

**FAIRFIELD COUNTY
AGRICULTURAL SOCIETY**
FAIRFIELD COUNTY, OHIO

**Financial Statements
(Audited)**

**For the Fiscal Years Ended
November 30, 2019 and November 30, 2018**



88 East Broad Street
Columbus, Ohio 43215
IPARReport@ohioauditor.gov
(800) 282-0370

Board Members
Fairfield County Agricultural Society
PO Box 945
Lancaster, Ohio 43130

We have reviewed the *Independent Auditor's Report* of the Fairfield County Agricultural Society, Fairfield County, prepared by Julian & Grube, Inc., for the audit period December 1, 2017 through November 30, 2019. 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 Fairfield County Agricultural Society is responsible for compliance with these laws and regulations

Keith Faber
Auditor of State
Columbus, Ohio

June 15, 2020

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**FAIRFIELD COUNTY AGRICULTURAL SOCIETY
FAIRFIELD COUNTY**

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Independent Auditor's Report

Fairfield County Agricultural Society
Fairfield County
PO Box 945
Lancaster, Ohio 43130-0945

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements and related notes of the Fairfield County Agricultural Society, Fairfield County, Ohio, as of and for fiscal years ended November 30, 2019 and 2018.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Fairfield County Agricultural Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Fairfield 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 opinions.

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

As described in Note 2 and Note 1 of the financial statements for the fiscal years ended November 30, 2019 and 2018, respectively, the Fairfield County Agricultural Society prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Fairfield County Agricultural Society as of November 30, 2019 and 2018, and the respective changes in financial position thereof for the fiscal years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements and related notes of the Fairfield County Agricultural Society, Fairfield County as of November 30, 2019 and 2018, for the fiscal years 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 2 and Note 1 of the financial statements for the fiscal years ended November 30, 2019 and 2018, respectively.

Emphasis of Matter

As discussed in Note 9 in the financial statements for the fiscal year ended November 30, 2019, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Fairfield County Agricultural Society. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2020, on our consideration of the Fairfield 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 Fairfield County Agricultural Society's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 15, 2020

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

Operating Receipts

Taxes	\$2,623
Admissions	368,307
Privilege Fees	202,813
Rentals	182,756
Sustaining and Entry Fees	23,655
Pari-mutuel Wagering Commission	1,006
Other Operating Receipts	<u>77,430</u>
<i>Total Operating Receipts</i>	<u>858,590</u>

Operating Disbursements

Wages and Benefits	259,490
Utilities	121,524
Professional Services	175,913
Equipment and Grounds Maintenance	95,056
Property and Rent Services	97,622
Race Purse	90,454
Senior Fair	35,961
Junior Fair	54,700
Capital Outlay	34,190
Other Operating Disbursements	<u>110,537</u>
<i>Total Operating Disbursements</i>	<u>1,075,447</u>

<i>Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements</i>	<u>(216,857)</u>
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Non-Operating Receipts (Disbursements)

State Support	78,901
Local Support	4,500
Donations/Contributions	101,178
Investment Income	2,854
Bank Fees	<u>(1,476)</u>

<i>Net Non-Operating Receipts (Disbursements)</i>	<u>185,957</u>
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<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(30,900)
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Cash Balance, Beginning of Year	<u>625,837</u>
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<i>Cash Balance, End of Year</i>	<u><u>\$594,937</u></u>
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The notes to the financial statement are an integral part of this statement.

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

Note 1 – Reporting Entity

The Agricultural Society of Fairfield County (the Society), Fairfield 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 Fairfield agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1850 to operate an annual agricultural fair. The Society sponsors the week – long Fairfield County Fair during October. During the fair, harness races are held. Fairfield County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 16 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Fairfield County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds and simulcast activity occurring at other locations relating to the harness races. 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 trade shows, auctions, horse shows and classic car shows. The reporting entity does not include any other activities or entities of Fairfield County, Ohio.

Notes 7 and 8, respectively, summarize the Junior Fair Board’s and Junior Livestock Sale Committee’s financial activity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

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

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

Deposits and Investments

The Society's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Society values certificates of deposit at cost.

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 races stake races are held during the Fairfield 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 Ohio Colt Racing Association pay fees to the Society to qualify horses for entry into stake races. They must make a 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.

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The Society's basis of accounting does not report these amounts as liabilities.

Note 3 – Deposits

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

	2019
Demand deposits	\$ 146,455
Certificates of deposit	448,482
Total deposits	\$ 594,937

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

Note 4 – Horse Racing

State Support Portion of Purse

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the fiscal year ended November 30, 2019, in the amount of \$9,969 as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompany financial statement, rather, it records the Pari-mutuel Wagering Commission which is the Society's share of total pari-mutuel wagers after paying winning bettors. The expenses of providing the pari-mutuel wagering system are called Tote Services, and these expenses are included in Professional Service Disbursements. State taxes, which are also paid from the Pari-mutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society's net portion.

	2019
Total Amount Bet (Handle)	\$ 18,947
Less: Payoff to Bettors	(15,112)
Parimutuel Wagering Commission	3,835
Tote Service Set Up Fee	(800)
Tote Service Commission	(1,509)
State Tax	(519)
Society Portion	\$ 1,007

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

Note 5 – Risk Management

The Fairfield County Commissioners provide general insurance coverage for all the buildings on the Fairfield County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$1,000,000 and \$5,000,000 respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000. The Society’s general manager is bonded with coverage of \$30,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through December 31, 2019.

Note 6 – Social Security

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

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

Note 7 – Junior Fair Board

A member of the Board of Directors also serves as a member of the Junior Fair Board. The Junior Fair Board discusses activities and makes recommendations to the Society’s Board of Directors. All decisions about Junior Fair activities must be approved by the Society. The financial activities of the Junior Fair are included in the Society’s financial statement.

