



OHIO AUDITOR OF STATE  
**KEITH FABER**





VINTON COUNTY AGRICULTURAL SOCIETY  
VINTON COUNTY  
NOVEMBER 30, 2019 AND 2018

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PO Box 828  
Athens, Ohio 45701  
(740) 594-3300 or (800) 441-1389  
SoutheastRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Vinton County Agricultural Society  
Vinton County  
P.O. Box 241  
McArthur, Ohio 45651

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 Vinton County Agricultural Society, Vinton County, Ohio (the Society), as of and for the years ended November 30, 2019 and 2018.

### ***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 § 117.38 and Ohio Administrative Code §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 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 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 audit opinions.

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

As described in Note 2 of the financial statements, the Society prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 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 § 117.38 and Ohio Administrative Code §117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* 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 Society, as of November 30, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

***Basis of Additional Opinion Qualification***

The Society received Admissions Receipts in the amount of \$20,943 and \$11,598 and Exhibitor Ticket Receipts in the amount of \$4,340 and \$4,580 for the years ended November 30, 2019 and 2018, respectively, for which there was no supporting documentation. The Society also received Rental Receipts in the amount of \$2,065 for the year ended November 30, 2019, for which there was no supporting documentation. The Society failed to maintain supporting documentation for seventy-five percent and twenty-five percent of Restricted Support Receipts and seventy-three percent and forty-two percent of Unrestricted Support Receipts tested for the years ended November 30, 2019 and 2018, respectively. We were unable to obtain sufficient appropriate audit evidence supporting the aforementioned amounts and percentages recorded as receipts. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Further, the Society failed to maintain supporting documentation to support twenty-eight and twenty-four percent of disbursements tested, for the years ended November 30, 2019 and 2018, respectively. We were unable to obtain sufficient appropriate audit evidence supporting the amounts. 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 matters described in the *Basis for Additional Opinion Qualification* paragraphs, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Vinton County Agricultural Society, Vinton County, Ohio, as of November 30, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code §117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 6 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the 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 April 16, 2021, 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. 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 Society's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 16, 2021

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**Vinton County Agricultural Society**  
*Vinton County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended November 30, 2019*

<hr/> <hr/>	
<b>Operating Receipts</b>	
Admissions	\$77,053
Privilege Fees	7,279
Rentals	21,873
Other Operating Receipts	<u>4,180</u>
<i>Total Operating Receipts</i>	<u>110,385</u>
<b>Operating Disbursements</b>	
Wages and Benefits	3,623
Utilities	15,528
Professional Services	89,021
Equipment and Grounds Maintenance	7,143
Property and Rent Services	12,848
Junior Fair	11,763
Capital Outlay	1,000
Other Operating Disbursements	<u>30,767</u>
<i>Total Operating Disbursements</i>	<u>171,693</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(61,308)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	5,101
Local Support	3,000
Donations/Contributions	45,580
Debt Service	<u>(36)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>53,645</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(7,663)
Cash Balance, Beginning of Year	<u>12,263</u>
<i>Cash Balance, End of Year</i>	<u><u>\$4,600</u></u>

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

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**Vinton County Agricultural Society**  
*Vinton County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2019*

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**Note 1 – Reporting Entity**

The Vinton Agricultural Society (the Society), Vinton 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 1971 to operate an annual agricultural fair. The Society sponsors the week – long Vinton County Junior Fair during July. Vinton County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 18 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Vinton County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and other year round activities at the fairgrounds including facility rental, community events, demolition derbies, motorcross, and go-kart races. The reporting entity does not include any other activities or entities of Vinton County, Ohio.

The Vinton County Junior Fair does not have a separate Junior Fair Board with separate financial activity to summarize. Note 5 summarizes the 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 § 117.38 and Ohio Administrative Code § 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. 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

***Deposits and Investments***

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

**Vinton County Agricultural Society**  
*Vinton County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2019*

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

***Capital Assets***

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

***Income Tax Status***

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509 (a). Contributions to the Society are deductible per Section 170(b) (1) (A) (v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

**Note 3 – Deposits**

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

Demand deposits	<u>2019</u> \$4,600
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***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 4 – Risk Management**

**Risk Pool Membership**

The (local entity) is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

**Vinton County Agricultural Society**  
*Vinton County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2019*

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**Note 4 – Risk Management (Continued)**

