

WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY, OHIO

Regular Audit

For the Years Ended November 30, 2019 and 2018





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Members of the Board
Wyandot County Agricultural Society
10171 State Highway 53 N.
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditor's Report* of the Wyandot County Agricultural Society, Wyandot County, prepared by Charles E. Harris & Associates, Inc., for the audit period December 1, 2017 through November 30 2019. 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 Wyandot 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

November 17, 2020

**Wyandot County Agricultural Society
Wyandot County**

For the Years Ended November 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Wyandot County Agricultural Society
Wyandot County
10171 State Highway 53 N
Upper Sandusky, OH 43351

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the Wyandot County Agricultural Society, Wyandot County, Ohio (the Society), as of and for the years ended November 30, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as our evaluation of the overall presentation of the financial statements.

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

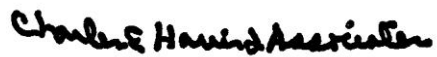
In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Wyandot County Agricultural Society, Wyandot County as of November 30, 2019 and 2018, for the years the ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Society. We did not modify our opinions regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2020, on our consideration of the 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 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 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.

A handwritten signature in black ink that reads "Charles E. Harris" followed by a stylized flourish.

Charles E. Harris & Associates, Inc.
September 2, 2020

Wyandot County Agricultural Society
Wyandot County
Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Balance - (Regulatory Cash Basis)
For the Year Ended November 30, 2019

	2019
Operating Receipts:	
Taxes	\$ 355
Admissions	186,755
Privilege Fees	59,552
Rentals	113,318
Sustaining and Entry Fees	10,160
Pari-mutuel Wagering Commission	1,794
Other Operating Receipts	40,788
<i>Total Operating Receipts</i>	412,722
Operating Disbursements:	
Wages and Benefits	34,928
Utilities	77,105
Professional Services	85,889
Equipment and Grounds Maintenance	72,656
Property and Rent Services	69,602
Race Purse	100,739
Senior Fair	12,030
Junior Fair	10,050
Capital Outlay	179
Other Operating Disbursements	78,378
<i>Total Operating Disbursements</i>	541,556
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	(128,834)
Non-Operating Receipts (Disbursements):	
State Support	94,974
Local Support	3,300
Donations/Contributions	50,035
Sale of Assets	135
Debt Service	(10,580)
<i>Net Non-Operating Receipts (Disbursements)</i>	137,864
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	9,030
Cash Balance, Beginning of Year	4,470
Cash Balance, End of Year	\$ 13,500

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

Wyandot County Agricultural Society

Wyandot County

Notes to the Financial Statements

For the Year Ended November 30, 2019

Note 1 – Reporting Entity

The Wyandot County Agricultural Society (the Society), Wyandot County, Ohio, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1851 to operate an annual agricultural fair. The Society sponsors the week-long Wyandot County Fair during September. During the fair, harness races are held. Wyandot County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of twenty-one directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Wyandot County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and harness racing during fair week and simulcast relating to harness racing. Other year-round activities at the fairgrounds include facility rental, track and stall rental, and community events including the Reverse Raffle, Dueling Pianos, and the Horse Show. The reporting entity does not include any other activities or entities of Wyandot County, Ohio.

Notes 9 and 10, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

Public Entity Risk Pool

The Society participates in a public entity risk pool (PEP Ohio). Note 5 to the financial statements provides additional information for this entity.

The Society's management believes these financial statements present all activities for which the Society is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

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.

These statements include 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.

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2019

Note 2 – Summary of Significant Accounting Policies – (continued)

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 statements do 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

Harness races are held during the Wyandot 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 the Western 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.

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2019

Note 3 – Deposits and Investments

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

	2019
Demand deposits	\$13,500

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 4 – Horse Racing

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the year ended November 30, 2019, in the amount of \$9,969 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 (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.

	2019
Total Amount Bet (Handle)	\$ 8,118
Less: Payoff to Bettors	(6,324)
Parimutuel Wagering Commission	1,794
Tote Service Set Up Fee	(1,200)
Tote Service Commission	(207)
State Tax	(249)
Society Portion	\$ 138

Note 5 – Risk Management

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

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2019

Note 5 – Risk Management (continued)

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

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

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	14,705,917

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% of their gross salaries. The Society contributed an amount equal to 6.2% of participants’ gross salaries. The Society has paid all contributions required through November 30, 2019.

Note 7 – Debt

Debt outstanding at November 30, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Promissory Note - Tom Needs	\$ 14,000	0.00%

The Promissory Note bears an interest rate of 0% and is due to Tom Needs. The note was entered into on March 17, 2017, with annual payments of \$11,667. Actual payments made during the year were less than this annual payment, however the actual payment amount was agreed upon by Tom Needs. Proceeds of the note were used to perform restroom repairs on the fair grounds.

