



**LUCAS COUNTY AGRICULTURAL SOCIETY  
LUCAS COUNTY**

**REGULAR AUDIT**

**FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2022-2021**

**OHIO AUDITOR OF STATE  
KEITH FABER**





**LUCAS COUNTY AGRICULTURAL SOCIETY  
LUCAS COUNTY  
NOVEMBER 30, 2022 AND 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Lucas County Agricultural Society  
Lucas County  
1406 Key Street  
Maumee, Ohio 43537-2416

To the Board of Directors:

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

***Unmodified and Adverse Opinions***

We have audited the financial statements of Lucas County Agricultural Society, Lucas County, Ohio (the Society), which comprises the cash balances, receipts and disbursements as of and for the years ended November 30, 2022 and 2021, 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 year ended November 30, 2022, 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

***Additional Opinion Qualification***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements as of and for the year ended November 30, 2021, and the related notes of Lucas County Agricultural Society, Lucas County, Ohio in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit, described in Note 2.

***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.

***Basis for Additional Opinion Qualification***

The 2021 Northwest Ohio Rib Off accounts for \$47,666 of the \$109,319 reported as admissions receipts for the year ended November 30, 2021, which is 14.6 percent of total receipts for the year ended November 30, 2021. We were unable to obtain sufficient appropriate audit evidence supporting the 2021 Northwest Ohio Rib Off amount recorded with admissions receipts. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

***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 the financial audit standards in the Comptroller General of the United States' *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 March 19, 2024, 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

March 19, 2024

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**Lucas County Agricultural Society**  
*Lucas County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Fiscal Year Ended November 30, 2022*

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<b>Operating Receipts</b>	
Admissions	\$89,576
Privilege Fees	28,846
Rentals	131,939
Other Operating Receipts	<u>15,761</u>
<i>Total Operating Receipts</i>	<u>266,122</u>
<b>Operating Disbursements</b>	
Wages and Benefits	73,551
Utilities	24,275
Professional Services	187,472
Equipment and Grounds Maintenance	48,330
Property and Rent Services	73,631
Senior Fair	610
Junior Fair	9,116
Other Operating Disbursements	<u>39,269</u>
<i>Total Operating Disbursements</i>	<u>456,254</u>
<i>Excess of Operating Disbursements over Operating Receipts</i>	<u>(190,132)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	4,847
Local Support	38,300
Loan Proceeds	15,000
Donations/Contributions	21,957
Sale of Assets	5,201
Debt Service	<u>(15,009)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>70,296</u>
<i>Excess of Disbursements Over Receipts</i>	(119,836)
Cash Balance, Beginning of Year	<u>137,412</u>
<i>Cash Balance, End of Year</i>	<u><u>\$17,576</u></u>

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

**Lucas County Agricultural Society**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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**Note 1 – Reporting Entity**

Lucas County Agricultural Society, Lucas 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 1858 to operate an annual agricultural fair. The Society sponsors the week-long Lucas County Fair during July. Lucas County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 19 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Lucas 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. Other year-round activities at the fairgrounds including facility rental, and community events including Northwestern Ohio Rib-Off, Clean Your Streams, Toledo Kennel Club Dog Show, NWOSM Car Show, Toledo Sports and Social and ground rentals for events. The reporting entity does not include any other activities or entities of Lucas County, Ohio.

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

***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.

**Lucas County Agricultural Society**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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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:

	<u>2022</u>
Demand deposits	<u>\$17,576</u>

At November 30, 2022, the Society did not hold any funds in equity securities. Equity securities are not eligible investments for the Society under Ohio law.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 4 – 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 Society provides health coverage for full-time, supervisory employees through an insurance company.

The Lucas County Commissioners provide general insurance coverage for all the buildings on the Lucas County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$1,000,000 and \$5,000,000, respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$50,000. The Society's general manager is bonded with coverage of \$50,000.

**Note 5 – 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, 2022.

**Note 6 – Short-Term Loan**

On August 28, 2022, the Society received a short-term loan from the Board Treasurer to pay for upcoming insurance costs in the amount of \$15,000. This was repaid on November 27, 2022. The activity is shown in the accompanying financial statements as loan proceeds and debt service.

**Note 7 – Junior Fair Board**

The Junior Fair Board, which is composed of 4-H, FFA, organization representatives, does not have its own bank account and no expenses are paid for through Junior Fair Board.

**Lucas County Agricultural Society**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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**Note 8 – Junior Livestock Sale Committee**

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Lucas County’s auction. A commission of 7 percent on Grand & reserve Champions and 5 percent on remainder of 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, 2022, follows:

