages and Benefits	51,329
Utilities	39,644
Professional Services	186,606
Equipment and Grounds Maintenance	57,140
Property and Rent Services	69,362
Senior Fair	3,814
Junior Fair	14,044
Capital Outlay	376,519
Other Operating Disbursements	<u>24,992</u>
<i>Total Operating Disbursements</i>	<u>823,450</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(542,174)</u>
Non-Operating Receipts (Disbursements)	
State Support	4,847
Local Support	30,000
Donations/Contributions	720,371
Investment Income	3,161
Sale of Assets	<u>675</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>759,054</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	216,880
Cash Balance, Beginning of Year	<u>1,126,725</u>
<i>Cash Balance, End of Year</i>	<u><u>\$1,343,605</u></u>

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

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Belmont County Agricultural Society
Belmont County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2022

Note 1 – Reporting Entity

The Agricultural Society of Belmont County, Belmont 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 April 1849 to operate an annual agricultural fair. The Society sponsors the six-day-long Belmont County Fair in September. Belmont County is not financially accountable for Society. The Board of Directors manages the Society. The Board is made up of 24 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Belmont 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 other year-round activities at the fairgrounds including facility rental, stall rental, and community events including demolition derbies and truck pulls. The reporting entity does not include any other activities or entities of Belmont County, Ohio.

Notes 7 and 8, 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.

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(C). 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(C) permit.

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.

Belmont County Agricultural Society
Belmont County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2022

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.

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:

	<u>2022</u>
Demand deposits	\$525,602
Certificates of deposit	818,003
Total deposits	<u>1,343,605</u>

Deposits

Deposits, which include the Society's checking account and certificates of deposits, are insured by the Federal Deposit Insurance Corporation.

At November 30, 2022, \$342,972 of deposits were not insured or collateralized, contrary to Ohio law.

Note 4 – Risk Management

The Society is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the society's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Belmont County Agricultural Society
Belmont County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2022

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

2022

Cash and investments \$ 42,310,794

Actuarial liabilities \$15,724,479

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.

Note 5 – 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, 2022.

Note 6 – Subsequent Events

The Society partnered with the Belmont County Commissioners in obtaining a \$375,000 grant from the Ohio Department of Agriculture for the purposes of moving the Belmont County Soil and Water Conservation District and Ohio State Extension Offices on the Belmont County Fairgrounds. The Society, along with the Belmont County Commissioners, added additional funding of \$200,000 each for the project. The total project cost that has been earmarked is \$785,000. Grounding breaking for the Belmont County's new Soil and Water Conservation District and Ohio State Extension Offices were on September 5, 2023, the first day of the 2023 Belmont County Fair.

Note 7 – 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 Belmont County Fair. The Society disbursed \$0 directly to the Junior Fair Board and \$14,044 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Belmont County paid the Society \$1,500 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, 2022 follows:

Belmont County Agricultural Society
Belmont County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2022

	2022
Beginning Cash Balance	\$ 3,960
Receipts	17,021
Disbursements	(15,126)
Ending Cash Balance	\$ 5,855

Note 8 – 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 Belmont County Junior Fair Livestock auction. A commission of 5 percent per head 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 fiscal year ended November 30, 2022, follows:

	2022
Beginning Cash Balance	\$ 62,713
Receipts	696,042
Disbursements	(722,766)
Ending Cash Balance	\$ 35,989

Note 9 – 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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Society did not receive COVID-19 funding. 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 funding, either federal or state, cannot be estimated. The Society’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

Belmont County Agricultural Society
Belmont County
Statement of Receipts, Disbursements and
Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended November 30, 2021

Operating Receipts	
Taxes	\$1,839
Admissions	160,940
Privilege Fees	15,655
Rentals	60,060
Other Operating Receipts	18,713
<i>Total Operating Receipts</i>	<i>257,207</i>
Operating Disbursements	
Wages and Benefits	51,072
Utilities	25,207
Professional Services	150,327
Equipment and Grounds Maintenance	33,416
Property and Rent Services	52,449
Senior Fair	3,247
Junior Fair	12,480
Capital Outlay	107,643
Other Operating Disbursements	31,249
<i>Total Operating Disbursements</i>	<i>467,090</i>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<i>(209,883)</i>
Non-Operating Receipts (Disbursements)	
State Support	57,770
Local Support	30,000
Donations/Contributions	502,339
Investment Income	4,254
Debt Service	(30)
<i>Net Non-Operating Receipts (Disbursements)</i>	<i>594,333</i>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<i>384,450</i>
Cash Balance, Beginning of Year	742,275
<i>Cash Balance, End of Year</i>	<i>\$1,126,725</i>

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

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Belmont County Agricultural Society
Belmont County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

Note 1 – Reporting Entity

The Agricultural Society of Belmont County, Belmont 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 April 1849 to operate an annual agricultural fair. The Society sponsors the six-day-long Belmont County Fair in September. Belmont County is not financially accountable for Society. The Board of Directors manages the Society. The Board is made up of 24 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Belmont 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 other year-round activities at the fairgrounds including facility rental, stall rental, and community events including demolition derbies and truck pulls. The reporting entity does not include any other activities or entities of Belmont County, Ohio.

