



OHIO AUDITOR OF STATE  
**KEITH FABER**





**MIAMI COUNTY AGRICULTURAL SOCIETY  
MIAMI COUNTY  
NOVEMBER 30, 2022 AND 2021**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Statement of Receipts, Disbursements, and Changes in Fund Balance (Regulatory Cash Basis) - For the Year Ended November 30, 2022 .....	5
Notes to the Financial Statement - For the Year Ended November 30, 2022 .....	7
Statement of Receipts, Disbursements, and Changes in Fund Balance (Regulatory Cash Basis) - For the Year Ended November 30, 2021 .....	13
Notes to the Financial Statement - For the Year Ended November 30, 2021 .....	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	21
Schedule of Findings.....	23

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

Miami County Agricultural Society  
Miami County  
650 North County Road 25A  
Troy, Ohio 45373

To the Board of Directors:

### Report on the Audit of the Financial Statements

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Miami County Agricultural Society, Miami County, Ohio (the Society), which comprises the total cash balances, receipts and disbursements as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the total cash balances, receipts and disbursements as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, 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 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 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 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 an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. 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.

***Emphasis of Matter***

As discussed in Note 10 to the financial statement for 2022 and 2021, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Society. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. 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 misstatement, 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 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 GAAS and the financial audit standards in the Comptroller General of the United States' *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 GAAS 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 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 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 October 1, 2024, 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. 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 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 Society's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 1, 2024

**This page intentionally left blank.**



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

<b>Operating Receipts</b>	
Admissions	195,840
Privilege Fees	75,606
Rentals	190,572
Sustaining and Entry Fees	25,898
Pari-mutuel Wagering Commission	1,166
Other Operating Receipts	79,218
<i>Total Operating Receipts</i>	568,300
<b>Operating Disbursements</b>	
Wages and Benefits	91,716
Utilities	59,429
Professional Services	107,120
Equipment and Grounds Maintenance	66,893
Property and Rent Services	185,933
Race Purse	120,965
Senior Fair	22,477
Junior Fair	29,486
Capital Outlay	13,325
Other Operating Disbursements	121,276
<i>Total Operating Disbursements</i>	818,620
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	(250,320)
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	12,219
Local Support	42,416
Donations/Contributions	332,099
Investment Income	242
Sale of Assets	1,900
Debt Service	(16,852)
<i>Net Non-Operating Receipts (Disbursements)</i>	372,024
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	121,704
Cash Balance, Beginning of Year	141,415
<i>Cash Balance, End of Year</i>	\$263,119

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

**This page intentionally left blank.**

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

---

**Note 1 – Reporting Entity**

The Agricultural Society of Miami County (the Society), Miami 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 1846 to operate an annual agricultural fair. The Society sponsors the week – long Miami County Fair during August. During the fair, harness races are held, culminating in the running of the Super Stakes Races. Miami County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 24 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Miami County and pay an annual membership fee to the Society.

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

Note 9 summarizes the Junior Livestock Sale Committee’s financial activity. The Junior Fair Board’s financial activity is reported in the Society’s financial statement.

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

**Public Entity Risk Pool**

The Society participates in a public entity risk pool. Note 5 to the financial statement provides additional information for this entity.

**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.

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

---

***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.

***Income Tax Status***

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

***Race Purse***

Super Stake races are held during the Miami County Fair. The Society pays all Sustaining and Entry fees and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

***Sustaining and Entry Fees*** Horse owners and Ohio Colt Racing Association pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement reports these fees as Sustaining and Entry Fees.

***Ohio Fairs Fund*** The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 4 for additional information.

***Pari-mutuel Wagering***

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as the pari-mutuel wagering system determines. The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 4 for additional information.

**Note 3 – Deposits and Investments**

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:

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

	2022
Demand deposits	\$263,119
Total deposits	263,119
Total deposits and investments	\$263,119

***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 to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 4 – Horse Racing**

***State Support Portion of Purse***

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the fiscal year ended November 30, 2022, in the amount of \$6,000 as State Support.

