

**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY**

**FINANCIAL STATEMENT  
(AUDITED)**

**FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015**

**TIM SHORT, TREASURER**





# Dave Yost • Auditor of State

Board of Directors  
Van Wert County Agricultural Society  
1055 South Washington Street  
Van Wert, Ohio 45891

We have reviewed the *Independent Auditor's Report* of the Van Wert County Agricultural Society, Van Wert County, prepared by Julian & Grube, Inc., for the audit period December 1, 2014 through November 30, 2016. 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 Van Wert County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

June 16, 2017

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**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY**

FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### Independent Auditor's Report

Van Wert County Agricultural Society  
Van Wert County  
1055 S. Washington Street  
Van Wert, Ohio 45891

To the Board of Directors:

#### ***Report on the Financial Statements***

We have audited the accompanying financial statement of the cash balances, receipts and disbursements, and related notes of the Van Wert County Agricultural Society, Van Wert County, Ohio, as of and for the years ended November 30, 2016 and 2015.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

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

As described in Note 1 of the financial statement, the Van Wert County Agricultural Society prepared this financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

Board of Directors  
Van Wert County Agricultural Society  
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Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Van Wert County Agricultural Society as of November 30, 2016 and 2015, or changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances of the Van Wert County Agricultural Society, Van Wert County, Ohio, as of November 30, 2016 and 2015, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2017, on our consideration of the Van Wert County Agricultural Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Van Wert County Agricultural Society's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
May 30, 2017



VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN FUND BALANCE (REGULATORY CASH BASIS)  
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Operating Receipts:</b>		
Taxes	\$ 1,988	\$ 2,013
Admissions	188,345	247,860
Privilege Fees	65,381	67,903
Sales by Fair Board	4,590	9,046
Racing	33,707	25,588
Sales Activity	44,186	85,961
Utilities	7,396	6,692
Fees	36,502	26,685
Rentals	157,887	173,197
Local	23,300	23,300
Total Operating Receipts	563,282	668,245
<b>Operating Disbursements:</b>		
Wages and Benefits	98,375	76,608
Administrative	7,533	8,521
Racing Supplies	3,690	2,798
Supplies	14,483	41,776
Utilities	77,688	129,731
Race Purse	152,698	129,589
Professional Services	63,390	116,184
Property Services	66,732	66,563
Advertising	20,866	38,189
Repairs	106,377	118,223
Insurance	11,036	11,704
Rent and Leases	25,067	26,952
Capital Outlay	5,000	324
Senior Fair	18,060	17,232
Contest Expenses	5,831	4,773
Junior Fair	19,907	19,574
Other Operating Disbursements	7,090	12,135
Total Operating Disbursements	703,823	820,876
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(140,541)	(152,631)
<b>Non-Operating Receipts (Disbursements):</b>		
State Support	26,613	14,495
Restricted Support	127,238	128,768
Unrestricted Support	19,004	10,866
Investment Income	22	73
Loan Proceeds	47,000	25,750
Debt Service	(64,015)	(39,576)
Net Non-Operating Receipts (Disbursements)	155,862	140,376
Excess (Deficiency) of Receipts Over (Under) Disbursements	15,321	(12,255)
Cash Balance, Beginning of Year	31,465	43,720
<b>Cash Balance, End of Year</b>	<b>\$46,786</b>	<b>\$31,465</b>

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

**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Van Wert County Agricultural Society, Van Wert County, (the "Society") as a body corporate and politic. The Society is a county agricultural society organization formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1856 to operate an annual agricultural fair. The Society sponsors the week-long Van Wert County Fair during August and September. During the fair Harness, Thoroughbred, and Quarter Horse Races (Running Races) are held. Van Wert County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 15 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Van Wert County and pay an annual membership fee to the Society.

**Reporting Entity**

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and harness racing during fair week. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including Old Fashion Farmers Days, Northwest Ohio Traders Days, and the Apple Fest. The reporting entity does not include any other activities or entities of Van Wert County, Ohio.

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

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

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

**C. Deposits and Investments**

The Society currently has no investments. See note 2 below concerning deposits.

