



OHIO AUDITOR OF STATE
KEITH FABER



**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Washington County Agricultural Society
Washington County
922 Front Street
Marietta, Ohio 45750

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified, Qualified, and Adverse Opinions

We have audited the financial statements of the Washington County Agricultural Society, Washington County, Ohio (the Society), which comprises the cash balances, receipts and disbursements as of and for the year ended November 30, 2023, 2022 and 2021, and the related notes to the financial statements.

Opinion Qualification on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Additional Basis for Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements as of and for the year ended November 30, 2023, 2022, and 2021, and the related notes of the Washington County Agricultural Society, Washington County, Ohio, in accordance with the financial reporting provisions 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, 2023, 2022, and 2021, or the changes in financial position thereof for the years 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 the audit evidence we obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

Additional Basis for Opinion Qualification

We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as follows:

Year	Line Item	Total	% of Total Operating Receipts
2021	Other Operating Receipts	\$55,399	17.4%
2022	Rental receipts	\$129,864	35.6%
2023	Rental receipts	\$131,819	33.1%
2023	Other Operating Receipts	\$104,522	26.3%

Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 March 4, 2025, 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

March 4, 2025

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Washington County Agricultural Society
Washington County
Statement of Receipts, Disbursements and
Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended November 30, 2023

Operating Receipts

Taxes	\$1,445
Admissions	142,549
Privilege Fees	12,738
Rentals	131,819
Sustaining and Entry Fees	4,650
Other Operating Receipts	<u>104,522</u>

<i>Total Operating Receipts</i>	<u>397,723</u>
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Operating Disbursements

Wages and Benefits	32,107
Utilities	62,150
Professional Services	112,965
Equipment and Grounds Maintenance	54,788
Property and Rent Services	86,999
Race Purse	89,792
Senior Fair	3,792
Junior Fair	14,861
Capital Outlay	36,783
Other Operating Disbursements	<u>84,050</u>

<i>Total Operating Disbursements</i>	<u>578,287</u>
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<i>Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements</i>	<u>(180,564)</u>
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Non-Operating Receipts (Disbursements)

State Support	145,726
Local Support	3,300
Debt Proceeds	298
Donations/Contributions	31,868
Debt Service	<u>(40,604)</u>

<i>Net Non-Operating Receipts (Disbursements)</i>	<u>140,588</u>
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<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(39,976)
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Cash Balance, Beginning of Year	<u>44,072</u>
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<i>Cash Balance, End of Year</i>	<u><u>\$4,096</u></u>
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The notes to the financial statements are an integral part of this statement.

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Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2023

Note 1 – Reporting Entity

The Washington County Agricultural Society (the Society), Washington 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 1846 to operate an annual agricultural fair. The Society sponsors the week – long Washington County Fair during September (Labor day weekend). During the fair, harness races are held, culminating in the running of the Washington County Harness Racing. Washington County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of twenty-one directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Washington County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds relating to the harness races. 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 craft shows and Truck of Treat. The reporting entity does not include any other activities or entities of Washington County, Ohio.

Note 9 summarizes the Junior Livestock Sale Committee’s financial activity. The Junior Fair Board’s financial activity is reported in the Society’s financial statement.

Public Entity Risk Pool

The Society participates in a public entity risk pool Note 5 to the financial statement provides additional information for these entities. The Society’s management believes these financial statements present 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 §117.38 and Ohio Administrative Code 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2023
(Continued)

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.

Leases

The Society is the lessor in various leases (as defined by GASB 87) related to buildings and grounds under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

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

Harness stake races are held during the Washington County Fair. The Society pays all Sustaining and Entry fees, and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees Horse owners and The Southern Valley Colt Circuit 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.

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2023
(Continued)

Note 3 – Deposits

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

	2023
Demand Deposits	<u>\$4,096</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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, 2023, in the amount of \$5,096 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.

	2023
Total Amount Bet (Handle)	\$ 2,350
Less: Payoff to Bettors	<u>(1,905)</u>
Parimutuel Wagering Commission	445
Tote Service Set Up Fee	(1,300)
Tote Service Commission	0
State Tax	<u>(40)</u>
Society Portion	<u>\$ (895)</u>

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2023
(Continued)

Note 5 – Risk Management

Worker's 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.

Risk Pool Membership

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

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

	<u>2023</u>
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

The Washington County Commissioners provide general insurance coverage for all the buildings on the Washington County Fairgrounds pursuant to Ohio Revised Code Section 1711.24.

Note 6 – Social Security

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

Employees contributed 8.7 percent of their gross salaries. The Society contributed an amount equal to 8.7 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2021.

