

**BROWN COUNTY
AGRICULTURAL SOCIETY
BROWN COUNTY, OHIO**

REGULAR AUDIT

**FOR THE FISCAL YEARS ENDED
NOVEMBER 30, 2022 & 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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

Board of Directors
Brown County Agricultural Society
325 West State Street - 1
Georgetown, OH 45121

We have reviewed the *Independent Auditor's Report* of the Brown County Agricultural Society, Brown County, prepared by Julian & Grube, Inc., for the audit period December 1, 2020 through November 30, 2022. 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 Brown County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 07, 2023

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**BROWN COUNTY AGRICULTURAL SOCIETY
BROWN COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report	1 - 3
Statement of Receipts, Disbursements and Change in Fund Balance (Regulatory Cash Basis) For the Fiscal Year Ended November 30, 2022	4
Notes to the Financial Statements – For the Fiscal Year Ended November 30, 2022	5 - 7
Statement of Receipts, Disbursements and Change in Fund Balance (Regulatory Cash Basis) For the Fiscal Year Ended November 30, 2021	8
Notes to the Financial Statements – For the Fiscal Year Ended November 30, 2021	9 - 11
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	12 – 13
Schedule of Findings and Responses.....	14

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Independent Auditor's Report

Brown County Agricultural Society
Brown County
325 West State Street
Georgetown, Ohio 45121

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements of the Brown County Agricultural Society, Brown County, Ohio, as of and for the fiscal years ended November 30, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements 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 Brown County Agricultural Society, as of November 30, 2022 and 2021, or changes in net position, and cash flows thereof for the fiscal years then ended.

Basis for Opinions

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

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

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

Though the Brown 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(C) permit. Our opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2023 on our consideration of the Brown County Agricultural Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Brown County Agricultural Society's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brown County Agricultural Society's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 12, 2023

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

Operating Receipts	
Taxes	\$ 1,523
Admissions	572,285
Privilege Fees	84,487
Rentals	137,208
Other Operating Receipts	<u>42,314</u>
<i>Total Operating Receipts</i>	<u>837,817</u>
Operating Disbursements	
Wages and Benefits	120
Utilities	99,828
Professional Services	234,108
Equipment and Grounds Maintenance	99,987
Property and Rent Services	181,774
Senior Fair	43,000
Junior Fair	24,185
Capital Outlay	53,905
Other Operating Disbursements	<u>146,959</u>
<i>Total Operating Disbursements</i>	<u>883,866</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(46,049)</u>
Non-Operating Receipts (Disbursements)	
State Support	4,847
Local Support	51,600
Donations/Contributions	38,125
Investment Income	755
Debt Service	<u>(20)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>95,307</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	49,258
Cash Balance, Beginning of Year	<u>859,942</u>
<i>Cash Balance, End of Year</i>	<u><u>\$ 909,200</u></u>

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

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

Note 1 – Reporting Entity

The Agricultural Society of Brown County (the Society), Brown 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 1851 to operate an annual agricultural fair. The Society sponsors the week – long Brown County Fair beginning on the 4th Monday of September. Brown 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 Brown County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and other year-round activities at the fairgrounds including facility rental and community events including trade and horse shows. The reporting entity does not include any other activities or entities of Brown County, Ohio.

Notes 6 and 7, respectively, summarize the Junior Fair Board’s and Junior Livestock Sale Committee’s financial activity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Deposits and Investments

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

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.

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

Income Tax Status

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

Note 3 – Deposits and Investments

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

	<u>2022</u>
Demand deposits	\$ 765,878
Other time deposits (savings accounts)	<u>143,322</u>
Total deposits	<u><u>\$ 909,200</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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

The Brown County Commissioners provide general insurance coverage for all the buildings on the Brown County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$10,000,000 and \$5,000,000, respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$30,000. The Society's general manager is bonded with coverage of \$20,000.

Note 5 – Contingent Liabilities

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

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

Note 6 – 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 Brown County Fair. The Society disbursed \$24,185 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Brown County paid the Society \$4,202 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board’s financial activity for the fiscal year ended November 30, 2022, follows:

	2022
Beginning Cash Balance	54,611
Receipts	35,452
Disbursements	(26,572)
Ending Cash Balance	\$ 63,491

Note 7 – 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 Brown County’s auction. A commission of \$16 per project on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2022, follows:

	2022
Beginning Cash Balance	82,599
Receipts	323,953
Disbursements	(182,733)
Ending Cash Balance	\$ 223,819

Note 8 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 and the national state of emergency ended in May, 2023. During 2022, the Society received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Society. The impact on the Society’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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