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2019

Note 7 – Debt (continued)

Amortization of the above debt is scheduled as follows:

Year ending	
December 31:	<u>Promissory Note</u>
2020	<u>\$ 14,000</u>
Total	<u><u>\$ 14,000</u></u>

Note 8 – Contingent Liabilities

The Society may be a defendant in lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Society’s financial condition.

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 Wyandot County Fair. The Society disbursed \$9,639 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, 2019, follows:

	<u>2019</u>
Beginning Cash Balance	\$ 3,137
Receipts	27,403
Disbursements	<u>(27,865)</u>
Ending Cash Balance	<u><u>\$ 2,675</u></u>

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2019

Note 10 – 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 Wyandot County’s auction. A commission of 3% on auction sales covers auction costs with commissions of 4% for champions and 5% for grand and reserve champions. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2019, follows:

	<u>2019</u>
Beginning Cash Balance	\$ 23,929
Receipts	386,095
Disbursements	<u>(381,305)</u>
Ending Cash Balance	<u><u>\$ 28,719</u></u>

Note 11 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Society. The impact on the Society’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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

	2018
Operating Receipts:	
Taxes	\$ 804
Admissions	176,828
Privilege Fees	54,833
Rentals	100,853
Sustaining and Entry Fees	11,275
Pari-mutuel Wagering Commission	2,623
Other Operating Receipts	47,634
<i>Total Operating Receipts</i>	394,850
Operating Disbursements:	
Wages and Benefits	42,606
Utilities	86,491
Professional Services	112,484
Equipment and Grounds Maintenance	54,692
Race Purse	89,188
Other Racing Expenses	108,207
Senior Fair	13,039
Junior Fair	10,327
Other Operating Disbursements	46,412
<i>Total Operating Disbursements</i>	563,446
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	(168,596)
Non-Operating Receipts (Disbursements):	
State Support	87,389
County Support	3,300
Donations/Contributions	62,823
Debt Service	(11,489)
<i>Net Non-Operating Receipts (Disbursements)</i>	142,023
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(26,573)
Cash Balance, Beginning of Year, Restated	31,043
Cash Balance, End of Year	\$ 4,470

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

Wyandot County Agricultural Society

Wyandot County

Notes to the Financial Statements

For the Year Ended November 30, 2018

Note 1 – Reporting Entity

The Wyandot County Agricultural Society (the Society), Wyandot County, Ohio, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1851 to operate an annual agricultural fair. The Society sponsors the week-long Wyandot County Fair during September. During the fair, harness races are held. Wyandot County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of twenty-one directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Wyandot County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and harness racing during fair week and simulcast relating to harness racing. Other year-round activities at the fairgrounds include facility rental, track and stall rental, and community events including the Reverse Raffle, Dueling Pianos, and the Horse Show. The reporting entity does not include any other activities or entities of Wyandot County, Ohio.

Notes 9 and 10, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

Public Entity Risk Pool

The Society participates in a public entity risk pool (PEP Ohio). Note 5 to the financial statements provides additional information for this entity.

The Society's management believes these financial statements present all activities for which the Society is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

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.

These statements include 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.

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2018

Note 2 – Summary of Significant Accounting Policies – (continued)

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 statements do 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

Harness races are held during the Wyandot 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 the Western 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.

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2018

Note 3 – Deposits and Investments

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

	2018
Demand deposits	\$4,470

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 4 – Horse Racing

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the year ended November 30, 2018, in the amount of \$9,257 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 (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.

	2018
Total Amount Bet (Handle)	\$ 12,717
Less: Payoff to Bettors	(10,094)
Parimutuel Wagering Commission	2,623
Tote Service Set Up Fee	(1,200)
Tote Service Commission	(622)
State Tax	(387)
Society Portion	\$ 414

Note 5 – Risk Management

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

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2018

Note 5 – Risk Management (continued)

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

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

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

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

Note 7 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Promissory Note - Tom Needs	\$ 24,000	0.00%

The prior year footnotes were understated for outstanding debt by \$35,000.

The Promissory Note bears an interest rate of 0% and is due to Tom Needs. The note was entered into on March 17, 2017, with annual payments of \$11,667. Actual payments made during the year were less than this annual payment, however the actual payment amount was agreed upon by Tom Needs. Proceeds of the note were used to perform restroom repairs on the fair grounds.

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2018

Note 7 – Debt (continued)

Amortization of the above debt is scheduled as follows:

Year ending	<u>Promissory Note</u>
December 31:	
2019	\$ 11,000
2020	<u>13,000</u>
Total	<u>\$ 24,000</u>

Note 8 – Contingent Liabilities

The Society may be a defendant in lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Society’s financial condition.