Note 7 – Debt

Debt outstanding at November 30, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Note Payable for Cattle Barn	\$16,546	9.00%

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2023
(Continued)

The Cattle Barn Note bears an interest rate of 9 percent and is due to the Settlers Bank. The note was entered into in 2004 and matures October 23, 2024. Proceeds of the note were used to construct a new cattle barn and are collateralized by the cattle barn.

Amortization of the above debt is scheduled as follows:

Fiscal Year Ending November 30:	Cattle Barn Loan Principal	Cattle Barn Loan Interest
<u>2024</u>	<u>16,547</u>	<u>1,830</u>

Note 8 – Contingent Liabilities

Amounts grantor agencies pay to the Society are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 9 – 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 Washington County's auction. A commission of 5 or 3 percent (depending on the animal sold) 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, 2023, follows:

	2022
Beginning Cash Balance	\$ 18,622
Receipts	454,833
Disbursements	<u>(429,993)</u>
Ending Cash Balance	<u>\$ 43,462</u>

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

Operating Receipts

Taxes	\$1,221
Admissions	110,038
Privilege Fees	16,467
Rentals	129,864
Sustaining and Entry Fees	4,125
Other Operating Receipts	<u>102,915</u>

<i>Total Operating Receipts</i>	<u>364,630</u>
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Operating Disbursements

Wages and Benefits	26,961
Utilities	60,611
Professional Services	110,294
Equipment and Grounds Maintenance	30,643
Property and Rent Services	71,005
Race Purse	82,806
Senior Fair	4,248
Junior Fair	13,250
Capital Outlay	30,452
Other Operating Disbursements	<u>78,036</u>

<i>Total Operating Disbursements</i>	<u>508,306</u>
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<i>Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements</i>	<u>(143,676)</u>
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Non-Operating Receipts (Disbursements)

State Support	93,233
Local Support	3,300
Donations/Contributions	21,888
Sale of Assets	15
Debt Service	<u>(39,370)</u>

<i>Net Non-Operating Receipts (Disbursements)</i>	<u>79,066</u>
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<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(64,610)
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Cash Balance, Beginning of Year	<u>108,682</u>
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<i>Cash Balance, End of Year</i>	<u><u>\$44,072</u></u>
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The notes to the financial statements are an integral part of this statement.

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Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2022

Note 1 – Reporting Entity

The Washington County Agricultural Society (the Society), Washington 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 1846 to operate an annual agricultural fair. The Society sponsors the week – long Washington County Fair during September (Labor day weekend). During the fair, harness races are held, culminating in the running of the Washington County Harness Racing. Washington County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of twenty-one directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Washington County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds relating to the harness races. 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 craft shows and Truck of Treat. The reporting entity does not include any other activities or entities of Washington County, Ohio.

Note 9 summarizes the Junior Livestock Sale Committee's financial activity. The Junior Fair Board's financial activity is reported in the Society's financial statement.

Public Entity Risk Pool

The Society participates in a public entity risk pool. Note 5 to the financial statement provides additional information for these entities. The Society's management believes these financial statements present 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 §117.38 and Ohio Administrative Code 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2022
(Continued)

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.

Leases

The Society is the lessor in various leases (as defined by GASB 87) related to buildings and grounds under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

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

Harness stake races are held during the Washington County Fair. The Society pays all Sustaining and Entry fees, and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees Horse owners and The Southern Valley Colt Circuit 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.

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2022
(Continued)

Note 3 – Deposits

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

	2022
Demand Deposits	<u>\$44,072</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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, 2022, in the amount of \$6,434 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. No pari-mutuals at the Washington Co. Fair. Race was held in McConnelsville, Ohio at the Morgan Co Fairgrounds due to bad weather.

Note 5 – Risk Management

Worker's 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.

Risk Pool Membership

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

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2022
(Continued)

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

	<u>2022</u>
Cash and investments	\$42,310,794
Actuarial liabilities	\$15,724,479

The Washington County Commissioners provide general insurance coverage for all the buildings on the Washington County Fairgrounds pursuant to Ohio Revised Code Section 1711.24.

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, 2021.

Note 7 – Debt

Debt outstanding at November 30, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Note Payable for Cattle Barn	\$53,819	4.75%

The Cattle Barn Note bears an interest rate of 4.75 percent and is due to the Settlers Bank. The note was entered into in 2004 and matures October 23, 2024. Proceeds of the note were used to construct a new cattle barn and are collateralized by the cattle barn.

