

**TUSCARAWAS COUNTY  
AGRICULTURAL SOCIETY**

**TUSCARAWAS COUNTY, OHIO**

**REGULAR AUDIT**

**FOR THE FISCAL YEARS ENDED  
NOVEMBER 30, 2018 AND 2017**





88 East Broad Street  
Columbus, Ohio 43215  
IPARepor@ohioauditor.gov  
(800) 282-0370

Board of Directors  
Tuscarawas County Agricultural Society  
259 South Tuscarawas Avenue  
Dover, Ohio 44622

We have reviewed the *Independent Auditor's Report* of the Tuscarawas County Agricultural Society, Tuscarawas County, prepared by Julian & Grube, Inc., for the audit period December 1, 2016 through November 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Tuscarawas County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 31, 2020

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**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY  
TUSCARAWAS COUNTY, OHIO**

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## Independent Auditor's Report

Tuscarawas County Agricultural Society  
Tuscarawas County, Ohio  
259 South Tuscarawas Avenue  
Dover, Ohio 44622

To the Board of Directors:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the Tuscarawas County Agricultural Society, Tuscarawas County, Ohio, as of and for the fiscal years ended November 30, 2018 and 2017.

### *Management's Responsibility for the Financial Statements*

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this 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.

### *Auditor's Responsibility*

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Tuscarawas County Agricultural Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Tuscarawas County Agricultural Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our adverse and qualified audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Tuscarawas County Agricultural Society as of November 30, 2018 and 2017, and the respective change in financial position thereof for the fiscal years then ended.

***Basis for Additional Opinion Qualification***

Operating receipts of \$565,613 accounted for 75% of the total receipts of \$751,737, for the fiscal year ended November 30, 2018. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as operating receipts. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

***Additional Opinion Qualification***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* paragraph, the financial statements referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Tuscarawas County Agricultural Society, Tuscarawas County, Ohio, as of November 30, 2018 and 2017, for the fiscal years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 11 to the financial statement for the fiscal year ended November 30, 2018, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Tuscarawas County Agricultural Society. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2020, on our consideration of the Tuscarawas County Agricultural 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tuscarawas County Agricultural Society's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
November 2, 2020

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

<b>Operating Receipts</b>	
Taxes	\$633
Admissions	210,527
Privilege Fees	61,704
Rentals	72,243
Sustaining and Entry Fees	1,230
Pari-mutuel Wagering Commission	15,793
Other Operating Receipts	<u>203,483</u>
<i>Total Operating Receipts</i>	<u>565,613</u>
<b>Operating Disbursements</b>	
Wages and Benefits	97,855
Utilities	97,093
Professional Services	145,203
Equipment and Grounds Maintenance	28,524
Property and Rent Services	61,611
Race Purse	87,825
Senior Fair	39,591
Junior Fair	18,081
Capital Outlay	38,145
Other Operating Disbursements	<u>40,341</u>
<i>Total Operating Disbursements</i>	<u>654,269</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(88,656)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	76,931
Debt Proceeds	17,000
Donations/Contributions	92,167
Investment Income	26
Debt Service	<u>(98,051)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>88,073</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(583)
Cash Balance, Beginning of Year	<u>61,851</u>
<i>Cash Balance, End of Year</i>	<u><u>\$61,268</u></u>

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

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

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**Note 1 – Reporting Entity**

The Tuscarawas County Agricultural Society (the Society), Tuscarawas 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 a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1851 to operate an annual agricultural fair. The Society sponsors the week – long Tuscarawas Fair during September. During the fair, harness races are held, culminating in the running of the Home Talent Colt Stakes. Tuscarawas County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 12 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Tuscarawas County 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 including horse auctions, cattle shows, car shows, steam and power shows, circuses, drag racing, farmers markets, community garage sales, and auctions. The reporting entity does not include any other activities or entities of Tuscarawas County, Ohio.

Note 10 summarizes the Junior Livestock Sale Committee’s financial activity. The Junior Fairboard is made up youth volunteers who work on the grounds during fair week and don’t operate a bank account.

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.

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Deposits and Investments***

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

***Capital Assets***

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial 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) (v1). The Society has not filed their required form 990 Return of Organization Exempt From Income Tax for the fiscal year ended November 30, 2018.

