



OHIO AUDITOR OF STATE
KEITH FABER

**SENECA COUNTY AGRICULTURAL SOCIETY
SENECA COUNTY
NOVEMBER 30, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

Seneca County Agricultural Society
Seneca County
P.O. Box 756
Tiffin, Ohio 44883-0756

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Seneca County Agricultural Society, Seneca 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 September 30, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 30, 2025

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

Operating Receipts

Admissions	\$285,143
Privilege Fees	53,047
Rentals	144,321
Sustaining and Entry Fees	10,340
Pari-mutuel Wagering Commission	548
Other Operating Receipts	<u>146,636</u>

Total Operating Receipts 640,035

Operating Disbursements

Wages and Benefits	93,160
Utilities	66,728
Professional Services	246,631
Equipment and Grounds Maintenance	40,090
Property and Rent Services	80,661
Race Purse	109,372
Senior Fair	8,540
Junior Fair	38,822
Capital Outlay	725,047
Other Operating Disbursements	<u>60,184</u>

Total Operating Disbursements 1,469,235

Excess of Operating Disbursements Over Operating Receipts (829,200)

Non-Operating Receipts (Disbursements)

State Support	166,917
Local Support	29,449
Debt Proceeds	250,000
Donations/Contributions	263,036
Investment Income	156
Debt Service	<u>(176,132)</u>

Net Non-Operating Receipts (Disbursements) 533,426

Excess of Disbursements Over Receipts (295,774)

Cash Balance, Beginning of Year 510,413

Cash Balance, End of Year \$214,639

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

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

Note 1 – Reporting Entity

Seneca County Agricultural Society, Seneca 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 1842 to operate an annual agricultural fair. The Society sponsors the week-long Seneca County Fair during July. During the fair, harness races are held, culminating in the running of the Seneca County Speed Program. Seneca County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 25 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Seneca 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, harness racing during fair week and simulcast relating to harness racing. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including flea markets, auctions and garage sales. The reporting entity does not include any other activities or entities of Seneca County, Ohio.

Notes 9, 10, and 11, respectively, summarize the Junior Fair Board's, Junior Livestock Sale Committee's, and Junior Fair Foundation's financial activity.

Public Entity Risk Pool

The Society participates in a public entity risk pool. Note 5 to the financial statement provides additional information for this entity. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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

Deposits and Investments

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

Capital Assets

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

Leases

The Society is the lessee in a lease (as defined by GASB 87) related to equipment under a noncancelable lease. Lease disbursements are recognized when paid.

Race Purse

Seneca County Speed Program stake races are held during the Seneca 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 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 and investments at November 30 was as follows:

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

	2024
Demand deposits	<u>\$8,285</u>
Other time deposits (savings and NOW accounts)	<u>206,354</u>
Total deposits	<u><u>\$214,639</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

At various times throughout the year, there were deposits which were not insured or collateralized, contrary to Ohio law.

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 \$5,511 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.

	2024
Total Amount Bet (Handle)	<u>\$ 11,192</u>
Less: Payoff to Bettors	<u>(8,929)</u>
Parimutuel Wagering Commission	2,263
Tote Service Set Up Fee	(1,350)
Tote Service Commission	(365)
State Tax	<u>(305)</u>
Society Portion	<u><u>\$ 243</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 Seneca County Commissioners provide general insurance coverage for all the buildings on the Seneca County Fairgrounds pursuant to Ohio Revised Code Section 1711.24.

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

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, 2023 (the most recent information available):

	2023
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 – Debt

Debt outstanding at November 30, 2024, was as follows:

	Principal	Interest Rate
Promissory Note	\$83,681	6.49%

During 2023, the Society entered into an agreement with Old Fort Banking Company for a Promissory Note up to \$400,000 for the purpose of constructing a new small animal pavilion on the fairgrounds. The Note has an interest rate of 6.49%. The note matures on September 10, 2028. The Society is required to make monthly interest payments on the note as well as principal payments at their discretion as approved by the Board for payoff by maturity. There is no amortization schedule for this Note.

Note 8 – Related Party Transactions

The Society made payments totaling \$3,095 to Steve Shiley Unlimited Wood Designs for repair work performed on a water line at the Society's fairgrounds, and \$4,536 to Rock Run Catering for meals catering for the reverse raffle held by the Society as well as ice for the week of the fair during 2024. These companies are owned by two of the Society's directors. The Directors were not signers on the checks issued to their companies during the audit period and did not approve the payments.