	2022
Beginning Cash Balance	\$ 36,650
Receipts	91,643
Disbursements	<u>(89,770)</u>
Ending Cash Balance	<u>\$ 38,523</u>

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

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<b>Operating Receipts</b>	
Admissions	\$109,319
Privilege Fees	8,532
Rentals	100,665
Other Operating Receipts	<u>10,546</u>
<i>Total Operating Receipts</i>	<u>229,062</u>
 <b>Operating Disbursements</b>	
Wages and Benefits	61,129
Utilities	17,616
Professional Services	106,979
Equipment and Grounds Maintenance	32,857
Property and Rent Services	38,948
Senior Fair	16
Junior Fair	3,818
Other Operating Disbursements	<u>47,258</u>
<i>Total Operating Disbursements</i>	<u>308,621</u>
 <i>Excess of Operating Disbursements over Operating Receipts</i>	<u>(79,559)</u>
 <b>Non-Operating Receipts (Disbursements)</b>	
State Support	9,607
Local Support	33,400
Donations/Contributions	53,754
Debt Service	<u>(734)</u>
 <i>Net Non-Operating Receipts (Disbursements)</i>	<u>96,027</u>
 <i>Excess of Disbursements Over Receipts</i>	16,468
 Cash Balance, Beginning of Year	<u>120,944</u>
 <i>Cash Balance, End of Year</i>	<u><u>\$137,412</u></u>

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

**Lucas County Agricultural Society**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2021*

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**Note 1 – Reporting Entity**

Lucas County Agricultural Society, Lucas 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 1858 to operate an annual agricultural fair. The Society sponsors the week-long Lucas County Fair during July. Lucas County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 19 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Lucas County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. Other year-round activities at the fairgrounds including facility rental and community events including the Northwestern Ohio Rib-Off, Clean Your Streams, Toledo Kennel Club Dog Show, NWOSM Car Show, Toledo Sports and Social, and ground rentals for events. The reporting entity does not include any other activities or entities of Lucas County, Ohio.

Notes 6 and 7, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

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

**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(C). 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. 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.

***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.

**Lucas County Agricultural Society**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2021*

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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:

	<u>2021</u>
Demand Deposits	<u>\$137,412</u>

At November 30, 2021, the Society did not hold any funds in equity securities. Equity securities are not eligible investments for the Society under Ohio law.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 4 – 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 Society provides health coverage for full-time, supervisory employees through an insurance company.

The Lucas County Commissioners provide general insurance coverage for all the buildings on the Lucas County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$1,000,000 and \$5,000,000, respectively. This policy includes crime coverage for employee dishonesty with limits of liability of \$50,000. The Society's general manager is bonded with coverage of \$50,000.

**Note 5 – 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 6 – Junior Fair Board**

The Junior Fair Board, which is composed of 4-H, FFA, organization representatives, does not have its own bank account and no expenses are paid for through Junior Fair Board.

**Lucas County Agricultural Society**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2021*

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**Note 7 – 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 Lucas County’s auction. A commission of 7 percent on Grand Reserve Champions and 5 percent on remainder of livestock 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	\$ 32,900
Receipts	100,260
Disbursements	<u>(96,510)</u>
Ending Cash Balance	<u>\$ 36,650</u>



# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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

Lucas County Agricultural Society  
Lucas County  
1406 Key Street  
Maumee, Ohio 43537-2416

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* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements as of and for the years ended November 30, 2022 and 2021 and the related notes to the financial statements of Lucas County Agricultural Society, Lucas County, Ohio (the Society), and have issued our report thereon dated March 19, 2024, wherein we noted the Society followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit. We also qualified our opinion due to the lack of appropriate audit evidence supporting the 2021 Northwest Ohio Rib Off amount recorded as admissions receipts for 2021.

### ***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 certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 and 2022-002 that we consider to be material weaknesses.

***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  
Auditor of State  
Columbus, Ohio

March 19, 2024

**LUCAS COUNTY AGRICULTURAL SOCIETY  
LUCAS COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2022 AND 2021**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2022-001**

**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 noted in the Society's financial statements:

- Cash balance, beginning of year was understated in the amount of \$111,712 for fiscal year 2022;
- Admissions receipts in the amount of \$26,150 were recorded as negative operating disbursements in 2021.

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 errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$9 to \$21,020 that we have brought to the Society's attention.

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

**FINDING NUMBER 2022-002**

**Material Weakness**

**Supporting Documentation**

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities.

Due to deficiencies in internal policies and procedures over receipts, the Society did not maintain supporting documentation for the 2021 Northwest Ohio Rib Off receipt in the amount of \$47,666. We were unable to gain the necessary audit assurances over this amount and therefore qualified our opinion over admission receipts in 2021.

Failure to maintain underlying documentation and support of financial transactions can increase the risk of fraud and can result in financial statement misstatements.

The Society should maintain supporting documentation for all financial transactions and records should be maintained in an orderly manner to support all transactions.

**Officials' Response:**

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

<b>2. OTHER – FINDINGS FOR RECOVERY</b>
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In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

**FINDING NUMBER 2022-003**

**Finding for Recovery Repaid Under Audit**

*State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)*, provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Auditor of State Bulletin 2003-005 states that governmental entities may not make expenditures of public monies unless they are for a valid public purpose. The Bulletin indicates the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states that the Auditor of State’s Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

Due to an oversight when purchasing items for a raffle, alcoholic beverages totaling \$50 were purchased with Society funds during the audit period.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Shane Warner, Board President, and in favor of Lucas County Agricultural Society, in the amount of \$50.

On February 28, 2024, the Board President issued a check in the amount of \$50 to the Lucas County Agricultural Society. This finding for recovery is considered repaid under audit.

**Officials' Response:**

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

# OHIO AUDITOR OF STATE KEITH FABER



**LUCAS COUNTY AGRICULTURAL SOCIETY**

**LUCAS 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 4/2/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)