Amortization of the above debt is scheduled as follows:

Fiscal Year Ending November 30:	Cattle Barn Loan Principal	Cattle Barn Loan Interest
2023	37,272	3,049
2024	16,547	1,830
	<u>\$53,819</u>	<u>\$4,879</u>

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2022
(Continued)

Note 8 – Contingent Liabilities

Amounts grantor agencies pay to the Society are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 9 – 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 Washington County's auction. A commission of 5 or 3 percent (depending on the animal sold) 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	\$ 26,200
Receipts	414,528
Disbursements	<u>(422,106)</u>
Ending Cash Balance	<u>\$ 18,622</u>

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

Operating Receipts

Taxes	\$905
Admissions	119,692
Privilege Fees	12,590
Rentals	125,790
Sustaining and Entry Fees	4,650
Other Operating Receipts	55,399

<i>Total Operating Receipts</i>	<u>319,026</u>
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Operating Disbursements

Wages and Benefits	16,013
Utilities	58,915
Professional Services	114,731
Equipment and Grounds Maintenance	50,898
Property and Rent Services	64,020
Race Purse	78,691
Senior Fair	4,017
Junior Fair	12,131
Other Operating Disbursements	51,621

<i>Total Operating Disbursements</i>	<u>451,037</u>
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<i>Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements</i>	<u>(132,011)</u>
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Non-Operating Receipts (Disbursements)

State Support	189,574
Local Support	28,300
Debt Proceeds	5,000
Donations/Contributions	34,781
Sale of Assets	4,000
Debt Service	(55,184)

<i>Net Non-Operating Receipts (Disbursements)</i>	<u>206,471</u>
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<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	74,460
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Cash Balance, Beginning of Year	<u>34,222</u>
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<i>Cash Balance, End of Year</i>	<u><u>\$108,682</u></u>
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The notes to the financial statements are an integral part of this statement.

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Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2021

Note 1 – Reporting Entity

The Washington County Agricultural Society (the Society), Washington 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 1846 to operate an annual agricultural fair. The Society sponsors the week – long Washington County Fair during September (Labor day weekend). During the fair, harness races are held, culminating in the running of the Washington County Harness Racing. Washington County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of twenty-one directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Washington County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds relating to the harness races. 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 craft shows and Truck of Treat. The reporting entity does not include any other activities or entities of Washington County, Ohio.

Note 9 summarizes the Junior Livestock Sale Committee’s financial activity. The Junior Fair Board’s financial activity is reported in the Society’s financial statement.

Public Entity Risk Pool

The Society participates in a public entity risk pool Note 5 to the financial statement provides additional information for these entities. The Society’s management believes these financial statements present 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 §117.38 and Ohio Administrative Code 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2021
(Continued)

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

Harness stake races are held during the Washington County Fair. The Society pays all Sustaining and Entry fees, and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

Sustaining and Entry Fees Horse owners and The Southern Valley Colt Circuit 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 or 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.

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2021
(Continued)

Note 3 – Deposits

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

	2021
Demand Deposits	<u>\$108,682</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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, 2021, in the amount of \$4,727 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.

	2021
Total Amount Bet (Handle)	\$ 2,013
Less: Payoff to Bettors	<u>(1,613)</u>
Parimutuel Wagering Commission	400
Tote Service Set Up Fee	(1,200)
Tote Service Commission	0
State Tax	<u>(49)</u>
Society Portion	<u>\$ (849)</u>

Note 5 – Risk Management

Worker's 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.

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2021
(Continued)

Risk Pool Membership

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

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

The Washington County Commissioners provide general insurance coverage for all the buildings on the Washington County Fairgrounds pursuant to Ohio Revised Code Section 1711.24.

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, 2021.

Note 7 – Debt

Debt outstanding at November 30, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Note Payable for Cattle Barn	\$89,361	6.25%

The Cattle Barn Note bears an interest rate of 6.25 percent and is due to the Settlers Bank. The note was entered into in 2004 and matures October 23, 2024. Proceeds of the note were used to construct a new cattle barn and are collateralized by the cattle barn.