***Race Purse***

Home Talent Colt stake races are held during the Tuscarawas 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 Harness Horseman's 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.

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

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**Note 3 – Deposits**

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

	2018
Demand deposits	\$61,268

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, 2018, in the amount of \$7,432 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.

	2018
Total Amount Bet (Handle)	\$ 7,185
Less: Payoff to Bettors	(3,694)
Parimutuel Wagering Commission	1,435
Tote Service Set Up Fee	(1,200)
Tote Service Commission	(53)
State Tax	(182)
Society Portion	\$ 0

**Note 5 – Risk Management**

The Tuscarawas County Commissioners provide general insurance coverage for all the buildings on the Tuscarawas County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides coverages of \$1,000,000 per occurrence and a \$5,000,000 aggregate limit, respectively, for general liability. This policy also includes crime coverage for employee dishonesty with a limit of \$10,000 per occurrence.

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

**Note 6 – Social Security**

Society employees contributed to Social Security. This plan provides retirement benefits.

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, 2018.

**Note 7 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
County Loan	\$24,250	0.00%
Midway	\$89,973	5.25%
Total	\$114,223	

Tuscarawas County loaned the Society \$485,000 on January 27, 1999, to purchase land. The Society must repay the loan at a rate of twenty-four thousand two hundred and fifty dollars (\$24,250) per year.

The Tuscarawas County Agricultural Society Board entered into a purchase agreement with Bob Gerber & Family (The Midway Lumber Properties LLC) to purchase a building and land for \$121,500 on 12/17/2013. The Board received the County Commissioners approval and a Land Purchase Agreement was signed at a rate of 5.25% for 180 months.

The Society requested a line of credit from Bank of Denison with an interest rate of 4.25%. During 2018, the Society drew down \$17,000 on the line and made principal payments totaling \$31,749. As of November 30, 2018, the line of credit was fully paid off.

Amortization of the above debt is scheduled as follows:

Fiscal Year Ending November 30:	<u>County Loan</u>	<u>Land Note</u>	<u>Total</u>
2019	24,250	7,318	31,568
2020	0	7,617	7,617
2021	0	7,927	7,927
2022	0	8,251	8,251
2023	0	8,587	8,587
2024-2028	0	49,377	49,377
2029	0	896	896
	\$24,250	\$89,973	\$114,223

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2018*

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**Note 8 – Contingent Liabilities**

Amounts grantor agencies pay to the Society are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 9 – Related Party Transactions**

During Fiscal Year 2018, two board members worked for two of the Society’s vendors.

One Board member works for Buehler’s Food Market from which the Society acquired fair supplies during the year. The Society paid \$1,747 to Buehler’s Food Market. A second Board member works for Heritage Coop. from which the Society acquired utilities from during the year. The Society paid \$3,585 to Heritage Coop.

**Note 10 – Junior Livestock Sale Committee**

The Junior Livestock Committee, Small Animal Committee, and Dairy Committee are separate committees charged with running the Junior Fair Auctions. These auctions are held during fair week. Children may sell their animals directly to market or through the Tuscarawas County's auction. A commission of 20% on Steers, 3% on Lambs and Hogs, 5% on all Small Animals, and 36% total on Dairy auction sales covers auction costs. The Junior Fair Sale Committees retain this money. The accompanying financial statement does not include the Junior Fair Sale Committees' activities. The Junior Fair Sale Committees' financial activity for the year ended November 30, 2018, follows:

	2018 Livestock Committee	2018 Small Animal Committee	2018 Dairy Committee
Beginning Cash Balance	\$ 60,543	\$ 1,068	\$ 22,289
Sum of Receipts and (Expenses)	\$ 20,452	\$ 1,156	\$ (14,641)
Ending Cash Balance	<u>\$80,995</u>	<u>\$2,224</u>	<u>\$7,648</u>

