

**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

**FINANCIAL STATEMENT
(AUDITED)**

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
Washington County Agricultural Society
922 Front Street
Marietta, Ohio 45740

We have reviewed the *Independent Auditor's Report* of the Washington County Agricultural Society, prepared by Julian & Grube, Inc., for the audit period December 1, 2017 through November 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 9, 2019

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**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY**

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Julian & Grube, Inc.

Serving Ohio Local Governments

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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 Financial Statement

We have audited the accompanying financial statement of the cash balances, receipts and disbursements, and related notes of the Washington County Agricultural Society, Washington County, Ohio, as of and for the fiscal year ended November 30, 2018.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting this financial statement in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on this financial statement based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statement is free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Washington County Agricultural Society's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Washington County Agricultural Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statement, the Washington County Agricultural Society prepared this financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

Though the Washington County Agricultural Society does not intend this statement to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Washington County Agricultural Society as of November 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Washington County Agricultural Society, Washington County, Ohio, as of November 30, 2018, for the fiscal year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2019, on our consideration of the Washington County Agricultural Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Washington County Agricultural Society's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 29, 2019

Washington County Agricultural Society
Washington County
Statement of Receipts, Disbursements and
Change in Fund Balance (Regulatory Cash Basis)
For the Fiscal Year Ended November 30, 2018

	<u>2018</u>
Operating Receipts	
Admissions	\$ 122,804
Privilege Fees	12,884
Sales by Fair Board	1,712
Racing	14,181
Sales Activity	860
Utilities	9,212
Fees	18,820
Rentals	213,288
Total Operating Receipts	<u>393,761</u>
Operating Disbursements	
Wages	15,781
Benefits	247
Administrative	4,733
Supplies for Resale	6,544
Supplies	18,622
Utilities	71,683
Race Expenses	84,932
Services Expenses	80,512
Property Expenses	25,859
Advertising	8,705
Repairs	16,822
Insurance	32,183
Rental and Leases	19,537
Senior Fair	7,861
Contest Expenses	14,246
Junior Fair	8,734
Other Operating Expenses	9,124
Other Misc Expenses	16,652
Total Operating Disbursements	<u>442,777</u>
Deficiency of Operating Receipts Under Operating Disbursements	(49,016)
Non-Operating Receipts (Disbursements)	
State Support	76,631
County Support	9,274
Restricted Donations/Contributions	30,894
Unrestricted Donations/Contributions	4,628
Debt Service	(47,704)
Net Non-Operating Receipts (Disbursements)	<u>73,723</u>
Excess of Receipts Over Disbursements	24,707
Cash Balance, Beginning of Year	428
Cash Balance, End of Year	<u>\$ 25,134</u>

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

Washington County Agricultural Society
Washington County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2018

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Agricultural Society, Washington County, (the Society) as a body corporate and politic. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1846 to operate an annual agricultural fair. The Society sponsors the four-day Washington County Fair over Labor Day weekend. During the fair, harness races are held. Washington County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 21 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.

Reporting Entity

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair, harness racing during fair week and simulcast relating to harness racing. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including and fundraisers. The reporting entity does not include any other activities or entities of Washington County, Ohio.

Note 6 summarizes the Junior Livestock Sale Committee's financial activity.

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

B. Accounting Basis

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

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). 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.

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

C. Property, Plant, and Equipment

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

Washington County Agricultural Society
Washington County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2018

1. Summary of Significant Accounting Policies (Continued)

D. 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.

E. 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 pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement report these fees as Race Expenses.

Ohio Fairs Fund

The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 3 for additional information.

F. 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. See Note 3 for additional information.

2. Deposits and Investments

The Society maintains a deposit and investment pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of demand deposits at November 30, 2018 was \$25,134. Deposits are insured by the Federal Depository Insurance Corporation.

Washington County Agricultural Society
Washington County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2018

3. 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, 2018 was \$9,257 as State Support. Additional State Support was given from VLT (Video Lottery Terminals) for the year ended November 30, 2018 in the amount of \$63,200.