Amortization of the above debt is scheduled as follows:

Washington County Agricultural Society
Washington County
Notes to the Financial Statements
For the Year Ended November 30, 2021
(Continued)

Fiscal Year Ending November 30:	Cattle Barn Loan Principal	Cattle Barn Loan Interest
2022	\$35,542	\$3,585
2023	37,272	3,049
2024	16,547	1,830
	\$89,361	\$8,464

Note 8 – Contingent Liabilities

Amounts grantor agencies pay to the Society are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 9 – 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 Washington County's auction. A commission of 5 or 3 percent (depending on the animal sold) 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	\$ 17,390
Receipts	338,736
Disbursements	(329,926)
Ending Cash Balance	\$ 26,200

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. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Society received a \$5,000 Public Employees Grant through Peoples Banking and Trust to help fund employee wages and benefits. Monies do not have to be paid back. The Society received a local grant from Washington County Cares Committee in the amount of \$13,863 to help cover costs incurred during COVID. The Society received a grant from the State of Ohio totaling \$3,424 to help cover costs incurred during COVID. All three grants were used to pay mortgage, utility expenses and other costs incurred during the pandemic due to the fairgrounds not being able to receive rental income.

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OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Washington County Agricultural Society
Washington County
922 Front Street
Marietta, Ohio 45750

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, 2023, 2022, and 2021 and the related notes to the financial statements of the Washington County Agricultural Society, Washington County, Ohio (the Society), and have issued our report thereon dated March 4, 2025, wherein we noted the Society followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We qualified our opinion for 2023, 2022, and 2021 related to certain receipt lines due to lack of sufficient documentation.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-004 that we consider to be material weaknesses.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Society's Response to Findings

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

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

March 4, 2025

**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2023, 2022, AND 2021**

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

FINDING NUMBER 2023-001

Material Weakness- Supporting Documentation

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements, and prepare financial statements required by the Administrative Code. Maintaining organized documentation and support for financial transactions is essential in assuring the Society's financial statements are not materially misstated and that all expenditures are made for a proper public purpose. Further, strong internal control policies and procedures over admission receipts is an important aspect of the Association's operation. All tickets for admittance to the fair and its events should be consecutively pre-numbered. Revenue from the tickets sold by the fair office should be reconciled with pre-numbered tickets to the fair office for sale. A single, pre-numbered cash receipt should be assigned to account for the cash associated with all reconciliations.

The Society did not maintain underlying documentation and support as follows:

- For 2021, a projected \$12,475 of rental receipts did not have sufficient support.
- For 2022, a projected \$29,619 of rental receipts did not have sufficient support.
- For 2023, a projected \$124,221 of rental receipts did not have sufficient support.
- For 2021, a projected \$51,044 of Other Operating Receipts did not have sufficient support.
- For 2022, a projected \$20,319 of Other Operating Receipts did not have sufficient support.
- For 2023, a projected \$79,029 of Other Operating Receipts did not have sufficient support.
- For 2023, Admissions totaling \$1,135 did not have support. In addition, no ticket reconciliation was performed; however, signature pages were maintained to help support completeness.
- The 2022 bank reconciliation outstanding check listing included two checks totaling \$108 which did not have support to show proper date.
- During 2022, checks totaling \$216 had no support which projected to \$952.

The lack of adequate supporting documentation eliminates a significant control point, obscures the audit trail, and provides for the opportunity for errors and/or irregularities to occur and remain undetected for an extended period.

The failure to retain and/or obtain such documentation has resulted in the inability to determine that all receipts due were collected and accounted for on the Society's financial statements which has resulted in a qualified audit opinion regarding the Society's receipts as follows:

- 2021: Other Operating Receipts
- 2022: Rentals receipts
- 2023: Rentals receipts and Other Operating Receipts

The Society should monitor transactions to ensure all required documentation and support of financial transactions is properly maintained.

Officials' Response: The Society now maintains rental contracts for all rentals and has pre-numbered tickets. Membership, vendor, and Jr. fair tickets are all pre-numbered. In 2024, pre-numbered tickets were collected at the gate and reconciliation was performed with 4 people verifying amounts.

**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2023, 2022, AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-002

Material Weakness- Segregation of Duties

When designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls. The small size of the Society's staff did not allow for an adequate segregation of duties; the Treasurer performed all accounting functions. It is therefore important that the Board of Director's function as a finance committee to monitor financial activity closely.

The Board of Directors did not document review of financial information at its monthly meetings for 3 months in 2022 and 2 months in 2023 due to an oversight by management. Further, the Board did not document the approval of a \$.10 pay rate increase for one employee during 2023. This could result in errors and omissions in posting or reconciling to occur and not be identified by Board in a timely manner. This can also result in unidentified fluctuations in the Society's actual financial activity not considered in the adopted budget that may impact management's decisions.

The Board should review and approve detailed activity, bank reconciliations including the related bank statement, and budget and actual information monthly. Regular review of this information is a valuable tool for management to identify, react to unexpected activity and to identify and correct errors in a timely manner. These reviews and specific reports and information reviewed should be evidenced by documentation in the Society's meeting minutes.