**Note 11 – Subsequent Events**

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

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended November 30, 2017*

<b>Operating Receipts</b>	
Taxes	\$384
Admissions	268,879
Privilege Fees	64,809
Rentals	93,829
Sustaining and Entry Fees	12,675
Pari-mutuel Wagering Commission	15,900
Other Operating Receipts	<u>23,572</u>
<i>Total Operating Receipts</i>	<u>480,048</u>
<b>Operating Disbursements</b>	
Wages and Benefits	54,970
Utilities	110,700
Professional Services	161,290
Equipment and Grounds Maintenance	34,974
Property and Rent Services	91,799
Race Purse	91,235
Senior Fair	19,659
Junior Fair	20,064
Capital Outlay	113,912
Other Operating Disbursements	<u>47,921</u>
<i>Total Operating Disbursements</i>	<u>746,524</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(266,476)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	74,966
Debt Proceeds	64,500
Donations/Contributions	115,785
Investment Income	554
Debt Service	<u>(71,902)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>183,903</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(82,573)
Cash Balance, Beginning of Year	<u>144,424</u>
<i>Cash Balance, End of Year</i>	<u><u>\$61,851</u></u>

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

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2017*

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**Note 1 – Reporting Entity**

The Tuscarawas County Agricultural Society (the Society), Tuscarawas 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 a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1851 to operate an annual agricultural fair. The Society sponsors the week – long Tuscarawas Fair during September. During the fair, harness races are held, culminating in the running of the Home Talent Colt Stakes. Tuscarawas County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 12 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Tuscarawas County 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 including horse auctions, cattle shows, car shows, steam and power shows, circuses, drag racing, farmers markets, community garage sales, and auctions. The reporting entity does not include any other activities or entities of Tuscarawas County, Ohio.

Note 10 summarizes the Junior Livestock Sale Committee’s financial activity. The Junior Fairboard is made up youth volunteers who work on the grounds during fair week and don’t operate a bank account.

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.

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2017*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Deposits and Investments***

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

***Capital Assets***

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial 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) (v1). The Society has not filed their required form 990 Return of Organization Exempt From Income Tax for the fiscal year ended November 30, 2017.

***Race Purse***

Home Talent Colt stake races are held during the Tuscarawas 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 Harness Horseman's 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.

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2017*

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**Note 3 – Deposits**

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

	2017
Demand deposits	\$61,851

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, 2017, in the amount of \$7,967 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.

	2017
Total Amount Bet (Handle)	\$ 9,982
Less: Payoff to Bettors	(7,879)
Parimutuel Wagering Commission	2,021
Tote Service Set Up Fee	(1,200)
Tote Service Commission	(484)
State Tax	(274)
Society Portion	\$ 63

**Note 5 – Risk Management**

The Tuscarawas County Commissioners provide general insurance coverage for all the buildings on the Tuscarawas County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides coverages of \$1,000,000 per occurrence and a \$5,000,000 aggregate limit, respectively, for general liability. This policy also includes crime coverage for employee dishonesty with a limit of \$10,000 per occurrence.

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2017*

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**Note 6 – Social Security**

Society employees contributed to Social Security. This plan provides retirement benefits.

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, 2017.

**Note 7 – Debt**

Debt outstanding at November 30, 2017, was as follows:

	Principal	Interest Rate
County Loan	\$72,750	0.00%
Midway	\$97,005	5.25%
Line of Credit	\$14,759	4.25%
Total	\$184,514	

Tuscarawas County loaned the Society \$485,000 on January 27, 1999, to purchase land. The Society must repay the loan at a rate of twenty-four thousand two hundred and fifty dollars (\$24,250) per year.

The Tuscarawas County Agricultural Society Board entered into a purchase agreement with Bob Gerber & Family (The Midway Lumber Properties LLC) to purchase a building and land for \$121,500 on 12/17/2013. The Board received the County Commissioners approval and a Land Purchase Agreement was signed at a rate of 5.25% for 180 months.

The Society requested a line of credit from First National Bank of Denison with an interest rate of 4.25%. During 2017, the Society drew down \$34,500 on the line and made principal payments totaling \$24,751.

In May of 2017, the Society entered into a short-term loan agreement with First National Bank of Dennison for \$30,000 to cover costs of a roof project and other repairs. The loan carried an interest rate of 4.75% and was fully paid off in October of 2017.