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 (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 Services Expenses, State taxes, which are also paid from Pari-mutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society's net portion.

	2018
Total Amount Bet (Handle)	\$ 2,589
Less: Payoff to Bettors	(2,086)
Parimutuel Wagering Commission	503
Tote Service Set Up Fee	(1,200)
Tote Service Commission	(507)
State Tax	(58)
Society Portion	\$ (1,262)

4. Debt

Debt outstanding at November 30, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Mortgage-Multi-Purpose Arena	\$168,673	6.00%

Debt outstanding as of November 30, 2018 was a Mortgage on the Multipurpose building in the amount of \$168,673. The mortgage for the Multi-Purpose Arena bears a variable interest rate which was 6 percent for 2018 and is due to Settlers Bank. The note was entered into on April 23, 2004 and matures October 23, 2024. Real Estate was mortgaged as security for this note.

The Society was able to pay off certain outstanding debts in 2018 including the John Deere tractor in the amount of \$6,800, personal loan from Board Member Dean McCoy in the amount of \$5,000, Peoples Bank credit card in the amount of \$9,581 and a personal loan from former Board Member Richard Henthorn for the down payment on the ride company in the amount of \$5,000.

Washington County Agricultural Society
Washington County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2018

4. Debt (continued)

Society was also able to pay its liability insurance for 2019 in the amount of \$17,458. No cash withdrawals were made, or debt entered into, to pay for the for the insurance premium.

Year Ending November 30:	Multi-Purpose Arena
2019	35,712
2020	35,711
2021	35,712
2022	35,711
2023	35,712
2024	<u>20,272</u>
Total	198,830
Interest	(30,157)
Principal	\$168,673

5. Risk Management

The Society is exposed to various risks of property and casualty losses, and injuries to employees.

The Society insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Society belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017 (the latest information available), PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Washington County Agricultural Society
Washington County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2018

5. Risk Management (Continued)

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017 (the latest information available).

	<u>2017</u>
Assets	\$44,452,326
Liabilities	<u>(13,004,011)</u>
Net Position	\$31,448,315

At December 31, 2017 (the latest information available) the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the Society's share of these unpaid claims collectible in future years is approximately \$11,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>2018 Contributions to PEP</u>
<u>\$17,795</u>

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Washington County Agricultural Society
Washington County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2018

6. Junior Livestock 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 Fair auction. 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 year ended November 30, 2018 follows:

	2018
Beginning Cash Balance	\$ 56,502
Receipts	290,275
Disbursements	<u>(296,457)</u>
Ending Cash Balance	<u>\$ 50,320</u>

7. Contingencies - Litigation

The Society is susceptible to various legal proceedings. Management of the Society believes the ultimate disposition of the potential legal proceedings will not have a material effect, if any, on the financial condition of the Society.

8. Compliance

Contrary to Ohio Revised Code (ORC) § 1711.13(B), the Society had total net indebtedness which exceeded an amount equal to twenty-five per cent of its annual revenues.

Contrary to Internal Revenue Regulations (26 C.F.R.) § 1.6041-1, the Society did not report all payments to independent contractors of \$600 or more to the IRS via Forms 1099-MISC.

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Independent Auditor's Report 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 auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the cash balances, receipts and disbursements of the Washington County Agricultural Society, Washington County, Ohio, as of and for the fiscal year ended November 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated May 29, 2019, wherein we noted the Washington County Agricultural Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Washington County Agricultural Society's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of the Washington County Agricultural Society's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Washington County Agricultural Society's financial statement. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, that we consider to be a significant deficiency. We consider finding 2018-003 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Washington County Agricultural Society's financial statement is free of material misstatements, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 2018-001 and 2018-002.