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

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

**Note 5 – 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 Vinton County Junior Fair auction. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2018, follows:

	<u>2019</u>
Beginning Cash Balance	\$5,672
Receipts	159,052
Disbursements	(163,280)
Ending Cash Balance	\$1,444

**Note 6 – COVID-19**

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

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

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<b>Operating Receipts</b>	
Admissions	\$69,337
Privilege Fees	8,975
Rentals	28,945
Other Operating Receipts	<u>5,939</u>
<i>Total Operating Receipts</i>	<u>113,196</u>
<b>Operating Disbursements</b>	
Wages and Benefits	3,137
Utilities	18,850
Professional Services	74,646
Equipment and Grounds Maintenance	6,637
Property and Rent Services	12,192
Junior Fair	19,966
Capital Outlay	5,102
Other Operating Disbursements	<u>28,887</u>
<i>Total Operating Disbursements</i>	<u>169,417</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>(56,221)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	7,070
Local Support	4,000
Donations/Contributions	53,913
Debt Service	<u>(5,520)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>59,463</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	3,242
Cash Balance, Beginning of Year	<u>9,021</u>
<i>Cash Balance, End of Year</i>	<u><u>\$12,263</u></u>

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

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

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**Note 1 – Reporting Entity**

The Vinton Agricultural Society (the Society), Vinton 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 1971 to operate an annual agricultural fair. The Society sponsors the week – long Vinton County Junior Fair during July. Vinton County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 18 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Vinton County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and other year round activities at the fairgrounds including facility rental, community events, demolition derbies, motorcross, and go-kart races. The reporting entity does not include any other activities or entities of Vinton County, Ohio.

The Vinton County Junior Fair does not have a separate Junior Fair Board with separate financial activity to summarize. Note 5 summarizes the 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 § 117.38 and Ohio Administrative Code § 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. 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

***Deposits and Investments***

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

**Vinton County Agricultural Society**  
*Vinton 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)**

***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). Management is unaware of any actions or events that would jeopardize the Society's tax status.

**Note 3 – Deposits**

The Society maintains a deposit 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	\$12,263

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 4 – Risk Management**

**Risk Pool Membership**

The Society is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

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**Note 4 – Risk Management (Continued)**

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

	<u>2018</u>
Cash and investments	\$35,381,789
Actuarial liabilities	\$12,965,015

**Note 5 – 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 Vinton County Junior Fair auction. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2018, follows:

	<u>2018</u>
Beginning Cash Balance	\$8,706
Receipts	162,746
Disbursements	<u>(165,780)</u>
Ending Cash Balance	<u><u>\$5,672</u></u>

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# OHIO AUDITOR OF STATE KEITH FABER



PO Box 828  
Athens, Ohio 45701  
(740) 594-3300 or (800) 441-1389  
SoutheastRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Vinton County Agricultural Society  
Vinton County  
P.O. Box 241  
McArthur, Ohio 45651

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 as of and for the years ended November 30, 2019 and 2018, and related notes of the Vinton County Agricultural Society, Vinton County, Ohio, (the Society), and have issued our report thereon dated April 16, 2021, wherein we noted the Society followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code §117-2-03(D) permit. We also qualified our opinion due to lack of sufficient appropriate audit evidence supporting amounts recorded as Admission Fees, Rental Receipts, Exhibitor Ticket Receipts, Restricted Support Receipts, and Unrestricted Support Receipts. We also qualified our opinion due to lack of sufficient appropriate audit evidence supporting disbursements. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Society.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Society's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Society's internal control. Accordingly, we have not opined on it.

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 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 Government's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2019-002 and 2019-003 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the 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 financial statement. 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2019-001.

***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 Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 16, 2021

VINTON COUNTY AGRICULTURAL SOCIETY  
VINTON COUNTY

SCHEDULE OF FINDINGS  
NOVEMBER 30, 2019 AND 2018

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

FINDING NUMBER 2019-001

**Noncompliance**

**Ohio Rev. Code § 149.351(A)** states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under §§ 149.38 to 149.42 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, destroyed, mutilated or transferred unlawfully.”

The Society maintained the invoices supporting the expenditures. However, in 2019 and 2018, 28 percent and 24 percent, respectively, of the transactions selected for testing had no invoice or other supporting documentation attached to the voucher package.

In addition, the December 2017 and November 2019 bank statements were not provided for audit.