Amortization of the above debt is scheduled as follows:

November 30:	County Loan	Land Note	Total
2018	\$48,500	\$7,031	\$55,531
2019	24,250	7,318	31,568
2020	0	7,617	7,617
2021	0	7,927	7,927
2022	0	8,251	8,251
2023-2027	0	46,585	46,585
2028-2029	0	12,276	12,276
	\$72,750	\$97,005	\$169,755

**Tuscarawas County Agricultural Society**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2017*

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**Note 8 – Contingent Liabilities**

Amounts grantor agencies pay to the Society are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 9 – Related Party Transactions**

During Fiscal Year 2017, three board members either worked for or had a household member with ownership in three of the Society’s vendors.

One Board member works for Buehler’s Food Market from which the Society acquired fair supplies during the year. The Society paid \$1,000 to Buehler’s Food Market. A second Board member works for Heritage Coop. from which the Society acquired utilities from during the year. The Society paid \$3,369 to Heritage Coop. A third Board member’s spouse owns SEK Services from which the Society acquired computer services from during the year. The Society paid \$2,974 to SEK Services.

**Note 10 – Junior Livestock Sale Committee**

The Junior Livestock Committee, Small Animal Committee, and Dairy Committee are separate committees charged with running the Junior Fair Auctions. These auctions are held during fair week. Children may sell their animals directly to market or through the Tuscarawas County's auction. A commission of 20% on Steers, 3% on Lambs and Hogs, 5% on all Small Animals, and 36% total on Dairy auction sales covers auction costs. The Junior Fair Sale Committees retain this money. The accompanying financial statement does not include the Junior Fair Sale Committees' activities. The Junior Fair Sale Committees' financial activity for the year ended November 30, 2017, follows:

	2017 Livestock Committee	2017 Small Animal Committee	2017 Dairy Committee
Beginning Cash Balance	\$ 25,117	\$ 15,500	\$ 15,050
Sum of Receipts and (Expenses)	35,426	(14,432)	7,239
Ending Cash Balance	<u>\$60,543</u>	<u>\$1,068</u>	<u>\$22,289</u>

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Tuscarawas County Agricultural Society  
Tuscarawas County  
259 South Tuscarawas Avenue  
Dover, Ohio 44622

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements of the Tuscarawas County Agricultural Society, Tuscarawas County, Ohio, as of and for the fiscal years ended November 30, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated November 2, 2020, wherein we noted the Tuscarawas County Agricultural Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also qualified our opinion due to a lack of sufficient audit evidence supporting the operating receipts for the fiscal year ended November 30, 2018. Furthermore, as discussed in Note 11 to the financial statement for the fiscal year ended November 30, 2018, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Tuscarawas County Agricultural Society's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Tuscarawas County Agricultural Society's internal control. Accordingly, we have not opined on it.

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. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Tuscarawas County Agricultural Society's financial statements. We consider findings 2018-001, 2018-004, 2018-005, and 2018-007 through 2018-009, described in the accompanying schedule of findings and responses to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2018-003 described in the accompanying schedule of findings and responses to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the Tuscarawas County Agricultural Society's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2018-001 through 2018-006.

***Tuscarawas County Agricultural Society's Responses to Findings***

The Tuscarawas County Agricultural Society's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not subject the Tuscarawas County Agricultural Society's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Tuscarawas Agricultural Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Tuscarawas Agricultural Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
November 2, 2020

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2018-001

**Material Weakness/Noncompliance - Accounting Records**

Ohio Administrative Code (OAC) § 117-2-02(D) states that all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include a cash receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions should be recorded on this ledger. The local office should also maintain adequate documentation to support the amounts recorded on this ledger. In addition, OAC § 117-2-02(C)(3) states that check vouchers may be used as a written order authorizing the drawing of a check in payment of a lawful obligation of the public office. Each voucher shall contain the date, purchase order number, the account code, amount, approval, and any other required information. The local office should also attach supporting documentation to the voucher, such as vendor invoices and timely record the transaction into its manual or computerized account records. It is management’s responsibility to implement internal accounting control policies and procedures to reasonably ensure the Society’s receipts and disbursements are safeguarded and recorded. Specifically, these control procedures include the maintenance of adequate documentation to support the accuracy and completeness of receipt and disbursement records.