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

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 Seneca County Fair. The Society disbursed \$1,000 directly to the Junior Fair Board and \$37,822 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Seneca 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	\$15,890
Receipts	75,188
Disbursements	<u>(90,360)</u>
Ending Cash Balance	<u><u>\$718</u></u>

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 Seneca County's auction. A commission of 3 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:

	<u>2024</u>
Beginning Cash Balance	\$58,145
Receipts	651,983
Disbursements	<u>(642,741)</u>
Ending Cash Balance	<u><u>\$67,387</u></u>

Note 11 – Junior Fair Foundation Committee

The Junior Fair Foundation Committee is an all-volunteer, non-profit tax-exempt organization. Its purpose is to improve the welfare of the Seneca County Junior Fair participants. The organization is dedicated to providing an opportunity for the youth of Seneca County to learn and develop leadership skills through participation in Junior Fair activities and programs. Proceeds from their fundraising activities helps to fund a variety of improvements to the fairgrounds and projects that benefit Junior Fair youth. The Junior Fair Foundation Committee's financial activity for the fiscal year ended November 30, 2024 follows:

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

	2024
Beginning Cash Balance	\$176,428
Receipts	161,039
Disbursements	<u>(163,199)</u>
Ending Cash Balance	<u><u>\$174,268</u></u>

Note 12 – Other Operating Receipts

Other operating receipts consist mainly of utility and other miscellaneous fees collected.

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

Operating Receipts

Admissions	\$311,301
Privilege Fees	49,384
Rentals	152,554
Sustaining and Entry Fees	10,590
Pari-mutuel Wagering Commission	361
Other Operating Receipts	<u>140,795</u>

Total Operating Receipts 664,985

Operating Disbursements

Wages and Benefits	88,577
Utilities	63,289
Professional Services	216,999
Equipment and Grounds Maintenance	22,491
Property and Rent Services	99,714
Race Purse	99,922
Senior Fair	12,382
Junior Fair	37,610
Capital Outlay	204,985
Other Operating Disbursements	<u>56,444</u>

Total Operating Disbursements 902,413

Excess of Operating Disbursements Over Operating Receipts (237,428)

Non-Operating Receipts (Disbursements)

State Support	58,359
Local Support	3,200
Donations/Contributions	277,635
Investment Income	273
Debt Service	<u>(1,257)</u>

Net Non-Operating Receipts (Disbursements) 338,210

Excess of Receipts Over Disbursements 100,782

Cash Balance, Beginning of Year 409,631

Cash Balance, End of Year \$510,413

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

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

Note 1 – Reporting Entity

Seneca County Agricultural Society, Seneca 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 1842 to operate an annual agricultural fair. The Society sponsors the week-long Seneca County Fair during July. During the fair, harness races are held, culminating in the running of the Seneca County Speed Program. Seneca County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 25 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Seneca 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, harness racing during fair week and simulcast relating to harness racing. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including flea markets, auctions and garage sales. The reporting entity does not include any other activities or entities of Seneca County, Ohio.

Notes 10, 11, and 12, respectively, summarize the Junior Fair Board's, Junior Livestock Sale Committee's, and Junior Fair Foundation's financial activity.

Public Entity Risk Pool

The Society participates in a public entity risk pool. Note 5 to the financial statement provides additional information for this entity. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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

Deposits and Investments

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

Capital Assets

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

Leases

The Society is the lessee in a lease (as defined by GASB 87) related to equipment under a noncancelable lease. Lease disbursements are recognized when paid.

Race Purse

Seneca County Speed Program stake races are held during the Seneca 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 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 and investments at November 30 was as follows:

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

	2023
Demand deposits	<u>\$22,712</u>
Other time deposits (savings and NOW accounts)	<u>487,701</u>
Total deposits	<u><u>\$510,413</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

At November 30, 2023, \$261,029 of deposits were not insured or collateralized, contrary to Ohio law.

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 \$5,733 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)	<u>\$ 8,730</u>
Less: Payoff to Bettors	<u>(7,000)</u>
Parimutuel Wagering Commission	1,730
Tote Service Set Up Fee	(1,300)
Tote Service Commission	(131)
State Tax	<u>(211)</u>
Society Portion	<u><u>\$ 88</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 Seneca County Commissioners provide general insurance coverage for all the buildings on the Seneca County Fairgrounds pursuant to Ohio Revised Code Section 1711.24.

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

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:

	2023
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 – Debt

During 2023, the Society had a \$400,000 Promissory Note available through Old Fort Banking company. The Note has an interest rate of 6.49%. This note was obtained for the purpose of constructing a new building at the fairgrounds. As of November 30, 2023, there had been no draws on the note and there was no balance outstanding.