Failure to maintain support for expenditures could result in a loss of accountability over the Society's finances, make it difficult to identify errors or irregularities which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

Also, failure to maintain such documentation for items purchased may compromise the Society's ability to ensure expenditures are authorized and allowable, and may result in findings for recovery in future periods.

The Treasurer should maintain supporting documentation for all expenditures. The Board of Directors should not approve any expenditure without the appropriate documentation attached to each voucher package.

FINDING NUMBER 2019-002

**Material Weakness**

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 Society did not always record receipts and disbursements into accurate classifications based upon the source of the receipt or the nature of the disbursement.

The following errors were noted in the financial statements that required audit adjustment or reclassification:

In 2019, \$1,000 in startup monies being redeposited was recorded as a receipt resulting in the overstatement of other operating receipts.

In 2018, \$7,500 from livestock sales was recorded as redeposit of startup monies resulting in the understatement of donations/contributions receipts.

**VINTON COUNTY AGRICULTURAL SOCIETY  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2019 AND 2018  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-002 (Continued)**

**Material Weakness (Continued)**

The adjustments noted above, with which management agrees, have been made and are reflected in the accompanying financial statements.

The Agricultural Society did not have control procedures in place to ensure transactions are properly posted to the accounting records.

By not properly reporting financial activity could result in material misstatements occurring and remaining undetected and the risk that management would not be provided an accurate picture of the Society's financial position and operations.

To help ensure accuracy and reliability in the financial reporting process, management should perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenditures are properly identified and classified on the financial statements. The Treasurer should refer to Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**FINDING NUMBER 2019-003**

**Material Weakness**

The Society should maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The following were noted related to the Society's receipts:

- Admission fee receipts in the amount of \$20,943 and \$11,598 for years ended November 30, 2019 and 2018, respectively, were not supported by ticket accountability forms for all or a portion of the admission sales for Tractor Pulls, Motorcross, Circus, Derby, and Octoberfest events;
- Rental receipts in the amount of \$2,065 for the year ended November 30, 2019 could not be substantiated due to lack of supporting documentation;
- Exhibitor ticket receipts in the amounts of \$4,340 and \$4,580 for years ended November 30, 2019 and 2018, respectively, could not be substantiated due to lack of supporting documentation.
- Restricted support receipts did not have a Fairbook Advertising Form or other support for 75% and 25% of receipts selected for testing in 2019 and 2018, respectively;
- Unrestricted support receipts did not have the Sponsorship Commitment forms or other support for 73% and 42% of receipts selected for testing in 2019 and 2018, respectively.

We could not determine that the proper rates were charged or proper amounts were collected due to the lack of support.

Lack of adequate supporting documentation eliminates a significant control point, obscures the audit trail, and provides for the opportunity for errors and/or irregularities to occur and remain undetected for an extended period.



VINTON COUNTY AGRICULTURAL SOCIETY  
VINTON COUNTY

SCHEDULE OF FINDINGS  
NOVEMBER 30, 2019 AND 2018  
(Continued)

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

FINDING NUMBER 2019-003 (Continued)

**Material Weakness (Continued)**

In addition, failure to retain and/or obtain such documentation has resulted in the inability to determine that all receipts due were collected and accounted for on the Society's financial statements which has resulted in a qualified audit opinion regarding the Society's receipts. The Society Secretary and Treasurer should monitor receipts and ensure proper support is available and properly organized to allow for proper transparency and verification. The Society should also review Auditor of State Bulletin 2020-006 for cash collection best practices related to Agricultural Societies.

**Officials' Response:** We did not receive a response from Officials to the findings reported above.

**VINTON COUNTY AGRICULTURAL SOCIETY  
VINTON COUNTY  
P.O. BOX 241  
MCARTHUR, OHIO 45651**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
NOVEMBER 30, 2019 AND 2018**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	Ohio Rev. Code § 117.38 – Failure to file financial statements by required date.	Corrected.	
2017-002	Material Weakness for not maintaining receipt support.	Not Corrected.	The Society is working to develop a corrective action plan to file and record items correctly in the required system in a timely manner.
2017-003	Material Weakness for not recording receipts and disbursements into accurate classifications.	Not Corrected.	The Society is working to develop a corrective action plan to file and record items correctly in the required system in a timely manner.

# OHIO AUDITOR OF STATE KEITH FABER



**VINTON COUNTY AGRICULTURAL SOCIETY**

**VINTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 5/6/2021**

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)