**D. Property, Plant, and Equipment**

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015  
(Continued)**

**E. Income Tax Status**

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

**F. Race Purse**

Ohio Racing Commission stake races are held during the Van Wert 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 Fair Racing Conference 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 report these fees as Sustaining and Entry Fees.

Ohio Fairs Fund

The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 3 for additional information.

**G. Pari-mutuel Wagering**

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

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 3 for additional information.

**H. Accumulated Leave**

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

**2. 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, 2016 and November 30, 2015 were as follows:

**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015  
(Continued)**

	2016	2015
Demand Deposits	\$ 46,570	\$ 31,249
Cash on Hand	216	216
Total Deposits	\$ 46,786	\$ 31,465

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. HORSE RACING**

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the years ended November 30, 2016 and 2015 was \$0 and \$4,184 respectfully, as State Support. In 2016, the Funds were paid out as required, however, the original check from the State was never received. As of the fiscal year end it was in the process of being reissued, but had not yet been received.

Pari-mutuel Wagering

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

	2016	2015
Total Amount Bet (Handle)	\$ 37,900	\$ 30,326
Breakage	(312)	(294)
Less: Payoff to Bettors	(29,968)	(23,922)
Parimutuel Wagering Commission	7,620	6,110
Tote Service Set Up Fee	(1,200)	(1,200)
Tote Service Commission	(3,361)	(2,464)
State Tax	(1,000)	(804)
Society Portion	\$ 2,059	\$ 1,642

**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015  
(Continued)**

**4. DEBT**

Debt outstanding at November 30, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Skid Loader Note	\$7,717	2.90%
Operating Loan	\$29,964	5.50%
Mortgage	366,169	6.00%
Total	<u>\$403,850</u>	

The \$7,717 Skid Loader Note bears an interest rate of 2.9 percent and is due to John Deere Financial. The note was entered into on July 16, 2014 and matures July 16, 2018. Proceeds of the note were used to purchase a Skid Loader and are collateralized by the Skid Loader.

The \$29,964 Operating Loan Note bears an interest rate of 5.5 percent and is due to First Federal Savings and Loan. The note renews each year on March 1 and requires the balance to be paid to zero at least one time during the year. Proceeds of the note are used to cover expenses during periods of low revenue.

The \$366,169 Mortgage Note bears an interest rate of 5.0 percent and is due to First Federal Savings and Loan. The note was entered into on May 18, 2013 and matures September 30, 2032. Proceeds of the note were used to purchase, improve the property, and to cover operating net losses and are collateralized by the property.

**5. RISK MANAGEMENT**

The Van Wert County Commissioners provide general insurance coverage for all the buildings on the Van Wert County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance, with limits of \$1,000,000 and \$1,000,000 aggregate. The Society's general manager is bonded with coverage of \$50,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through June of 2017.

**6. 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.

**7. JUNIOR FAIR BOARD**

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Van Wert County Fair. The Society disbursed \$19,907 and \$19,574 for fiscal year ended 2016 and 2015, respectively, directly to the Junior Fair Board. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Van Wert County paid the Society \$500 to support Junior Club work. The Junior Fair Board uses its account to collect and

**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015  
(Continued)**

expend funds for trophies and other awards, plus other expenses not directly related to fair time activities. The Junior Fair Board's financial activity for the years ended November 30, 2016 and 2015 follows:

	2016	2015
Beginning Cash Balance	\$1,470	\$878
Receipts	15,654	9,230
Disbursements	(12,988)	(8,638)
Ending Cash Balance	\$ 4,136	\$ 1,470

**8. JUNIOR LIVESTOCK SALE COMMITTEE**

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Van Wert County's auction. A commission of 2.5 percent on total animal value 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 Fair Livestock Committee currently has two checking accounts. One pays for livestock sold and the other pays for auction and associated expenses. The below balances are both accounts combined. The Junior Livestock Committee's financial balances for the years ended November 30, 2016 and 2015 follows:

	2016	2015
Beginning Cash Balance	\$ 59,157	\$ 41,713
Receipts	214,476	237,235
Disbursements	(232,871)	(219,791)
Ending Cash Balance	\$ 40,762	\$ 59,157

**9. NON-COMPLIANCE**

Per ORC 1711.13(B), total net indebtedness incurred by a county agricultural society shall not exceed an amount equal to twenty-five percent of its annual revenues. As of November 30, 2016, Society debt amounted to \$403,850 which represents approximately fifty-two percent of annual revenues in excess of the twenty-five percent of revenue limit.