Officials' Response: The Board has segregated duties. Currently, the board has a person in charge of all rentals and contracts. Various board members receipt and record payments received by the board. The Treasurer provides the monthly bank reconciliation for the Board President and Secretary to sign at each monthly meeting.

FINDING NUMBER 2023-003

Material Weakness- Cash Reconciliation Process

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Treasurer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board are responsible for reviewing the reconciliations and related support.

Monthly bank to book reconciliations were not on file for January 2021, February 2021, March 2021, and November 2023. Failure to reconcile monthly increases the possibility that the Society will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2023, 2022, AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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**FINDING NUMBER 2023-003
(Continued)**

Material Weakness- Cash Reconciliation Process (Continued)

The Fiscal Officer as needed should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board/Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response: The Treasurer now reconciles the bank statement monthly and presents the report to the board at each monthly meeting.

FINDING NUMBER 2023-004

Material Weakness- Financial Reporting

In our audit engagement letter, as required by AU-C § 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 § 210 paragraphs .A14 & .A16.

The Treasurer classified certain transactions incorrectly resulting in material audit adjustments and reclassifications.

For the year ended November 30, 2023:

- The amounts on the annual financial statements did not agree to the underlying accounting system requiring an increase in Taxes of \$1,350, a decrease in Admissions of \$2,100, a decrease in Rentals of \$104, an Increase in Other Operating Receipts of \$343, a decrease in Wages and Benefits of \$4,454, an increase in Utilities of \$77, a decrease in Professional Services of \$779, a decrease in Equipment and Grounds Maintenance of \$4,092, an increase in Property and Rent Services of \$360, a decrease in Senior Fair of \$15, a decrease in Junior Fair of \$24, a decrease in Other Operating Disbursements of \$442,311, a decrease in Donations/Contributions of \$451,805, a decrease in Cash Balance, Beginning of Year of \$35,294, and a decrease in Cash Balance, End of Year of \$36,372.
- Certain receipts were misclassified resulting in an increase in State Support \$87,367, a decrease in Donations/Contributions of \$77,452, and a decrease in Sustaining and Entry Fees of \$9,915.

For the year ended November 30, 2022:

- The amounts on the annual financial statements did not agree to the underlying accounting system requiring a decrease in Rentals of \$3,055, a decrease in Other Operating Receipts of \$439,955, an increase in Wages and Benefits of \$20,569, a decrease in Utilities of \$314, an increase in Professional Services of \$40,617, a decrease in Equipment and Grounds Maintenance of \$893, a decrease in Senior Fair of \$633, an increase in Junior Fair of \$418, a decrease in Other Operating Disbursements of \$419,025, a decrease in Donations/Contributions of \$237, a decrease Debt Service of \$246, a decrease in Cash Balance, Beginning of Year of \$19,459, and a decrease in Cash Balance, End of Year of \$103,199.
- Certain receipts were misclassified resulting in an increase in State Support \$81,148, a decrease in Donations/Contributions of \$71,983, and a decrease in Sustaining and Entry Fees of \$9,165.

**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2023, 2022, AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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**FINDING NUMBER 2023-004
(Continued)**

Material Weakness- Financial Reporting (Continued)

For the year ended November 30, 2021:

- The amounts on the annual financial statements did not agree to the underlying accounting system requiring an increase in Wages and Benefits of \$9,555, a decrease in Professional Services of \$12,550, a decrease in Equipment and Grounds Maintenance of \$13, an increase in Junior Fair of \$155, an increase in Other Operating Disbursements of \$11,202, an increase in Cash Balance, Beginning of Year of \$15,090, and an increase in Cash Balance, End of Year of \$6,741.
- Certain receipts were misclassified resulting in an increase in State Support \$129,910, a decrease in Donations/Contributions of \$121,420, and a decrease in Sustaining and Entry Fees of \$8,490.

These misstatements were caused by misunderstandings concerning classification as well as a failure to agree annual financial statements amounts to the underlying accounting system. As a result, adjustments, with which the Association's management agrees, were made to the financial statements and are reflected in the accompanying financial statements. Additionally, audit adjustments were also made to the footnotes to the financial statements to ensure all required disclosures were made.

The Treasurer should take additional care in reviewing the annual financial report for submission in the Hinkle system in order to ensure the financial statements reflect the proper amounts and classifications.

Officials' Response: The Treasurer consulted with the auditor and ODA in 2024 to properly record transactions in the financial statements and notes.

OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON COUNTY AGRICULTURAL SOCIETY

WASHINGTON 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 3/18/2025

65 East State 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