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 Wyandot County Fair. The Society disbursed \$10,296 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, 2018, follows:

	<u>2018</u>
Beginning Cash Balance	\$ 5,158
Receipts	30,427
Disbursements	<u>(32,448)</u>
Ending Cash Balance	<u>\$ 3,137</u>

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2018

Note 10 – 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 Wyandot County’s auction. A commission of 3% on auction sales covers auction costs with commissions of 4% for champions and 5% for grand and reserve champions. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2018, follows:

	<u>2018</u>
Beginning Cash Balance	\$ 75,001
Receipts	382,490
Disbursements	<u>(433,562)</u>
Ending Cash Balance	<u>\$ 23,929</u>

Note 11 – Prior Period Adjustment

During 2018, the Society determined that Junior Fair Premium checks totaling \$19,244 that were listed as outstanding checks in 2017 should be voided. This increased the beginning fund balance to \$31,043.

**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**

Wyandot County Agricultural Society
Wyandot County
10171 State Highway 53 N
Upper Sandusky, OH 43351

To the Members of the Board:

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 Wyandot County Agricultural Society, Ottawa County, Ohio (the Society) as of and for the years ended November 30, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated September 2, 2020, wherein we noted the Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Society.

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) to determine the 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.

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 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. *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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider findings 2019-001 and 2019-002 to be material weaknesses.

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*

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 determination of financial statement amounts. 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*.

Society's Responses to Findings

The Society's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan. We did not audit the Society's responses and, accordingly, we express no opinion on them.

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.



Charles E. Harris & Associates, Inc.

September 2, 2020

Wyandot County Agricultural Society
Wyandot County
Schedule of Findings
November 30, 2019 and 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2019-001 – Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Society’s management and is essential to ensure the information provided to the readers of the financial statement is fairly stated.

The Society lacked a policy regarding financial review, which contributed to the following material reporting discrepancies occurring without detection in the financial statements:

- Beginning fund balance in 2018 was overstated compared to the previous year ending audited balance. This also caused the ending fund balance to be incorrect, as well as the beginning and ending fund balances in 2019.
- During 2019 and 2018, adjustments were necessary to correct various items in the notes to the financial statements, including the pari-mutual wagering note, the deposits note, the Junior Fair Board note, and the Junior Livestock Sale Committee note.

The Society's financial statements have been adjusted to correct these errors for both 2019 and 2018.

Sound financial reporting is the responsibility of the Society and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Board develop policies and procedures, including a final review of the financial statements, by the Board (or other oversight committee or individual) to identify and correct errors and omissions. In addition, the Board should refer to guidance provided by the United States Department of Agriculture and the Auditor of State to assist in the proper presentation of the Society’s financial statements.

Management’s Response:

See Corrective Action Plan.

Wyandot County Agricultural Society
Wyandot County
Schedule of Findings (continued)
November 30, 2019 and 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)
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Finding Number 2019-002 – Material Weakness

Bank Reconciliations and Timely Posting to Accounting System

Monthly bank reconciliations should be performed by the Secretary and reviewed and approved by the Board. During 2019 and 2018, adequate timely bank reconciliations were not performed which resulted in multiple adjusting journal entries. This deficiency is a result of inadequate policies and procedures in performing bank reconciliations.

The reconciliation of the Society’s bank accounts with its cash ledgers is a necessary control procedure to adequately safeguard cash and to provide an accurate financial picture of the Society. As part of the bank reconciliation, all differences between the balance appearing on the financial statements and the balance of cash according to the Society’s records should be accounted for. In addition, transactions should be posted to the accounting system in a timely manner.

Failure to timely record transactions and review and approve bank reconciliations could result in funds being lost, stolen, or unaccounted for without detection and does not allow the Board to adequately monitor the financial activity of the Society.

We recommend the Society ensure transactions are posted timely to the accounting system and perform monthly bank reconciliations consisting of fund balances, bank statements, investment balances and a detail of outstanding checks and deposits. The reconciliation should be submitted to the Board monthly and the Board should review the reconciliation, investigate any discrepancies and document their review and approval by signing it.

Management’s Response:

See Corrective Action Plan.

Wyandot County Agricultural Society
Wyandot County
 Schedule of Prior Audit Findings (Prepared by Management)
 November 30, 2019 and 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Financial Reporting	Not Corrected	The secretary responsible for ensuring that these changes were implemented was replaced in December 2019 and the new secretary is working towards correcting these errors for future years.
2017-002	Bank Reconciliations and Timely Posting to Accounting System	Not Corrected	See above.

Wyandot County Agricultural Society
Wyandot County
 Corrective Action Plan
 (Prepared by Management)
 November 30, 2019 and 2018

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2019-001	Management will work with the accountant to clear up all financial statement issues.	Immediately	Megan Fredritz, Secretary
2019-002	Management will work with the accountant to ensure timely postings and complete bank reconciliations.	Immediately	Megan Fredritz, Secretary

OHIO AUDITOR OF STATE KEITH FABER



WYANDOT COUNTY AGRICULTURAL SOCIETY

WYANDOT 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 12/1/2020

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

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