The Society was also in non-compliance with Ohio Revised Code Section 9.38, requiring deposits of public money being made in a timely manner.



## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By *Government Auditing Standards***

Van Wert County Agricultural Society  
Van Wert County  
1055 S. Washington Street  
Van Wert, Ohio 45891

To the Board of Directors:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the Van Wert County Agricultural Society, Van Wert County, Ohio, as of and for the years ended November 30, 2016 and 2015 and the related notes to the financial statement and have issued our report thereon dated May 30, 2017, wherein we noted the Van Wert County Agricultural Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Van Wert County Agricultural Society's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of the Van Wert County Agricultural Society's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Board of Directors  
Van Wert County Agricultural Society

***Compliance and Other Matters***

As part of reasonably assuring whether the Van Wert County Agricultural Society's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as items 2016-001 and 2016-002.

***Van Wert County Agricultural Society's Response to Finding***

The Van Wert County Agricultural Society's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Van Wert County Agricultural Society's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Van Wert County Agricultural Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Van Wert County Agricultural Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
May 30, 2017



**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2016-001

**Material Weakness/Noncompliance – Untimely Deposits**

Ohio Revised Code Section 9.38 requires that deposits of public money be made in a timely manner. Public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the receipt, unless the receipts are less than \$1,000 and the money can be safeguarded. In this case, the deposit must be made within three business days.

It was noted during the audit that the Society held funds of varying amounts greater than the allowable 1 or 3 business days without depositing them in accordance with the Ohio Revised Code Section 9.38. Of the total receipts tested in fiscal years 2016 and 2015, it was noted 42.31% and 26.32%, respectively, were not deposited timely.

As a result, not only is there risk of loss from burglary, misplacement, or misappropriation, but the cash is not available for expenditures or investment.

We recommend that the Society monitor collections and ensure that monies are deposited in accordance with state statute. This will improve cash flow and reduce the risk of loss. Further guidance regarding specific dollar amounts may be found in the Ohio Compliance Supplement.

*Client Response:*

Agricultural Societies in the State of Ohio are private corporations. We receive public funding for certain actions we perform. This public funding accounts for less than 5% of our total budget. Of that 5%, half of it is direct deposited to our account. Fifty one weeks out of the year, we receive the majority of our funds from private activities in the form of checks. They are locked in a safe. All cash is accounted for with a written receipt. The \$1,000.00 limit for public funds is being satisfied. It is the private funds that cause the limit to be exceeded. Deposits are made every 16 receipts, regardless of amount. This is done for efficiency and consistency. This is an area where we are held to the public institution standards, when in other areas we are treated as private institutions. It is and always will be my contention that the state has no authority to audit our private funds, as if we were a public institution.

Finding Number	2016-002
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**Noncompliance – Indebtedness**

Ohio Revised Code Section 1711.13(B) states that County agricultural societies may enter into agreements to obtain loans and credit for expenses related to the purposes of the county agricultural society, provided that the agreements are in writing and are first approved by the Board of Directors of the Society. The total net indebtedness incurred by a county agricultural society pursuant to this division (B) shall not exceed an amount equal to twenty-five percent of its annual revenues.

**VAN WERT COUNTY AGRICULTURAL SOCIETY  
VAN WERT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2016-002 - (Continued)

The Society had a total indebtedness of \$403,850 for the fiscal year 2016, and \$424,347 for the fiscal year 2015. These amounts represent approximately 51.57% and 50.03% of the total debt to revenue ratio, for 2016 and 2015, respectively. Both are in excess of the 25% limit.

Failure to abide by required statutes could result in the Society obtaining and overextending the resources of the Society.

We recommend the Society review ORC 1711.13(B) for debt requirement before issuance of any new debt in the future.

*Client Response:*

We are working diligently to decrease our debt load. We are trying to increase revenue, while at the same time cut expenses. We are making slow and steady progress. This is the best we can do at this time.



# Dave Yost • Auditor of State

**VAN WERT COUNTY AGRICULTURAL SOCIETY**

**VAN WERT COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 29, 2017**