***Pari-mutuel Wagering***

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

	2022
Total Amount Bet (Handle)	\$ 16,243
Less: Payoff to Bettors	(12,775)
Parimutuel Wagering Commission	3,468
Tote Service Set Up Fee	(1,000)
Tote Service Commission	(871)
State Tax	(431)
Society Portion	\$ 1,166

**Note 5 – Risk Management**

**Risk Pool Membership**

The Miami County Agricultural 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 Miami County Agricultural Society’s policy. The Pool covers the following risks:

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

---

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

**Note 6 – Social Security**

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

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2022.

**Note 7 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Bobcat Financed Purchase	<u>\$7,039</u>	5.55%
Total	<u><u>\$7,039</u></u>	

The restroom commercial loan, in the original amount of \$75,000, bears an interest rate of 4.35% and is due to US Bank. The loan was entered into on May 18, 2017, and matured May 18, 2022. Proceeds of the loan were used for the construction of a restroom facility and is collateralized by all business assets.

The Society entered into a financed purchase agreement with US Bank on November 17, 2020 to purchase a Bobcat Skid Steer Loader in the amount of \$20,000 with a 36-month term. Payments are automatically deducted each month in the amount of \$604.

Amortization of the above debt is scheduled as follows:

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

Fiscal				
Year Ending				
November 30:	Financed Purchase	Total		
2023	7,039	7,039		
	<u>\$7,039</u>	<u>\$7,039</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.

**Note 9 – Junior Livestock Sale Committee**

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is comprised of two events. The first event is a live in-person auction in which exhibitors who won Grand Champion or Reserve Grand Champion with their market animal can participate. This auction is always held on the Wednesday of fair week. The second event begins after the close of the fair and continue with digital add-ons for one week past the close of the fair. All livestock exhibitors, regardless if their project is a market animal or not, are allowed to participate in this part of the livestock auction. The Miami County Agricultural Society retains a 3% commission on all auction sales to cover the cost of the auction. This commission is retained by the Junior Livestock Committee. The accompanying financial statement does not include the financial activities of the Junior Livestock Committee. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2022, follows:

	2022
Beginning Cash Balance	\$ 149,446
Receipts	441,643
Disbursements	(468,086)
Ending Cash Balance	\$ 123,003

**Note 10 – 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.

**This page intentionally left blank.**



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

<b>Operating Receipts</b>	
Taxes	\$1,376
Admissions	188,315
Privilege Fees	59,781
Rentals	124,993
Sustaining and Entry Fees	31,484
Pari-mutuel Wagering Commission	1,235
Other Operating Receipts	<u>55,654</u>
<i>Total Operating Receipts</i>	<u>462,838</u>
<b>Operating Disbursements</b>	
Wages and Benefits	85,826
Utilities	49,612
Professional Services	160,249
Equipment and Grounds Maintenance	144,140
Property and Rent Services	165,467
Race Purse	131,186
Senior Fair	19,837
Junior Fair	22,206
Capital Outlay	9,601
Other Operating Disbursements	<u>75,588</u>
<i>Total Operating Disbursements</i>	<u>863,712</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(400,874)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	114,835
Local Support	65,416
Donations/Contributions	238,229
Investment Income	12
Debt Service	<u>(28,572)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>389,920</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(10,954)
Cash Balance, Beginning of Year	<u>152,369</u>
<i>Cash Balance, End of Year</i>	<u><u>\$141,415</u></u>

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

**This page intentionally left blank.**

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

---

**Note 1 – Reporting Entity**

The Agricultural Society of Miami County (the Society), Miami 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 1846 to operate an annual agricultural fair. The Society sponsors the week – long Miami County Fair during August. During the fair, harness races are held, culminating in the running of the Super Stakes Races. Miami County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 24 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Miami County and pay an annual membership fee to the Society.

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

Note 9 summarizes the Junior Livestock Sale Committee’s financial activity. The Junior Fair Board’s financial activity is reported in the Society’s financial statement.

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

**Public Entity Risk Pool**

The Society participates in a public entity risk pool. Note 5 to the financial statement provides additional information for this entity.