During testing of both operating receipts and disbursements for the fiscal years ended November 30, 2018 and 2017, several transactions lacked adequate support. However, through using alternative procedures, the amounts tested, both paid or received, were deemed reasonable and consistent with both the current year and prior years. Also for the fiscal year ended November 30, 2018, a large portion of operating receipts were allocated into a general account code on the Society’s system not part of the Uniform System of Accounting for Agricultural Societies and no descriptions were given in the system. This amount is currently classified as part of Other Operating Receipts on the fiscal year ended November 30, 2018 financial statement. Due to lack of record keeping for these operating receipts, we could not properly determine where they should have been recorded.

By not properly retaining all supporting documentation for all transactions including receipts and disbursements, the Society is at risk of funds being misused or misplaced.

We recommend the Society retain adequate support of all financial transactions for receipts and disbursements throughout the year. Further, we recommend the Society maintain an audit trail for all cash receipts and disbursements.

Client Response: The Society has been updating their processes and procedures for accounting records starting in 2020 and has also implemented a new filing system. The Society also plans to work with an accounting firm to help with these processes and procedures to verify they are keeping and recording records properly.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2018-002

**Noncompliance - Public Records Policy and Schedule**

Ohio Revised Code Section § 149.43(E) requires all public offices to adopt a public records policy in compliance with this section for responding to public records requests. This policy shall be distributed to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. Additionally, the public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet website of the public office if the public office maintains an internet web site. Also, pursuant to Ohio Revised Code Section § 149.43(B)(2), the entity shall have available a copy of its current records retention schedule at a location readily available to the public.

The Society has not established a public records policy pursuant to Ohio Revised Code Section § 149.43(E) or established a records retention schedule.

By not adopting a public records policy or approving a records retention schedule, the result could be the Society not fulfilling public records requests properly or timely and prematurely disposing essential documents.

The Society should review the model public records policy developed and provided by the Attorney General under Ohio Revised Code Section 109.43 and develop a similar policy. The model public records policy is available on the Attorney General’s website. Additionally, while the Society does not have any elected officials that are required to attend public records training, the Society should consider having its records custodian or records manager attend public records training as designee for the Society. Also, the Society should create a records retention schedule. The Society should consider consulting with the Ohio Historical Society regarding how long records are to be kept, developing a schedule and policy for disposing of records.

Client Response: The Society plans to create a public records policy that is in accordance with ORC Section 109.43.

Finding Number	2018-003
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**Significant Deficiency/Noncompliance – Conflict of Interest**

Ohio Revised Code Section 102.03(D) states that no public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person’s duties.

Policies should be established and procedures implemented to provide that the Society's employees do not use their influence or position to secure employment or pay for family members or associates. Employees should fully disclose any potential conflicts and abstain from approving timesheets that might be viewed as a conflict of interest.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2018-003 - (Continued)

During fiscal years ended November 2018 and 2017, the Head of Maintenance and Groundskeeper, approved the timesheets of his wife. Gross wages in the amount of \$776 and \$1,085, respectively for 2018 and 2017, were paid as a part-time Office Help – Grounds employee. No formal Board approval was documented regarding this hiring, however she has been employed at the Society for several years in a part-time capacity.

The Board does approve all expenditures made by the Society but with a lack of policies and procedures in place regarding approval of employee timesheets, the risk of payroll fraud is higher.

The Board should have approved the employment of all individuals and such approval should have been documented in the meeting minutes. The Board and/or Treasurer should be signing-off on timesheets to verify the accuracy and completeness.

Client Response: The Society has implemented improved payroll practices of employees including timesheets that are signed by the Board President or Vice President bi-monthly.

Finding Number	2018-004
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**Material Weakness/Noncompliance - Filing of Form 990**

Internal Revenue Code Section 501(a) requires the annual filing of form 990 “Return of Organization Exempt From Income Tax”.

The Society did not file the required return for the fiscal years ended November 30, 2018 and 2017.

The Society could be subject to substantial fines, penalties and interest and potentially place their non-profit status at risk.

We recommend the Society develop a tickler system to help ensure any required filings are timely. We recommend the Society consult with a CPA skilled in the preparation of these returns to assist in annual timely filings.