Washington County Agricultural Society's Responses to Findings

The Washington County Agricultural Society's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not subject the Washington County Agricultural Society's responses to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Washington County Agricultural Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Washington County Agricultural Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
May 29, 2019

**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
NOVEMBER 30, 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2018-001

Noncompliance - Debt limitations

Ohio Rev. Code § 1711.13(B) provides that the total net indebtedness incurred by a county agricultural society pursuant to this division (B) shall not exceed an amount equal to twenty-five percent of its annual revenues.

As of November 30, 2018, the total indebtedness of the Society was \$168,673, and the 2018 annual revenues were \$515,188. This resulted in the Society's net indebtedness to be in excess of twenty-five percent of its annual revenues for fiscal year 2018.

Having net indebtedness in excess of twenty-five percent, puts the Society at risk of not being able to adequately service its debt requirements.

The Society's management should review their financial condition to ensure the Society has the ability to meet their debt service requirements in the future. Additionally, the management should consider future attendance at events sponsored by the Society based on current trends as well as the unpredictable nature of factors such as the weather and the local economy. Finally, management should adopt plans to either increase receipts or decrease expenditures in order to maintain the current levels of service and meet the increased debt service requirements.

Client's Response: This will be corrected in the future.

Finding Number	2018-002
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Noncompliance - Internal Revenue Regulations

Internal Revenue Regulations (26 C.F.R.) § 1.6041-1, requires all payments to independent contractors of \$600 or more be reported on Form 1099-MISC.

Numerous vendors were compensated for services in excess of \$600, yet the Society failed to report this income to the IRS, via Forms 1099-MISC.

Not reporting income could lead to noncompliance with the IRS and potential future liabilities for the Society.

The Society should establish control procedures that would allow them to determine the completeness and existence of independent contractors, and to properly report this income to the Federal Government.

Client's Response: This will be corrected in the future.

WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY, OHIO

SCHEDULE OF FINDINGS AND RESPONSES
NOVEMBER 30, 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2018-003

Significant Deficiency - Financial Statement Presentation

Accurate financial reporting is required in order to provide the Board and financial statement users with objective and timely information to enable well-informed decisions.

An adjustment was made to reclassify \$63,200 from Restricted Donations/Contributions to State Support to properly state horse racing support.

In general, an accounting and information system should be designed to provide the Board with accurate and timely information to enable well-informed business decisions to be made. The present system lacks fiscal oversight and approvals and fails to meet the above expectations.

We recommend the Society consult with their auditors and/or an accounting/consulting firm on a continual basis as an additional internal control to help ensure accurate financial reporting. The Society should consider having an outside third-party, or a board member with financial experience, review the financial report and supporting detail prior to filing in the Hinkle System.

Client's Response: This will be corrected in the future.

**WASHINGTON COUNTY AGRICULTURAL SOCIETY
WASHINGTON COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2018**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2017-001	<u>Noncompliance – Debt Limitations</u> - Ohio Rev. Code § 1711.13(B) provides that the total net indebtedness incurred by a county agricultural society pursuant to this division (B) shall not exceed an amount equal to twenty-five percent of its annual revenues. As of November 30, 2017, the total indebtedness of the Society was \$215,255, and the 2017 annual revenues were \$452,297. This resulted in the Society's net indebtedness to be in excess of twenty-five percent of its annual revenues for fiscal year 2017.	Not Corrected	Repeated as finding 2018-001 as the Society's indebtedness did exceed twenty-five percent of its annual receipts for fiscal year 2018.
2017-002	<u>Noncompliance – Internal Revenue Regulations</u> - Internal Revenue Regulations (26 C.F.R.) § 1.6041-1, requires all payments to independent contractors of \$600 or more be reported on Form 1099-MISC. Numerous vendors were compensated for services in excess of \$600, yet the Society failed to report this income to the IRS, via Forms 1099-MISC.	Not Corrected	Repeated as Finding 2018-002 as the Society did not issue any Form 1099-MISC.

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OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON COUNTY AGRICULTURAL SOCIETY

WASHINGTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 23, 2019**