**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.

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

---

***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.

***Income Tax Status***

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

***Race Purse***

Super Stake races are held during the Miami County Fair. The Society pays all Sustaining and Entry fees and the required portion of the cash received from the Ohio Fairs Fund as Race Purse to winning horses.

***Sustaining and Entry Fees*** Horse owners and Ohio Colt Racing Association pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement reports these fees as Sustaining and Entry Fees.

***Ohio Fairs Fund*** The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 4 for additional information.

***Pari-mutuel Wagering***

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as the pari-mutuel wagering system determines. The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 4 for additional information.

**Note 3 – Deposits and Investments**

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:

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

	2021
Demand deposits	\$141,415
Total deposits	141,415
Total deposits and investments	\$141,415

***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 to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 4 – Horse Racing**

***State Support Portion of Purse***

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the fiscal year ended November 30, 2021, in the amount of \$6,000 as State Support.

***Pari-mutuel Wagering***

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

	2021
Total Amount Bet (Handle)	\$ 16,847
Less: Payoff to Bettors	(13,444)
Parimutuel Wagering Commission	3,403
Tote Service Set Up Fee	(1,000)
Tote Service Commission	(711)
State Tax	(457)
Society Portion	\$ 1,235

**Note 5 – Risk Management**

**Risk Pool Membership**

The Miami County Agricultural 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 Miami County Agricultural Society’s policy. The Pool covers the following risks:

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

---

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

**Note 6 – Social Security**

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

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2021.

**Note 7 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Bobcat Financed Purchase	\$13,699	5.55%
Restroom Commercial Loan	8,266	4.35%
Total	<u>\$21,965</u>	

The restroom commercial loan, in the original amount of \$75,000, bears an interest rate of 4.35% and is due to US Bank. The loan was entered into on May 18, 2017, and matures May 18, 2022. Proceeds of the loan were used for the construction of a restroom facility and is collateralized by all business assets.

The Society entered into a financed purchase agreement with US Bank on November 17, 2020 to purchase a Bobcat Skid Steer Loader in the amount of \$20,000 with a 36-month term. Payments are automatically deducted each month in the amount of \$604.

Amortization of the above debt is scheduled as follows:

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

Fiscal			
Year Ending			
November 30:	Commerical Loan	Financed Purchase	Total
2022	\$8,266	\$6,660	\$14,926
2023		7,039	7,039
	\$8,266	\$13,699	\$21,965

**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.

**Note 9 – Junior Livestock Sale Committee**

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is comprised of two events. The first event is a live in-person auction in which exhibitors who won Grand Champion or Reserve Grand Champion with their market animal can participate. This auction is always held on the Wednesday of fair week. The second event begins after the close of the fair and continue with digital add-ons for one week past the close of the fair. All livestock exhibitors, regardless if their project is a market animal or not, are allowed to participate in this part of the livestock auction. The Miami County Agricultural Society retains a 3% commission on all auction sales to cover the cost of the auction. This commission is retained by the Junior Livestock Committee. The accompanying financial statement does not include the financial activities of the Junior Livestock Committee. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2021, follows:

	2021
Beginning Cash Balance	\$ 134,081
Receipts	351,561
Disbursements	<u>(336,196)</u>
Ending Cash Balance	<u>\$ 149,446</u>

**Note 10 – 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.

**This page intentionally left blank.**



# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Miami County Agricultural Society  
Miami County  
650 North County Road 25A  
Troy, Ohio 45373

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 (*Government Auditing Standards*), the financial statements of the total cash balances, receipts, and disbursements of the Miami County Agricultural Society, Miami County, (the Society) as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated October 1, 2024, wherein we noted the Society followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit and the financial impact of COVID-19 and the continuing recovery measures which may impact subsequent periods of the Society.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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 Society's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as item 2022-002 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings as item 2022-001 to be a significant deficiency.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the 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*.

***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 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 Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 1, 2024

**MIAMI COUNTY AGRICULTURAL SOCIETY  
MIAMI COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2022-001**

**Significant Deficiency – Bank Reconciliation Deficiencies**

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

Cash is the asset most susceptible to theft and misappropriation; therefore, appropriate controls over cash and the cash reconciliation process should be in place at the Society. Monthly reconciliations between the book balance and the bank accounts is a key control that provides a reasonable assurance that all receipts and disbursements have been accurately and completely recorded in the accounting records and processed by the financial institutions.