Operating Receipts	
Taxes	\$ 1,493
Admissions	555,223
Privilege Fees	79,000
Rentals	146,283
Other Operating Receipts	<u>31,309</u>
<i>Total Operating Receipts</i>	<u>813,308</u>
Operating Disbursements	
Wages and Benefits	120
Utilities	92,442
Professional Services	229,176
Equipment and Grounds Maintenance	54,505
Property and Rent Services	158,122
Senior Fair	39,176
Junior Fair	21,092
Capital Outlay	68,155
Other Operating Disbursements	<u>115,879</u>
<i>Total Operating Disbursements</i>	<u>778,667</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>34,641</u>
Non-Operating Receipts (Disbursements)	
State Support	407,770
Donations/Contributions	37,427
Investment Income	382
Debt Service	<u>(30)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>445,549</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	480,190
Cash Balance, Beginning of Year	<u>379,752</u>
<i>Cash Balance, End of Year</i>	<u><u>\$ 859,942</u></u>

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

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

Note 1 – Reporting Entity

The Agricultural Society of Brown County (the Society), Brown 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 1851 to operate an annual agricultural fair. The Society sponsors the week – long Brown County Fair beginning on the 4th Monday of September. Brown 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 Brown County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and other year-round activities at the fairgrounds including facility rental and community events including trade and horse shows. The reporting entity does not include any other activities or entities of Brown County, Ohio.

Notes 6 and 7, respectively, summarize the Junior Fair Board’s and Junior Livestock Sale Committee’s financial activity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Deposits and Investments

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

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.

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

Income Tax Status

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

Note 3 – Deposits and Investments

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

	2021
Demand deposits	\$ 716,709
Other time deposits (savings accounts)	143,233
Total deposits	<u>\$ 859,942</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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

The Brown County Commissioners provide general insurance coverage for all the buildings on the Brown County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$10,000,000 and \$5,000,000, respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$30,000. The Society's general manager is bonded with coverage of \$20,000.

Note 5 – Contingent Liabilities

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

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

Note 6 – 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 Brown County Fair. The Society disbursed \$21,092 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Brown County paid the Society \$4,008 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, 2021, follows:

	<u>2021</u>
Beginning Cash Balance	54,077
Receipts	26,290
Disbursements	<u>(25,756)</u>
Ending Cash Balance	<u>\$ 54,611</u>

Note 7 – 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 Brown County’s auction. A commission of \$16 per project on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2021, follows:

	<u>2021</u>
Beginning Cash Balance	124,919
Receipts	246,800
Disbursements	<u>(289,120)</u>
Ending Cash Balance	<u>\$ 82,599</u>

Note 8 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 and the national state of emergency ended in May, 2023. During 2021, the Society received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Society. The impact on the Society’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Brown County Agricultural Society
Brown County
325 West State Street
Georgetown, Ohio 45121

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements of the Brown County Agricultural Society, Brown County, Ohio, as of and for the fiscal years ended November 30, 2022, and 2021 and the related notes to the financial statements and have issued our report thereon dated July 12, 2023, wherein we noted as described in Note 2 to the financial statements, the Brown County Agricultural Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brown County Agricultural Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Brown County Agricultural Society

Brown County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Brown County Agricultural Society's Response to Finding

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

Purpose of this Report

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

Julian & Grube, Inc.

Julian & Grube, Inc.

July 12, 2023

**BROWN COUNTY AGRICULTURAL SOCIETY
BROWN COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Significant Deficiency - Financial Reporting

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statement. For the Society, this could also include reviewing the fiscal year-end Quickbooks detailed reports to ensure activity is reported in the correct line items.

The following adjustments were made to properly state the financial statements and notes:

Fiscal year ended November 30, 2021:

- \$403,424 was reclassified from Donations/Contributions to State Support to properly present money received from the Ohio Department of Agriculture and State of Ohio.
- The Cash Balance, Beginning of the Year on the unaudited Hinkle filed report was increased by \$26,201 to properly present the beginning cash balance per the Society's accounting records and bank reconciliations.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Society's activity.

We recommend the Society design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Society should consider having an outside third-party, or board member with financial experience, perform a second review of the financial report prior to filing in the Hinkle System. Further, the Society should reach out to its auditor throughout the year if questions arise on how to properly account for receipts or disbursements.

Client Response: The Society will closely monitor all transactions to ensure accurate financial reporting in the future.

OHIO AUDITOR OF STATE KEITH FABER



BROWN COUNTY AGRICULTURAL SOCIETY

BROWN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/21/2023

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

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