



OHIO AUDITOR OF STATE
KEITH FABER



**MEDINA COUNTY AGRICULTURAL SOCIETY
MEDINA COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Medina County Agricultural Society
Medina County
710 West Smith Road
Medina, Ohio 44256

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Medina County Agricultural Society, Medina County, Ohio, (the Society) as of and for the years ended November 30, 2018 and 2017.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Medina County Agricultural Society, Medina County, Ohio, as of November 30, 2018 and 2017, and for the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2020, on our consideration of the Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

September 15, 2020

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

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Operating Receipts	
Admissions	\$ 941,810
Privilege Fees	226,077
Rentals	272,698
Sustaining and Entry Fees	15,595
Other Operating Receipts	<u>66,229</u>
<i>Total Operating Receipts</i>	<u>1,522,409</u>
Operating Disbursements	
Wages and Benefits	288,221
Utilities	126,905
Professional Services	484,851
Equipment and Grounds Maintenance	91,198
Senior Fair	100,399
Junior Fair	28,746
Capital Outlay	188,188
Other Operating Disbursements	<u>124,773</u>
<i>Total Operating Disbursements</i>	<u>1,433,281</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>89,128</u>
Non-Operating Receipts (Disbursements)	
State Support	7,070
Local Support	3,300
Donations/Contributions	48,739
Investment Income	1,040
Debt Service	<u>(37,790)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>22,359</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	111,487
Cash Balance, Beginning of Year	<u>523,069</u>
<i>Cash Balance, End of Year</i>	<u><u>\$ 634,556</u></u>

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

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

Note 1 – Reporting Entity

The Agricultural Society of Medina County (the Society), Medina 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 1845 to operate an annual agricultural fair. The Society sponsors the week – long Medina County Fair during August. Medina County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 30 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Medina County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events. The reporting entity does not include any other activities or entities of Medina County, Ohio.

Notes 8 and 9, 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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.

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

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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.

Income Tax Status

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509 (a). Contributions to the Society are deductible per Section 170(b) (1) (A) (v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

Note 3 – Deposits

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

	2018
Demand deposits	<u>\$615,663</u>
Certificates of deposit	<u>18,893</u>
Total deposits	<u><u>\$634,556</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by the financial institution's public entity risk pool; 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 – Risk Management

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

The Society provides health coverage for full-time, supervisory employees through an insurance company.

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

Note 4 – Risk Management (continued)

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

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>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$ 12,965,015

The Society's Chief Financial Officer and Chief Administrative Officer are bonded with coverage of \$100,000 and \$50,000, respectively.

Note 5 – Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2018.

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

Note 6 – Debt

Debt outstanding at November 30, 2018, was as follows:

	Principal	Interest Rate
Office Building Mortgage	\$316,133	4.50%

The Society obtained a \$375,000 bank mortgage loan on August 11, 2015, for construction of a new administrative building located on the Medina County Fairgrounds.

Amortization of the above debt, including interest, is scheduled as follows:

Fiscal Year Ending November 30:	Office Building Mortgage
2019	\$28,474
2020	28,474
2021	28,474
2022	28,474
2023	28,474
2024-2028	142,368
2029-2033	142,368
2034-2036	61,693
	\$488,799

While the above debt is amortized monthly, during 2018 the Society made one annual payment for the year in advance with additional principal paid.

Note 7 – Related Party Transactions

A Board member is the owner of a company from which the Society acquired fuel oil during the year. The Society paid \$6,059 for this purchase.

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

Note 8 – Junior Fair Board

The Junior Fair Board, which is composed of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Medina County Fair. The Society disbursed \$28,746 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Medina County paid the Society \$500 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the fiscal year ended November 30, 2018 follows:

	2018
Beginning Cash Balance	\$3,246
Receipts	2,958
Disbursements	(3,036)
Ending Cash Balance	\$3,168

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 Medina County's auction. A commission of 3 percent on auction sales covers auction costs. Commission is assessed on the auction price for those animals that are sold directly to market. 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, 2018, follows:

	2018
Beginning Cash Balance	\$ 19,396
Receipts	507,230
Disbursements	(508,992)
Ending Cash Balance	\$ 17,634

Note 10 – Subsequent Event

The Society obtained a Small Business Administration Loan in the amount of \$150,000 in July 2020. The loan has an annual interest rate of 2.75% with monthly principal and interest payments beginning twelve months from the date of the loan and payable over a 30 year period.

