

**ADAMS COUNTY
AGRICULTURAL SOCIETY**
ADAMS COUNTY, OHIO

REGULAR AUDIT

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



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Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Trustees
Adams County Agricultural Society
836 Boyd Avenue
West Union, Ohio 45693

We have reviewed the *Independent Auditor's Report* of the Adams County Agricultural Society, 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 Adams County Agricultural Society is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 30, 2024

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**ADAMS COUNTY AGRICULTURAL SOCIETY
ADAMS COUNTY, OHIO**

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Independent Auditor's Report

Adams County Agricultural Society
Adams County
836 Boyd Avenue
West Union, Ohio 45693

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 Adams County Agricultural Society, Adams 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 Adams 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 Adams 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 Adams 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 Adams 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 Adams 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 Adams 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 Adams 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.

Adams County Agricultural Society
Adams County
Independent Auditor's Report

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Adams 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 April 29, 2024 on our consideration of the Adams 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 Adams 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 the Adams County Agricultural Society's internal control over financial reporting and compliance.



Julian & Grube, Inc.
April 29, 2024

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

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Operating Receipts	
Admissions	\$ 223,024
Privilege Fees	29,756
Rentals	35,583
Other Operating Receipts	<u>20,826</u>
<i>Total Operating Receipts</i>	<u>309,189</u>
Operating Disbursements	
Utilities	37,607
Professional Services	136,655
Equipment and Grounds Maintenance	26,471
Property and Rent Services	51,759
Senior Fair	6,435
Junior Fair	10,567
Capital Outlay	25,094
Other Operating Disbursements	<u>34,369</u>
<i>Total Operating Disbursements</i>	<u>328,957</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(19,768)</u>
Non-Operating Receipts (Disbursements)	
State Support	4,607
Donations/Contributions	35,008
Investment Income	7
Sale of Assets	700
Debt Service	<u>(54,588)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>(14,266)</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(34,034)
Cash Balance, Beginning of Year	<u>105,407</u>
<i>Cash Balance, End of Year</i>	<u><u>\$ 71,373</u></u>

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

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

Note 1 – Reporting Entity

The Adams County Agricultural Society (the Society), Adams 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 1888 to operate an annual agricultural fair. The Society sponsors the week – long Adams County Fair during July. Adams County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of twenty-five directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Adams 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. Other year-round activities at the fairgrounds including facility rental, stall rental, and community events including cattle, hog and horse shows, horse camps, demolition derbies, Freedom Festival, Skinny Fest, car shows and seasonal campouts. The reporting entity does not include any other activities or entities of Adams County, Ohio.

Notes 9 and 10, 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 Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Deposits

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.

Adams County Agricultural Society
Adams 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

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:

	2022
Demand deposits	\$ 64,368
Other time deposits (savings and NOW accounts)	7,005
Total deposits and investments	<u>\$ 71,373</u>

At November 30, 2022, the Society held \$0 in equity securities. Equity securities are not eligible investments for the Society under Ohio law.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

At November 30, 2022, \$0 of deposits were not insured or collateralized, contrary to Ohio law.

Note 5 – Risk Management

The Adams County Commissioners provide general insurance coverage for all the buildings on the Adams County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability with aggregate limits of \$2,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$2,000,000.

The Society paid \$0 for losses that exceeded insurance coverage.

Risk Pool Membership

The Society is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Society's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

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

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

Note 7 – Debt

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

	Principal	Interest Rate
Property Loan 2021	\$ 111,764	3.75%
Line of Credit	60,195	4.75%
Total	\$ 171,959	

The \$116,000 Property Loan 2021 bears an interest rate of 3.75 percent and is due to the First State Bank. The loan was entered into on September 24, 2021, and matures October 1, 2041. Proceeds of the loan were used to purchase land adjacent to the fairgrounds expanding the fairgrounds by an additional 56 acres and are collateralized by the land.