Note 8 – Junior Livestock Sale Committee

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Fairfield County’s auction. A commission of 4 percent 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 year ended December 31, 2019, follows:

	2019
Beginning Cash Balance	\$ 89,934
Receipts	590,366
Disbursements	(543,974)
Ending Cash Balance	\$ 136,326

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

Note 9 – Subsequent Event

The United States of America and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Agricultural Society. The impact on the Agricultural Society's future operation costs, receipts, and any recovery from emergency funding, either federal or state, cannot be estimated.

FAIRFIELD COUNTY AGRICULTURAL SOCIETY

FAIRFIELD COUNTY

*Statement of Receipts, Disbursements and
Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended November 30, 2018*

Operating Receipts	
Admissions	\$ 361,580
Privilege Fees	201,964
Sales by Fair	10,985
Sustaining and Entry Fees	34,618
Utilities	41,811
Fees	14,571
Rents	184,403
	<hr/>
<i>Total Operating Receipts</i>	<i>849,933</i>
Operating Disbursements	
Salaries	252,890
Benefits	25,228
Administrative Costs	20,108
Race Supplies & Materials	2,514
Supplies Purchased for Resale	3,177
Other Supplies	33,419
Utilities	129,788
Racing	112,814
Professional Services	93,465
Property Services	76,535
Advertising	24,843
Repairs	56,972
Insurance	41,275
Rentals	17,516
Capital	61,665
Debt Service & Bank Fees	1,504
Senior Fair	35,429
Contest Expenses	22,098
Junior Fair	48,129
Other Fair	686
Miscellaneous	27,906
	<hr/>
<i>Total Operating Disbursements</i>	<i>1,087,960</i>
<i>Deficiency of Operating Receipts Under Operating Disbursements</i>	<i>(238,027)</i>
Non-Operating Receipts	
Taxes	2,452
State Support	76,631
County Local Government Funds	4,500
Restricted Support	81,875
Unrestricted Support	14,552
Interest	2,220
	<hr/>
<i>Non-Operating Receipts</i>	<i>182,229</i>
<i>Deficiency of Receipts Under Disbursements</i>	<i>(55,798)</i>
Cash Balance, Beginning of Year	681,635
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<i>Cash Balance, End of Year</i>	<i>\$ 625,837</i>

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

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

NOTE 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 Fairfield County Agricultural Society, Fairfield 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 1850 to operate an annual agricultural fair. The Society sponsors the week-long Fairfield County Fair during October. Fairfield County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of sixteen directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Fairfield County and pay an annual membership fee to the Society.

Reporting Entity

The reporting entity includes all activity occurring on the fairgrounds and simulcast activity occurring at other locations relating to the harness races. 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 trade shows, horse shows and classic car shows. The reporting entity does not include any other activities or entities of Fairfield County, Ohio.

Notes 5 and 6, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

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

B. Accounting Basis

The financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. 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.

The Society values certificates of deposit at cost.

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

D. 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.

E. 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.

F. Race Purse

Harness races are held during the Fairfield 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 Ohio Colt Racing 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 3 for additional information.

G. 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 3 for additional information.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The Society's basis of accounting does not report these amounts as liabilities.

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

NOTE 2 - DEPOSITS

The Society maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at November 30, 2018 was as follows:

	2018
Demand deposits	\$119,245
Certificates of deposit	506,592
Total deposits	\$625,837

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

NOTE 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.

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 Professional Service Disbursements. State taxes, which are also paid from Pari-mutuel Wagering Commission, are reflected in Racing Disbursements, and the amount remaining is the Society's net portion.

	2018
Total Amount Bet (Handle)	\$ 17,891
Less: Payoff to Bettors	(14,274)
Parimutuel Wagering Commission	3,617
Tote Service Set Up Fee	(800)
Tote Service Commission	(1,398)
State Tax	(487)
Society Portion	\$ 932

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

NOTE 4 - RISK MANAGEMENT

The Fairfield County Commissioners provide general insurance coverage for all the buildings on the Fairfield County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance, with limits of \$1,000,000 and \$5,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000. The Society's general manager is bonded with coverage of \$30,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through December 30, 2018.

NOTE 5 - JUNIOR FAIR BOARD

A member of the Board of Directors also serves as a member of the Junior Fair Board. The Junior Fair Board discusses activities and makes recommendations to the Society's Board of Directors. All decisions about Junior Fair activities must be approved by the Society. The financial activities of the Junior Fair are included in the Society's financial statement.

NOTE 6 - JUNIOR LIVESTOCK SALE COMMITTEE

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Fairfield County's auction. A commission of 4 percent 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 year ended December 31, 2018 follows:

	2018
Beginning Cash Balance	\$ 113,309
Receipts	557,618
Disbursements	(580,993)
Ending Cash Balance	\$ 89,934

NOTE 7 - SOCIAL SECURITY

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

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, 2018.

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Fairfield County Agricultural Society
Fairfield County
PO Box 945
Lancaster, Ohio 43130-0945

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements of the Fairfield County Agricultural Society, Fairfield County, Ohio, as of and for the fiscal years ended November 30, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated May 15, 2020, wherein we noted the Fairfield County Agricultural Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Furthermore, as discussed in Note 9 to the financial statements for the fiscal year ended November 30, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Fairfield 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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Fairfield 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 Fairfield County Agricultural Society’s financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Fairfield County Agricultural Society's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Fairfield 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 Fairfield County Agricultural Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 15, 2020

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OHIO AUDITOR OF STATE KEITH FABER



FAIRFIELD COUNTY AGRICULTURAL SOCIETY

FAIRFIELD 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
JUNE 30, 2020**