Medina County Agricultural Society
Medina County
Statement of Receipts, Disbursements and
Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended November 30, 2017

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Operating Receipts	
Admissions	\$ 747,310
Privilege Fees	179,570
Rentals	280,653
Sustaining and Entry Fees	16,737
Other Operating Receipts	<u>54,664</u>
<i>Total Operating Receipts</i>	<u>1,278,934</u>
Operating Disbursements	
Wages and Benefits	272,507
Utilities	120,250
Professional Services	444,717
Equipment and Grounds Maintenance	78,590
Senior Fair	97,400
Junior Fair	25,518
Capital Outlay	168,106
Other Operating Disbursements	<u>156,865</u>
<i>Total Operating Disbursements</i>	<u>1,363,953</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(85,019)</u>
Non-Operating Receipts (Disbursements)	
State Support	59,317
Local Support	3,300
Donations/Contributions	35,794
Investment Income	412
Debt Service	<u>(52,593)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>46,230</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(38,789)
Cash Balance, Beginning of Year	<u>561,858</u>
<i>Cash Balance, End of Year</i>	<u><u>\$523,069</u></u>

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

Medina County Agricultural Society
Medina County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2017

Note 1 – Reporting Entity

The Agricultural Society of Medina County (the Society), Medina 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 1845 to operate an annual agricultural fair. The Society sponsors the week – long Medina County Fair during August. Medina County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 30 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Medina County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events. The reporting entity does not include any other activities or entities of Medina County, Ohio.

Notes 8 and 9, 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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.

Medina County Agricultural Society
Medina County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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.

Income Tax Status

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509 (a). Contributions to the Society are deductible per Section 170(b) (1) (A) (v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

Note 3 – Deposits

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

	2017
Demand deposits	<u>\$508,269</u>
Certificates of deposit	<u>14,800</u>
Total deposits	<u><u>\$523,069</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by the financial institution's public entity risk pool.

Note 4 – Risk Management

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

The Society provides health coverage for full-time, supervisory employees through an insurance company.

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

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

Medina County Agricultural Society
Medina County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2017

Note 4 – Risk Management (Continued)

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, 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.

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.

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

At December 31, 2017 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, 2017, the Society's share of these unpaid claims collectible in future years is approximately \$38,000.

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.

2017 Contributions to PEP
\$ 59,866

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.

Medina County Agricultural Society
Medina County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2017

Note 4 – Risk Management (continued)

The Society's Chief Financial Officer and Chief Administrative Officer are bonded with coverage of \$100,000 and \$50,000, respectively.

Note 5 – Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2017.

Note 6 – Debt

Debt outstanding at November 30, 2017, was as follows:

	Principal	Interest Rate
Office Building Mortgage	\$339,923	4.50%

The Society obtained a \$375,000 bank mortgage loan on August 11, 2015, for construction of a new administrative building located on the Medina County Fairgrounds.

Amortization of the above debt is scheduled as follows:

Fiscal Year Ending November 30:	Office Building Mortgage
2018	\$28,474
2019	28,474
2020	28,474
2021	28,474
2022	28,474
2023-2027	142,368
2028-2032	142,368
2033-2036	90,167
	\$517,273

While the above debt is amortized monthly, during 2017 the Society made one annual payment for the year in advance with additional principal paid.

Medina County Agricultural Society
Medina County
Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2017

Note 7 – Related Party Transactions

A Board member is the owner of a company from which the Society acquired fuel oil during the year. The Society paid \$4,982 for this purchase.

Note 8 – Junior Fair Board

The Junior Fair Board, which is composed of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Medina County Fair. The Society disbursed \$25,518 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Medina County paid the Society \$500 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the fiscal year ended November 30, 2017 follows:

	2017
Beginning Cash Balance	\$1,749
Receipts	2,458
Disbursements	(961)
Ending Cash Balance	\$3,246

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 Medina County's auction. A commission of 3 percent on auction sales covers auction costs. Commission is assessed on the auction price for those animals that are sold directly to market. 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, 2017, follows:

	2017
Beginning Cash Balance	\$11,474
Receipts	418,139
Disbursements	(410,217)
Ending Cash Balance	\$19,396

OHIO AUDITOR OF STATE KEITH FABER



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

Medina County Agricultural Society
Medina County
710 West Smith Road
Medina, Ohio 44256

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Medina County Agricultural Society, Medina County, Ohio, (the Society) as of and for the years ended November 30, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated September 15, 2020 wherein we noted the Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 Society's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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 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 Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 15, 2020

OHIO AUDITOR OF STATE KEITH FABER



MEDINA COUNTY AGRICULTURAL SOCIETY

MEDINA 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 10/8/2020

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

This report is a matter of public record and is available online at
www.ohioauditor.gov