The First State Bank of Adams County provides a line of credit equity line to the Society with a maximum credit of \$120,000. The loan is provided at an interest rate of 4.75 percent and is reviewed and renewed annually. The Society had an outstanding balance of \$60,195 at November 30, 2022.

Amortization of the above debt's principal and interest is scheduled as follows:

Fiscal Year Ending <u>November 30:</u>	Property Loan
2023	\$ 8,253
2024	8,253
2025	8,253
2026	8,253
2027	8,253
2028-2032	41,265
2033-2037	41,265
2038-2041	32,324
	\$ 156,119

Note 8 – 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.

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

Note 9 – 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 Adams County Fair. The Society disbursed \$10,567 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. 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	\$ 7,525
Receipts	13,998
Disbursements	(11,827)
Ending Cash Balance	\$ 9,696

Note 10 – Junior Livestock Sale Committee

The Junior Livestock Sale Committee is a separate committee charged with running the Junior Fair Livestock and Baked Goods Auction. This auction is held at the conclusion of the fair week. Children may sell their animals and baked goods directly to market or through the Adams County Fair’s Junior Fair auction. A commission of 6 percent for small animals, 4 percent for large animals with the exception of steers which are 2 percent on auction sales covers auction costs. Baked goods are commissioned at 6 percent and butter at 2 percent. The Junior Fair Livestock Sale Committee retains this money. The accompanying financial statement does not include the Junior Livestock Sale Committee’s activities. The Junior Livestock Sale Committee’s financial activity for the fiscal year ended November 30, 2022, follows:

	2022
Beginning Cash Balance	\$ 11,030
Receipts	280,459
Disbursements	(277,907)
Ending Cash Balance	\$ 13,582

Note 11– COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023.

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

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Operating Receipts	
Admissions	\$ 199,166
Privilege Fees	25,495
Rentals	35,128
Other Operating Receipts	<u>15,639</u>
<i>Total Operating Receipts</i>	<u>275,428</u>
 Operating Disbursements	
Utilities	29,132
Professional Services	109,707
Equipment and Grounds Maintenance	24,224
Property and Rent Services	26,912
Senior Fair	14,515
Junior Fair	9,249
Capital Outlay	221,830
Other Operating Disbursements	<u>23,440</u>
<i>Total Operating Disbursements</i>	<u>459,009</u>
 <i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	 <u>(183,581)</u>
 Non-Operating Receipts (Disbursements)	
State Support	57,770
Local Support	2,800
Debt Proceeds	116,000
Donations/Contributions	83,686
Investment Income	18
Debt Service	<u>(45,477)</u>
 <i>Net Non-Operating Receipts (Disbursements)</i>	 <u>214,797</u>
 <i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	 31,216
 Cash Balance, Beginning of Year	 <u>74,191</u>
 <i>Cash Balance, End of Year</i>	 <u><u>\$ 105,407</u></u>

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

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

Note 1 – Reporting Entity

The Adams County Agricultural Society (the Society), Adams 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 1888 to operate an annual agricultural fair. The Society sponsors the week – long Adams County Fair during July. Adams County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of twenty-two directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Adams 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. Other year-round activities at the fairgrounds including facility rental, stall rental, and community events including cattle, hog and horse shows, horse camps, demolition derbies, Freedom Festival, Skinny Fest, car shows and seasonal campouts. The reporting entity does not include any other activities or entities of Adams County, Ohio.

Notes 9 and 10, 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 Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Deposits

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.

Adams County Agricultural Society
Adams 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

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:

	2021
Demand deposits	\$ 59,998
Other time deposits (savings and NOW accounts)	45,409
Total deposits and investments	<u>\$ 105,407</u>

At November 30, 2021, the Society held \$0 in equity securities. Equity securities are not eligible investments for the Society under Ohio law.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

At November 30, 2021, \$0 of deposits were not insured or collateralized, contrary to Ohio law.

Note 5 – Risk Management

The Adams County Commissioners provide general insurance coverage for all the buildings on the Adams County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability with aggregate limits of \$2,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$2,000,000.