The following issues were identified with the cash control and reconciliation process:

- There was an unreconciled variance of \$796 between the Society's accounting system General Ledger and the Society's bank accounts from the year end reconciliation at November 30, 2021. The total cash in the Society's bank accounts was less than total cash in the Society's accounting system. Furthermore, total cash reported on the Society's annual financial statements was greater than the accounting system by \$9,915 and greater than the bank reconciliation by \$10,711. After audit adjustments, total cash reported on the Society's annual financial statements was less than the accounting system by \$4,164 and less than the bank reconciliation by \$3,369.
- There was an unreconciled variance of \$2,953 between the Society's accounting system General Ledger and the Society's bank accounts from the year end reconciliation at November 30, 2022. The total cash in the Society's bank accounts was less than total cash in the Society's accounting system. Furthermore, total cash reported on the Society's annual financial statements was less than the accounting system by \$11,259 and less than the bank reconciliation by \$8,306. After audit adjustments, total cash reported on the Society's annual financial statements was less than the accounting system by \$1,742 and less than the bank reconciliation by \$2,031.

Failure to prepare a monthly bank reconciliation that properly reconciles and failure to implement adequate controls over cash and the cash reconciliation process, such as Board review and approval in the minutes, could lead to errors and irregularities occurring and not being identified in a timely manner.

The Society should implement procedures related to cash controls and the cash reconciliation process including but not limited to: bank reconciliations should be reviewed and approved for accuracy by the Board and accordingly documented in the minutes; and unusual reconciling items should be investigated and corrected in a timely manner.

**Officials' Response:**

We did not receive a response from Officials to this finding.

## FINDING NUMBER 2022-002

### Material Weakness – Financial Statement Errors

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs A14 & A16.

Due to lack of controls over the preparation of the financial statements, the Society's annual financial reports for the fiscal years 2022 and 2021 contained the following errors which were material and adjusted on the financial statements:

- For fiscal year 2021, the Society overstated Donations and Contributions by \$109,080 and understated State Support by the same amount due to misclassification of cash receipts. The Society also understated Donations and Contributions by \$73,997 and overstated State Support by the same amount due to misclassification of cash receipts. The net result was an overstatement of Donations and Contributions by \$35,083 and an understatement of State Support by the same amount.
- For fiscal year 2021, the Society understated Race Purse and Other Operating Disbursements by \$27,267 and \$6,325, respectively, and overstated Senior Fair and Professional Services Disbursements by \$1,249 and \$32,343, respectively, due to misclassification of cash disbursements on the annual report from the accounting system general ledger.
- For fiscal year 2021, the Society overstated Beginning of Year and End of Year Cash Balance by \$14,080 due to an erroneous compilation error related to the fiscal year 2020 End of Year Cash Balance not rolling forward.
- For fiscal year 2022, the Society overstated Donations and Contributions by \$59,790 due to the improper inclusion of the junior fair livestock sale committee account on the Society books.
- For fiscal year 2022, the Society understated Donations and Contributions by \$23,598 due to the improper exclusion of the race harness account on the Society books and failing to account for other related reconciled receipts.
- For fiscal year 2022, the Society understated Race Purse and Other Operating Disbursements by \$13,114 and \$14,640, respectively, and overstated Professional Services Disbursements by \$27,754 due to misclassification of cash disbursements on the annual report from the accounting system general ledger.
- For fiscal year 2022, the Society overstated Debt Service by \$60,419 and understated Other Operating Disbursements by the same amount due to misclassification of cash disbursements.

The Society should establish and implement procedures to verify the accuracy of amounts reported in the financial statements in accordance with applicable accounting standards. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

### Officials' Response:

We did not receive a response from Officials to this finding.

# OHIO AUDITOR OF STATE KEITH FABER



**MIAMI COUNTY AGRICULTURAL SOCIETY**

**MIAMI 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 11/7/2024**

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](http://www.ohioauditor.gov)