Note 8 – Construction and Contractual Commitments

As of November 30, 2023, the Seneca County Agricultural Society is in the process of constructing a 100'x120' pavilion for small animals. The estimated cost of the project is approximately \$500,000.

Note 9 – Related Party Transactions

The Society made payments totaling \$72,730 to Steve Shiley Unlimited Wood Designs for concrete work as well as repair work and materials on the Society's grandstands, and \$1,195 to Rock Run Catering for meals catering supplies for events held by the Society as well as ice for the week of the fair during 2023. These companies are owned by two of the Society's directors. The Directors were not signers on the checks issued to their companies during the audit period and did not approve the payments.

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

Note 10 – 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 Seneca County Fair. The Society disbursed \$1,000 directly to the Junior Fair Board and \$36,610 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Seneca 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, 2023, follows:

	2023
Beginning Cash Balance	\$30,930
Receipts	75,200
Disbursements	<u>(90,240)</u>
Ending Cash Balance	<u><u>\$15,890</u></u>

Note 11 – 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 Seneca County's auction. A commission of 3 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:

	2023
Beginning Cash Balance	\$71,862
Receipts	599,714
Disbursements	<u>(613,431)</u>
Ending Cash Balance	<u><u>\$58,145</u></u>

Note 12 – Junior Fair Foundation Committee

The Junior Fair Foundation Committee is an all-volunteer, non-profit tax-exempt organization. Its purpose is to improve the welfare of the Seneca County Junior Fair participants. The organization is dedicated to providing an opportunity for the youth of Seneca County to learn and develop leadership skills through participation in Junior Fair activities and programs. Proceeds from their fundraising activities helps to fund a variety of improvements to the fairgrounds and projects that benefit Junior Fair youth. The Junior Fair Foundation Committee's financial activity for the fiscal year ended November 30, 2023 follows:

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

	2023
Beginning Cash Balance	\$180,573
Receipts	134,332
Disbursements	<u>(138,477)</u>
Ending Cash Balance	<u><u>\$176,428</u></u>

Note 13 – Other Operating Receipts

Other operating receipts consist mainly of utility and other miscellaneous fees collected.



65 East State Street
Columbus, Ohio 43215
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Seneca County Agricultural Society
Seneca County
PO Box 756
Tiffin, Ohio 44883-0756

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 Seneca County Agricultural Society, Seneca County, Ohio (the Society) and have issued our report thereon dated September 30, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2024-002 to be a significant deficiency.

Seneca County Agricultural Society
Seneca 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*.

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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 30, 2025

SENECA COUNTY AGRICULTURAL SOCIETY
SENECA 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.

Donation/Contribution receipts in the amount of \$92,182 were improperly recorded as other operating receipts in 2023.

This error was the result of inadequate policies and procedures in posting transactions to appropriate account codes in the Society's accounting system. Failure to classify transactions properly caused a material error in the Society's financial statements. The accompanying financial statements and notes to the financial statements have been adjusted to correct this error. In addition to this adjustment, we also identified additional misstatements ranging from \$3 to \$8,450 that we have brought to the Society's attention.

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

FINDING NUMBER 2024-002

Significant Deficiency

Supporting Documentation

Maintaining organized documentation and support for financial transactions is essential in assuring the Society's financial statements are not materially misstated.

Due to inadequate policies and procedures over admissions receipts, the Society did not maintain proper underlying documentation and support for admissions during 2024 or 2023. The Society allows tickets to be purchased either online through the HomeTown Tickets system or through cash collected at the gate during the fair. However, the Society did not keep daily ticket reconciliations in order to reconcile tickets sold at the gate versus what cash tickets were entered into the HomeTown Tickets system during the 2024 and 2023 fairs. This resulted in variances of \$17,314 and \$18,849 in 2024 and 2023, respectively, for cash tickets sold being understated in the HomeTown Tickets system compared to cash ticket sales recorded in the Society's accounting system, as not all cash tickets sold were properly entered into the HomeTown Tickets system.

Failure to utilize ticket summary sheets and reconcile daily cash ticket sales results in a lack of accountability of all funds. This increases the risk of fraud and could result in incorrect amounts of money being received by the Society for deposits.

The Society should develop and implement policies and procedures for the accountability of ticket sales, including the use of ticket summary sheets and daily ticket reconciliations. Additionally, the Society should develop a system of checks and balances comparing what the HomeTown Ticket system reports to tickets sold during the event. These procedures will help ensure the accuracy and completeness of admissions receipts collected and recorded.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

OHIO AUDITOR OF STATE KEITH FABER



SENECA COUNTY AGRICULTURAL SOCIETY

SENECA 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 10/16/2025

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
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