The Society paid \$0 for losses that exceeded insurance coverage.

Risk Pool Membership

The Society is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Society's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

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

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

Note 7 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Property Loan 2021	\$ 115,687	3.75%
Line of Credit	102,493	4.75%
Total	<u>\$ 218,180</u>	

The \$42,000 Property Loan 2017 bears an interest rate of 6 percent and is due to the First State Bank. The loan was entered into on May 8, 2017, and was scheduled to mature on May 8, 2027. Proceeds of the loan were used to purchase land and are collateralized by the land. This loan was paid off on June 12, 2021.

The \$116,000 Property Loan 2021 bears an interest rate of 3.75 percent and is due to the First State Bank. The loan was entered into on September 24, 2021, and matures October 1, 2041. Proceeds of the loan were used to purchase land adjacent to the fairgrounds expanding the fairgrounds by an additional 56 acres and are collateralized by the land.

The First State Bank of Adams County provides a line of credit equity line to the Society with a maximum credit of \$120,000. The loan is provided at an interest rate of 4.75 percent and is reviewed and renewed annually. The Society had an outstanding balance of \$102,193 at November 30, 2021.

Amortization of the above debt's principal and interest is scheduled as follows:

Fiscal Year Ending <u>November 30:</u>	<u>Property Loan</u>
2022	\$ 8,253
2023	8,253
2024	8,253
2025	8,253
2026	8,253
2027-2031	41,265
2032-2036	41,265
2037-2041	<u>40,577</u>
	<u>\$ 164,372</u>

Note 8 – 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.

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

Note 9 – 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 Adams County Fair. The Society disbursed \$9,249 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. 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:

	2021
Beginning Cash Balance	\$ 6,286
Receipts	12,384
Disbursements	(11,145)
Ending Cash Balance	\$ 7,525

Note 10 – Junior Livestock Sale Committee

The Junior Livestock Sale Committee is a separate committee charged with running the Junior Fair Livestock and Baked Goods Auction. This auction is held at the conclusion of the fair week. Children may sell their animals and baked goods directly to market or through the Adams County Fair’s Junior Fair auction. A commission of 6 percent for small animals, 4 percent for large animals with the exception of steers which are 2 percent on auction sales covers auction costs. Baked goods are commissioned at 6 percent and butter at 2 percent. The Junior Fair Livestock Sale Committee retains this money. The accompanying financial statement does not include the Junior Livestock Sale Committee’s activities. The Junior Livestock Sale Committee’s financial activity for the fiscal year ended November 30, 2021, follows:

	2021
Beginning Cash Balance	\$ 8,207
Receipts	323,913
Disbursements	(321,090)
Ending Cash Balance	\$ 11,030

Note 11– COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Village received COVID-19 funding. The Society will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**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***

Adams County Agricultural Society
Adams County
836 Boyd Avenue
West Union, Ohio 45693

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 Adams County Agricultural Society, Adams 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 April 29, 2024, wherein we noted as described in Note 2 to the financial statements, the Adams 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 the Adams 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 the Adams County Agricultural Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Adams 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 Adams 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. 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 material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Adams 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*.

Adams County Agricultural Society

Adams 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*

Adams County Agricultural Society's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Adams County Agricultural Society's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Adams 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 Adams 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 Adams County Agricultural Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

April 29, 2024

**ADAMS COUNTY AGRICULTURAL SOCIETY
ADAMS COUNTY**

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

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

Material Weakness - Financial Statement Presentation

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.

Certain adjustments were made to the financial statements and note disclosures to properly state amounts for the fiscal years ended November 30, 2022 and 2021. The audited financial statements and note disclosures have been adjusted for the misstatements identified during the audit.

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 reports in the future.

OHIO AUDITOR OF STATE KEITH FABER



ADAMS COUNTY AGRICULTURAL SOCIETY

ADAMS 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 6/11/2024

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

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