



OHIO AUDITOR OF STATE  
KEITH FABER



PUTNAM COUNTY AGRICULTURAL SOCIETY  
PUTNAM COUNTY

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## INDEPENDENT AUDITOR'S REPORT

Putnam County Agricultural Society  
Putnam County  
P.O. Box 47  
Ottawa, Ohio 45875-0047

To the Board of Directors:

### **Report on the Audit of the Financial Statements**

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

We have audited the financial statements of Putnam County Agricultural Society, Putnam County, Ohio (the Society), which comprises the cash balances, receipts and disbursements as of and for the years ended November 30, 2024 and 2023, 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 cash balances, receipts and disbursements as of and for the years ended November 30, 2024 and 2023, 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, 2024 and 2023, 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.

***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 *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 May 9, 2025, 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

May 9, 2025

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**Putnam County Agricultural Society**  
**Putnam County**  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Fiscal Year Ended November 30, 2024*

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**Operating Receipts**

Taxes	\$686
Admissions	149,359
Privilege Fees	52,913
Rentals	81,604
Sustaining and Entry Fees	9,700
Other Operating Receipts	<u>23,245</u>
<i>Total Operating Receipts</i>	<u>317,507</u>

**Operating Disbursements**

Wages and Benefits	43,013
Utilities	62,218
Professional Services	85,929
Equipment and Grounds Maintenance	85,619
Property and Rent Services	55,023
Race Purse	61,289
Senior Fair	7,318
Junior Fair	5,894
Capital Outlay	53,842
Other Operating Disbursements	<u>73,918</u>
<i>Total Operating Disbursements</i>	<u>534,063</u>

*Excess of Operating Disbursements*

*Over Operating Receipts* (216,556)

**Non-Operating Receipts (Disbursements)**

State Support	159,861
Local Support	3,300
Donations/Contributions	151,450
Investment Income	4,305
Debt Service	<u>(355)</u>

*Net Non-Operating Receipts (Disbursements)* 318,561

*Excess of Receipts Over Disbursements* 102,005

Cash Balance, Beginning of Year 249,148

*Cash Balance, End of Year* \$351,153

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

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2024*

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**Note 1 – Reporting Entity**

Putnam County Agricultural Society, Putnam County, Ohio (the Society) 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 1855 to operate an annual agricultural fair. The Society sponsors the week-long Putnam County Fair during June. During the fair, harness races are held, culminating in the running of the Ohio Colt Racing Association Signature Series. Putnam County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 20 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Putnam 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. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events. The reporting entity does not include any other activities or entities of Putnam County, Ohio.

Notes 8 and 9, 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, the Public Entities Pool of Ohio (PEP). Note 5 to the financial statement provides additional information for this entity. The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Society's financial statement consists of a statement of receipts, disbursements and change in fund balance (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.

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

***Deposits and Investments***

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

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2024*  
*(Continued)*

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### **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.

### **Leases**

The Society is the lessor/lessee in various leases (as defined by GASB 87) related to land under a noncancelable lease. Lease revenue/disbursements are recognized when they are received/paid.

### **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**

Signature Series stake races are held during the Putnam 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. Due to inclement weather during the 2024 fair no betting was done thus nothing reflected in the accompanying financial statement as Pari-mutuel Wagering Commission.

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2024*  
*(Continued)*

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### **Note 3 – Deposits**

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

	2024
Demand deposits	\$174,834
Certificates of deposit	176,312
Other time deposits	7
Total deposits	<u><u>\$351,153</u></u>

### **Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation.

### **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, 2024, in the amount of \$4,655 as State Support.

### **Note 5 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Society pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Putnam County Commissioners provide general insurance coverage for all the buildings on the Putnam County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$2,000,000, respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$25,000. The Society's Treasurer and Secretary are bonded with coverage of \$20,000 each.

#### ***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

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2024*  
*(Continued)*

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

<u>2023</u>	
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

**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, 2024.

**Note 7 – Rental Agreements**

The Society renewed its rental agreement in 2024 for 3.6 acres, to be used for fair parking. The current lease has a term of 5 years with \$2,000 due each year on December 1<sup>st</sup> expiring in 2029.

The Society pays the County \$1 annually for rental of the fairgrounds.

**Note 8 – 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 Putnam County Fair. The Society disbursed \$5,894 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Putnam County paid the Society \$100 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the fiscal year ended November 30, 2024, follows:

<u>2024</u>	
Beginning Cash Balance	\$6,047
Receipts	3,000
Disbursements	(3,400)
Ending Cash Balance	<u><u>\$5,647</u></u>

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2024*  
*(Continued)*

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**Note 9 – 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 Putnam County's auction. A commission of 2.5 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the fiscal year ended November 30, 2024, follows:

	2024
Beginning Cash Balance	\$48,332
Receipts	555,681
Disbursements	<u>(567,763)</u>
Ending Cash Balance	<u>\$36,250</u>

**Putnam County Agricultural Society**  
*Putnam County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Fiscal Year Ended November 30, 2023*

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**Operating Receipts**

Taxes	\$778
Admissions	147,394
Privilege Fees	51,624
Rentals	41,379
Sustaining and Entry Fees	28,541
Pari-mutuel Wagering Commission	1,609
Other Operating Receipts	<u>23,335</u>
<i>Total Operating Receipts</i>	<u>294,660</u>

**Operating Disbursements**

Wages and Benefits	35,293
Utilities	42,791
Professional Services	107,186
Equipment and Grounds Maintenance	22,082
Property and Rent Services	58,321
Race Purse	104,146
Senior Fair	19,836
Junior Fair	5,327
Capital Outlay	20,412
Other Operating Disbursements	<u>56,542</u>
<i>Total Operating Disbursements</i>	<u>471,936</u>

