

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

Operating Receipts

Taxes	\$261
Admissions	399,595
Privilege Fees	156,928
Rentals	256,471
Sustaining and Entry Fees	23,545
Pari-mutuel Wagering Commission	169
Other Operating Receipts	<u>53,004</u>

Total Operating Receipts 889,973

Operating Disbursements

Wages and Benefits	141,133
Utilities	100,494
Professional Services	125,403
Equipment and Grounds Maintenance	41,376
Property and Rent Services	189,418
Race Purse	90,200
Senior Fair	16,138
Junior Fair	67,707
Capital Outlay	119,576
Other Operating Disbursements	<u>85,100</u>

Total Operating Disbursements 976,545

*Excess (Deficiency) of Operating Receipts
Over (Under) Operating Disbursements* (86,572)

Non-Operating Receipts (Disbursements)

State Support	9,715
Local Support	48,027
Debt Proceeds	0
Donations/Contributions	343,094
Investment Income	3,488
Mortgage Income	0
Sale of Assets	0
Debt Service	<u>(5,176)</u>

Net Non-Operating Receipts (Disbursements) 399,148

Excess (Deficiency) of Receipts Over (Under) Disbursements 312,576

Cash Balance, Beginning of Year 735,700

Cash Balance, End of Year \$1,048,276

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

**Hartford Independent Agricultural Society
Licking County**

Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

NOTE 1 - REPORTING ENTITY

The Agricultural Society of Hartford Independent (the Society), Licking County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is an independent agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1858 to operate an annual agricultural fair. The Society sponsors the week - long Hartford Independent Fair during August. During the fair, harness races are held, culminating in the running of the Ohio Harness Horseman's Association. Licking County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 27 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Licking County, Knox County (Hilliar, Centerburg, Milford & Miller Townships), Delaware County (Berkshire, Harlem, Porter & Trenton Township) and pay an annual membership fee to the Society.

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

Notes 9 & 10, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity. The Junior Fair Board's financial activity is reported in the Society's financial statement. The Junior Livestock Sale Committee's financial activity is not reported in the Society's financial statement.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Basis of Accounting

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

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

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. The Society did not have any investments for the fiscal year ended November 30, 2021.

Hartford Independent Agricultural Society
Licking County

Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Assets

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

Income Tax Status

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

Race Purse

Hartford Independent Fair stake races are held during the Hartford Independent 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 Ohio Fair Racing Conference pay fees to the Society to qualify horses for entry into stake races. They must make payments 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. The carrying amount of deposits at November 30 was as follows:

	<u>2021</u>
Demand deposits	\$619,942
Certificates of deposit	<u>\$429,635</u>
Total deposits	<u><u>\$1,049,577</u></u>

Deposits are insured by the Federal Deposit Insurance Corporation.

Hartford Independent Agricultural Society
Licking County

Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

NOTE 4 - HORSE RACING

State Support Portion of Purse

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the fiscal year ended November 30, 2021, in the amount of \$9715.00 as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompanying 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.

	<u>2021</u>
Total Amount Bet (Handle)	\$ 7 3 1 7
Less: Payoff to Bettors	<u>(5862)</u>
Pari-mutuel Wagering Commission	1455
Tote Service Set Up Fee	(600)
Tote Service Commission	(506)
State Tax	<u>(181)</u>
Society Portion	<u>\$ 169</u>

NOTE 5 - RISK MANAGEMENT

The Society is exposed to various risks of property and casualty losses, and injuries to employees.

The Society insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

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 required \$51,004.00 for the 2021-2022 Anniversary Contribution and was effective on 12/23/2021.

Hartford Independent Agricultural Society
Licking County

Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

NOTE 6 - SOCIAL SECURITY

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

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

NOTE 7 - DEBT

Debt outstanding at November 30, 2021 was as follows: \$60,000 Mortgage First Federal Savings and Loan.

	<u>Principal</u>	<u>Interest Rate</u>
Note Payable for Hondros Beef Barn	<u>\$60,000</u>	1.00%
Total	<u><u>\$60,000</u></u>	

The \$60,000 Hondros Beef Barn Note bears an interest rate of 1 % percent over average Certificate of Deposit current rates, payable to First Federal that varies with the Society's Certificate of Deposit Rates. The note was entered into on August 2, 2017, and matures at an undetermined time, as long as the Society has Certificate of Deposits at First Federal Savings & Loan. Proceeds of the note were used to build a barn and are collateralized by the Society's Certificate of Deposits. Since the note matures at an undetermined time, there is no future amortization schedule.

NOTE 8 - RELATED PARTY TRANSACTIONS

Darl Evans, Director, is a Sheriff for Licking County. The Society paid a Cruiser/Admin fee to the Licking County Sheriff's Special Event Fund in the amount of \$630 for the 7-day 2021 Fair.

Richard Fisher, Director, is associated with D&D Agri Hauling Inc. The Society hired D&D Agri Hauling Inc. to haul gravel, limestone, and other stones for the fair in the amount of \$9,832.

Bill Jacks, Director, is the owner of BJ's Electrical Service. The Society hired him to perform upgrades to the Hay Barn for an amount of \$14,946.

Dan Small, Director, who is associated with Utica Feed & Hardware, was hired by the Society to perform ground maintenance for an amount of \$122.

**Hartford Independent Agricultural Society
Licking County**

Notes to the Financial Statement
For the Fiscal Year Ended November 30, 2021

NOTE 9 - JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scouts, Girl Scouts, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Hartford Independent Fair. The Junior Fair board activity is accounted for within the account records of the Society and are reflected in the accompanying financial statement. The Society subsidizes the Junior Fair Division to the extent necessary each year.

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 Hartford Independent Junior Livestock auction. A commission of 2 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, 2021 follows:

	2021
Beginning Cash Balance	\$ 29,319
Receipts	1,393,499
Disbursements	<u>(1,386,844)</u>
Ending Cash Balance	<u>\$ 35,974</u>