Notes 7 and 8, 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.

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(C). 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(C) permit.

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.

Belmont County Agricultural Society
Belmont County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

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.

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:

	<u>2021</u>
Demand deposits	\$ 811,882
Certificates of deposit	314,843
Total deposits	<u>\$ 1,126,725</u>

Deposits

Deposits, which include the Society's checking account and certificates of deposits, are insured by the Federal Deposit Insurance Corporation.

At November 30, 2021, \$616,923 of deposits were not insured or collateralized, contrary to Ohio law.

Note 4 – Risk Management

The Society is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the society's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Belmont County Agricultural Society
Belmont County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

2021

Cash and investments \$ 41,996,850

Actuarial liabilities \$14,974,099

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.

Note 5 – 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, 2022.

Note 6 – Subsequent Events

The Society partnered with the Belmont County Commissioners in obtaining a \$375,000 grant from the Ohio Department of Agriculture for the purposes of moving the Belmont County Soil and Water Conservation District and Ohio State Extension Offices on the Belmont County Fairgrounds. The Society, along with the Belmont County Commissioners, added additional funding of \$200,000 each for the project. The total project cost that has been earmarked is \$785,000. Grounding breaking for the Belmont County's new Soil and Water Conservation District and Ohio State Extension Offices were on September 5, 2023, the first day of the 2023 Belmont County Fair.

Note 7 – 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 Belmont County Fair. The Society disbursed \$0 directly to the Junior Fair Board and \$12,480 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Belmont County paid the Society \$1,500 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, 2022 follows:

Belmont County Agricultural Society
Belmont County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

	2021
Beginning Cash Balance	\$ 3,805
Receipts	10,290
Disbursements	(10,135)
Ending Cash Balance	\$ 3,960

Note 8 – 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 Belmont County Junior Fair Livestock auction. A commission of 5 percent per head 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 fiscal year ended November 30, 2021, follows:

	2021
Beginning Cash Balance	\$ 53,185
Receipts	610,184
Disbursements	(600,656)
Ending Cash Balance	\$ 62,713

Note 9 – 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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Society did not receive COVID-19 funding. 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 funding, either federal or state, cannot be estimated. The Society’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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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

Belmont County Agricultural Society
Belmont County
P.O. Box 704
St. Clairsville, Ohio 43950

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements, of the Belmont County Agricultural Society, Belmont County, Ohio (the Society), and have issued our report thereon dated October 17, 2023, wherein we noted the Society followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code §117-2-03(D) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Society's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

Society's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Society's response to the finding identified in our audit and described in the accompanying schedule of findings. The Society's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

October 17, 2023

**BELMONT COUNTY AGRICULTURAL SOCIETY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2022 AND 2021**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2022-001

Noncompliance

Ohio Rev. Code § 135.18(A) states that each institution designated as a public depository and awarded public deposits under §§ 135.01 to 135.21 of the Revised Code, except as provided in § 135.44 or 135.145 of the Revised Code, shall provide security for the repayment of all public deposits by selecting one of the following methods: 1) Securing all uninsured public deposits of each public depositor separately as set forth in divisions (B) to (J) of this section; 2) Securing all uninsured public deposits of every public depositor pursuant to § 135.181 or 135.182 of the Revised Code, as applicable, by establishing and pledging to the treasurer of state a single pool of collateral for the benefit of every public depositor at the public depository.

We noted the following:

- As of November 30, 2022, the Society's checking and certificates of deposit accounts had a total demand deposit balance of \$1,341,972 less Federal Deposit Insurance (FDIC) coverage of \$999,000, leaving \$342,972 of the Society's bank balance uninsured and uncollateralized.
- As of November 30, 2021, the Society's checking and certificates of deposit accounts had a total demand deposit balance of \$1,134,452 less Federal Deposit Insurance (FDIC) coverage of \$517,529, leaving \$616,923 of the Society's bank balance uninsured and uncollateralized.

Without proper collateral, the Society is at risk of losing funds.

The Society should ensure proper and adequate collateral is obtained from their financial institution to cover account balances in excess of \$250,000.

Officials' Response: Upon discussion of the noncompliance collateral issue information was sought from our depository agent Belmont Savings Bank. A continuing pledge agreement has since been signed and placed on file.

OHIO AUDITOR OF STATE KEITH FABER



BELMONT COUNTY AGRICULTURAL SOCIETY

BELMONT 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 11/9/2023

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