*Excess of Operating Disbursements*

*Over Operating Receipts* (177,276)

**Non-Operating Receipts (Disbursements)**

State Support	58,413
Local Support	3,300
Donations/Contributions	147,634
Investment Income	1,464
Debt Service	<u>(170)</u>

*Net Non-Operating Receipts (Disbursements)* 210,641

*Excess of Receipts Over Disbursements* 33,365

Cash Balance, Beginning of Year 215,783

*Cash Balance, End of Year* **\$249,148**

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

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2023*

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**Note 1 – Reporting Entity**

Putnam County Agricultural Society, Putnam County, Ohio (the Society) 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 1855 to operate an annual agricultural fair. The Society sponsors the week-long Putnam County Fair during June. During the fair, harness races are held, culminating in the running of the Ohio Colt Racing Association Signature Series. Putnam County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 20 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Putnam 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. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events. The reporting entity does not include any other activities or entities of Putnam County, Ohio.

Notes 8 and 9, 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, the Public Entities Pool of Ohio (PEP). Note 5 to the financial statement provides additional information for this entity. The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Society's financial statement consists of a statement of receipts, disbursements and change in fund balance (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.

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

***Deposits and Investments***

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

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2023*  
*(Continued)*

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### **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.

### **Leases**

The Society is the lessor/lessee in various leases (as defined by GASB 87) related to land under a noncancelable lease. Lease revenue/disbursements are recognized when they are received/paid.

### **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**

Signature Series stake races are held during the Putnam 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**

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

**Putnam County Agricultural Society**  
**Putnam County**  
**Notes to the Financial Statement**  
**For the Fiscal Year Ended November 30, 2023**  
**(Continued)**

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	2023
Demand deposits	\$134,210
Certificates of deposit	91,774
Other time deposits	23,164
Total deposits	<u><u>\$249,148</u></u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**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, 2023, in the amount of \$6,129 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.

	2023
Total Amount Bet (Handle)	\$8,126
Less: Payoff to Bettors	<u>(6,517)</u>
Pari-mutuel Wagering Commission	1,609
Tote Service Set Up Fee	(1,000)
Tote Service Commission	(269)
State Tax	<u>(195)</u>
Society Portion	<u><u>\$145</u></u>

**Note 5 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Society pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Putnam County Commissioners provide general insurance coverage for all the buildings on the Putnam County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$2,000,000, respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$25,000. The Society's Treasurer and Secretary are bonded with coverage of \$20,000 each.

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2023*  
*(Continued)*

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***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>2023</u>	
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

***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, 2023.

***Note 7 – Rental Agreements***

The Society renewed its rental agreement in 2019 for 3.6 acres, to be used for fair parking. The current lease has a term of 5 years with \$2,000 due each year on December 1<sup>st</sup> expiring in 2024.

The Society pays the County \$1 annually for rental of the fairgrounds.

***Note 8 – 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 Putnam County Fair. The Society disbursed \$5,327 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Putnam County paid the Society \$200 to support Junior Club work. The Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the fiscal year ended November 30, 2023, follows:

**Putnam County Agricultural Society**  
*Putnam County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2023*  
*(Continued)*

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	<u>2023</u>
Beginning Cash Balance	\$4,980
Receipts	1,790
Disbursements	<u>(723)</u>
Ending Cash Balance	<u><u>\$6,047</u></u>

**Note 9 – 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 Putnam County's auction. A commission of 2.5 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the fiscal year ended November 30, 2023, follows:

	<u>2023</u>
Beginning Cash Balance	\$28,916
Receipts	524,012
Disbursements	<u>(504,596)</u>
Ending Cash Balance	<u><u>\$48,332</u></u>



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto: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**

Putnam County Agricultural Society  
Putnam County  
P.O. Box 47  
Ottawa, Ohio 45875-0047

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*, the financial statements of the cash balances, receipts, and disbursements as of and for the years ended November 30, 2024 and 2023 and the related notes to the financial statements of Putnam County Agricultural Society, Putnam County, Ohio (the Society) and have issued our report thereon dated May 9, 2025, wherein we noted the Society followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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

In planning and performing our audit of the financial statements, we considered the 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Putnam County Agricultural Society  
Putnam County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***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*.

***Society's Response to Finding***

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

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

May 9, 2025

PUTNAM COUNTY AGRICULTURAL SOCIETY  
PUTNAM COUNTY

SCHEDULE OF FINDINGS  
NOVEMBER 30, 2024 AND 2023

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2024-001

**Material Weakness – Financial Reporting**

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.

The following errors were identified in the financial statements that required an audit adjustment. In 2024, donations/contributions, state support, sustaining and entry fees, and other operating disbursements were overstated in the Enterprise Fund in the amounts of \$47,173, \$1,224, \$6,300, and \$54,697, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to the Board making misinformed decisions. The accompanying financial statements have been adjusted to correct these and other immaterial errors ranging from \$10 to \$4,004.

The Society should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Secretary and the Board, to help identify and correct errors and omissions.

**Officials' Response:**

The Putnam County Agricultural Society has reviewed the finding summary and has a better understanding of the posting issues and has made it a priority to work on the reoccurring findings, and to have these issues fixed in the system for future postings.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
NOVEMBER 30, 2024 AND 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	This finding was first reported in 2014. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2024-001 in this report.	An effort was made to correct errors in the financial statements. The Society now has a better understanding of the posting and reporting issues and will continue to make improvements where needed.

# OHIO AUDITOR OF STATE KEITH FABER



PUTNAM COUNTY AGRICULTURAL SOCIETY

PUTNAM 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 5/27/2025

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)