Client Response: The Society is working to file this form. The Society will seek forgiveness from the Internal Revenue Service should any penalties be assessed.

Finding Number	2018-005
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**Material Weakness/Noncompliance – Incomplete and Late Hinkle Submission**

Ohio Revised Code Section 117.38 states each public office, other than a state agency, shall file a financial report for each fiscal year. In addition, Ohio Auditor of State Bulletin 2015-007 states that complete annual financial reports need to be filed via the Hinkle System website. A complete submission for Regulatory Cash-Basis Entities includes the Statement(s) of Receipts, Disbursements, and Changes in Fund Balances and notes to the financial statements.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2018-005 - (Continued)

The Society filed annual financial reports for years ending November 30, 2018 and 2017 with the Hinkle System successfully; however, the Society did not upload a complete set of notes to the financial statements. Necessary note disclosures were added to the Society’s reports.

In addition, for the fiscal year ended November 30, 2018, the required filing deadline was January 29, 2019, however the Society did not file its report until June 10, 2020.

Any public office not filing a complete report, including the required note disclosures, by the required date may be required to pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750.

We recommend the Tuscarawas County Agricultural Society Treasurer and Board of Directors take the necessary steps to ensure their annual financial report includes the above requirements, including all required note disclosures to the financial statements and be submitted in a timely manner.

*Client Response:* The Society is in the process of implementing additional policies and procedures to help ensure complete financial statements and notes are created and filed timely, including creating a schedule of when Hinkle System filings are due. The Society also plans to complete the Hinkle Filing for 2019 once this audit is completed.

Finding Number	2018-006
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**Noncompliance - Timely Deposits**

Ohio Revised Code Section 9.38 requires that deposits of public money be made in a timely manner. Public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the receipt, unless the receipts are less than \$1,000 and the money can be safeguarded. In this case, the deposit must be made within three business days.

The Society held funds of varying amounts greater than the allowable one or three business days without depositing them in accordance with Ohio Revised Code Section 9.38. Of the total receipts tested in fiscal year ending November 30, 2018, it was noted 18% were not deposited timely.

As a result, not only is there a risk of loss from burglary, misplacement, or misappropriation, but the cash is not available for disbursements or investment.

We recommend the Society monitor collections and ensure that monies are deposited in accordance with state statute. This will improve cash flow and reduce the risk of loss. Further guidance regarding specific dollar amounts may be found in the Ohio Compliance Supplement.

*Client Response:* The Society is now depositing all monies timely. The Society also keeps money locked in the safe if it is over a weekend, if needed.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2018-007

**Material Weakness - Financial Statement Presentation**

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the Society, this could also include reviewing the fiscal year-end QuickBooks detailed reports to ensure activity is recorded in the proper accounts and accurately summarized on the financial statements.

For the fiscal years ended November 30, 2018 and 2017, certain adjustments were made to the financial statements and note disclosures to properly state financial statement amounts. Some of the adjustments were to reclassify receipts and disbursements the Society properly recorded in its general ledger, but classified them incorrectly on the financial statements. Additional adjustments were necessary to properly record activity during the fiscal years that were either improperly recorded in the Society’s system or only recorded on the balance sheet side of the reports, for example debt payments. The audited financial statements have been adjusted for the misstatements identified during the audit.

In general, an accounting system and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. The present system lacks fiscal oversight and approvals and fails to meet the above expectations. The system also does not include a second review of the financial statement to ensure the information accurately portrays the activities of the Society. In addition, some of the adjustments were due to the Society trying to match its system to the financial statement template provided by the Auditor of State. This template is meant as a guide and should be modified to match the Society’s activity.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, causing a misrepresentation of activities.

We recommend the Society design and implement additional procedures to facilitate accurate financial reporting. The Society should consider having an outside third-party, or another Board member with financial experience, review the financial report prior to presenting to audit. We also recommend the Society avoid using the “other operating disbursements” and “other operating receipts” line items to account for large amounts of receipts and disbursements when it is unclear where to report them. Breaking these transactions out on the face of the financial statement more transparently documents the Society’s activity for the fiscal year. The Society should also continue to use the “statement of receipts, disbursements and change in fund balance (regulatory cash basis)” template provided on the Auditor of State’s website as a guide to assist in accurate financial reporting. However, we recommend the Society tailor this template to accurately reflect its activity for the fiscal year.

Client Response: The Society going forward will work with an accounting firm to oversee future financial reports and will implement additional policies and procedures to help with financial statement presentation. In 2020 all deposits have been itemized and recorded.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2018-008

**Material Weakness - Bank Reconciliation**

The completion of complete and accurate monthly bank reconciliations to zero unidentified differences is critical to financial data reporting for both the Society’s Board and other interested users of the Society’s financial statements.

While bank reconciliations were completed over the Society’s General Checking Account, the Society was unable to provide complete and accurate monthly bank reconciliations to zero unidentified differences over all bank accounts for the year ended November 30, 2018.

The Society improperly recorded the value of two deposits in their system compared to the amount actually deposited. In addition, there were two other deposits into a capital improvement account, that was created in August of 2018, that were not recorded in their accounting system. The total reconciling difference was \$427.

While the aggregate amount of the differences was immaterial, without complete and accurate monthly bank reconciliations to zero unidentified differences the Society is at risk of mis-postings of receipts and disbursements going undetected, which could lead to inaccurate financial reporting and the potential for misstatements.

We recommend the Society seek outside consulting if necessary to perform complete and accurate monthly bank reconciliations with zero unidentified amounts, and present these completed bank statements to its Board on a monthly basis for review and approval. This will help ensure the accuracy of reporting in a timely basis.

*Client Response:* The Society plans to create online access to their savings account and will ask for monthly savings report from the financial institution. The Society plans on complete and accurate bank reconciliations going forward.

Finding Number	2018-009
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**Material Weakness - Cash Withdrawals/Disbursements**

The withdrawing of cash from bank accounts, while sometimes necessary, requires strong internal control procedures. Withdrawals should always be closely monitored by management and consistently follow Board-approved policies and procedures over the withdrawing of cash, the subsequent disbursement of that cash, as well as the redeposit of remaining cash.

The Society withdrew cash from its operating bank account to provide start-up funds for fair events and for cash disbursements for various fair purposes, including cash prize winnings for the demolition derby held during the fair. The Society maintained support for cash withdrawals in the form of a withdrawal slip or check signed by the Treasurer and Board President. However, the Board of Directors did not always approve the withdrawing of cash in the form of an official Board-approved resolution. Additionally, sufficient support for cash disbursements, such as invoices, receipts, or Board resolution, was not maintained to support the proper public purpose of certain cash disbursements. Ultimately, these cash disbursements were determined to be reasonable although support was inconsistent. In addition, for the prize money for the demolition derby, there was no signed forms by the Society or prize winners accepting the cash that would provide an audit trail of the cash being awarded.

**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2018-009 - (Continued)

By not properly monitoring cash withdrawals and disbursements, the Society is at risk of funds being misused or misplaced. Also, when the Society uses cash for operations, the risk of fraud increases.

We recommend the Society limit the withdrawing of cash as much as possible. If the Society must withdraw cash for start-up money, we recommend the exact amount of the start-up cash be redeposited into the operating bank account. If the Society determines it necessary to withdraw cash for payment of certain disbursements, we recommend a Board-approved set of policies and procedures be followed. This could include the use of a reconciliation form to track the cash withdrawn, cash spent, and any cash redeposited, as well as a standard form for cash prize winners to sign. Further, we recommend the Society maintain an audit trail for all cash disbursements. Without some of these additional procedures, as mentioned before, the Society is at risk of misuse of funds, potential theft or fraud, and a possible finding for recovery in future audits.

Client Response: The Society, as of 2020, has been keeping records of withdrawals for petty cash, gate start-ups, and payouts, including properly using the advance out line item when withdrawing and subsequently recorded an advance in when depositing the money back into the bank. The Society also plans to work with an accounting firm to help with these types of issues going forward.

# OHIO AUDITOR OF STATE KEITH FABER



**TUSCARAWAS COUNTY AGRICULTURAL SOCIETY**

**TUSCARAWAS 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 1/12/2021**

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)