

WYANDOT COUNTY AGRICULTURAL SOCIETY

WYANDOT COUNTY, OHIO

AUDIT REPORT

For the Years Ended November 30, 2017 and 2016





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Members of the Board
Wyandot County Agricultural Society
10171 State Highway 53 N.
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditor's Report* of the Wyandot County Agricultural Society, Wyandot County, prepared by Charles E. Harris & Associates, Inc., for the audit period December 1, 2015 through November 30, 2017. 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 Wyandot County Agricultural Society is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 10, 2019

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**WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY
Audit Report
For the years ended November 30, 2017 and 2016**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Wyandot County Agricultural Society
Wyandot County
10171 State Highway 53 North
Upper Sandusky, Ohio 43351

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the Wyandot County Agricultural Society, Wyandot County, Ohio (the Society), as of and for the years ended November 30, 2017 and 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as our evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the 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 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 *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

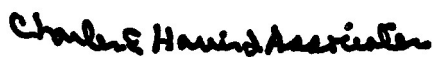
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2017 and 2016, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Wyandot County Agricultural Society as of November 30, 2017 and 2016, for the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2019, on our consideration of the Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Charles E. Harris & Associates, Inc.
April 29, 2019

Wyandot County Agricultural Society
Wyandot County
Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Balances - (Regulatory Cash Basis)
For the Year Ended November 30, 2017

Operating Receipts:	
Admissions	\$ 197,645
Privilege Fees	54,787
Rentals	108,736
Sustaining and Entry Fees	13,400
Pari-mutuel Wagering Commission	457
Other Operating Receipts	<u>59,899</u>
<i>Total Operating Receipts</i>	<u>434,924</u>
Operating Disbursements:	
Wages and Benefits	54,874
Administrative	4,705
Racing Expenses	4,324
Supplies	32,873
Utilities	101,892
Professional Services	36,616
Property Services	65,150
Equipment and Grounds Maintenance	13,185
Race Purse	99,399
Advertising	14,512
Repairs	13,185
Insurance	33,560
Rent and Leases	12,435
Senior Fair	23,180
Junior Fair	4,875
Contests	726
Capital Outlay	26,669
Other Operating Disbursements	<u>51,377</u>
<i>Total Operating Disbursements</i>	<u>593,537</u>
<i>Excess (Deficiency) of Operating Receipts</i>	
<i>Over (Under) Operating Disbursements</i>	(158,613)
Non-Operating Receipts (Disbursements):	
State Support	14,407
County Support	3,300
Restricted Support	103,483
Unrestricted Support	<u>27,572</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>148,762</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(9,851)
Cash Balance, Beginning of Year	<u>21,650</u>
Cash Balance, End of Year	<u><u>\$11,799</u></u>

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

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2017

Note 1 – Reporting Entity

The Wyandot County Agricultural Society (the Society), Wyandot 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 Wyandot County Fair during September. During the fair, harness races are held. Wyandot County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 21 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Wyandot 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 harness racing during fair week. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including Comedy Night, Reverse Raffle, and Truck Pull. The reporting entity does not include any other activities or entities of Wyandot County, Ohio.

Notes 7 and 8, respectively; summarize the Junior Fair Board’s and Junior Livestock Sale Committee’s financial activity.

The Society’s management believes these financial statements present all activities for which the Society is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

These financial statements follow 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Deposits and Investments

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

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2017

Capital Assets

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do 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.

Race Purse

Harness stake races are held during the Wyandot 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 Western Ohio Colt Racing 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 report these fees as Sustaining and Entry Fees.

Ohio Fairs Fund The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 4 for additional information.

Pari-mutuel Wagering

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as the pari-mutuel wagering system determines. The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 4 for additional information.

Note 3 – Deposits and Investments

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

	2017
Demand deposits	<u>\$11,799</u>

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2017

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 4 – Horse Racing

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the year ended November 30, 2017, was \$10,002, 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 (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, which are also paid from 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)	\$ 13,362
Less: Payoff to Bettors	(10,633)
Parimutuel Wagering Commission	2,729
Tote Service Set Up Fee	(1,200)
Tote Service Commission	(686)
State Tax	(386)
Society Portion	\$ 457

Note 5 – Risk Management

The Wyandot County Commissioners provide general insurance coverage for all the buildings on the Wyandot County Fairgrounds pursuant to Ohio Revised Code § 1711.24. Public Entities Pool of Ohio provides general liability and vehicle insurance, with limits of \$2,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000,000. The Society’s Secretary is bonded with coverage of \$20,000.

Note 6 – Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants’ gross salaries. The Society has paid all contributions required through November 30, 2017.

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2017

Note 7 – Junior Fair Board

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Wyandot County Fair. The Society disbursed \$4,875 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. The Junior Fair Board accounts for its activities separately. These accompanying financial statements do not include this activity. The Junior Fair Board’s financial activity for the year ended November 30, 2017, follows:

	2017
Beginning Cash Balance	\$ 5,822
Receipts	38,848
Disbursements	(39,512)
Ending Cash Balance	\$ 5,158

Note 8 – Junior Livestock Sale Committee

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Wyandot County’s auction. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the year ended November 30, 2017, follows:

	2017
Beginning Cash Balance	\$ 55,612
Receipts	382,490
Disbursements	(363,101)
Ending Cash Balance	\$ 75,001

Wyandot County Agricultural Society
Wyandot County
Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Balances - (Regulatory Cash Basis)
For the Year Ended November 30, 2016

Operating Receipts:	
Admissions	\$ 172,769
Privilege Fees	48,498
Rentals	96,387
Sustaining and Entry Fees	735
Pari-mutuel Wagering Commission	417
Other Operating Receipts	<u>68,231</u>
<i>Total Operating Receipts</i>	<u>387,037</u>
Operating Disbursements:	
Wages and Benefits	76,573
Administrative	4,205
Racing Expenses	3,162
Supplies	40,718
Utilities	95,125
Professional Services	45,791
Property Services	72,183
Equipment and Grounds Maintenance	20,985
Race Purse	91,085
Advertising	21,106
Repairs	20,985
Insurance	55,713
Rent and Leases	16,531
Senior Fair	31,805
Junior Fair	11,188
Contests	36,811
Capital Outlay	9,632
Other Operating Disbursements	<u>5,468</u>
<i>Total Operating Disbursements</i>	<u>659,066</u>
<i>Excess (Deficiency) of Operating Receipts</i>	
<i>Over (Under) Operating Disbursements</i>	<u>(272,029)</u>
Non-Operating Receipts (Disbursements):	
State Support	15,633
County Support	3,300
Restricted Support	111,690
Unrestricted Support	<u>43,297</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>173,920</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(98,109)
Cash Balance, Beginning of Year	<u>119,759</u>
Cash Balance, End of Year	<u><u>\$21,650</u></u>

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

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2016

Note 1 – Reporting Entity

The Wyandot County Agricultural Society (the Society), Wyandot 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 Wyandot County Fair during September. During the fair, harness races are held. Wyandot County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 21 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Wyandot 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 harness racing during fair week. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including Comedy Night, Reverse Raffle, and Truck Pull. The reporting entity does not include any other activities or entities of Wyandot County, Ohio.

Notes 7 and 8, respectively; summarize the Junior Fair Board’s and Junior Livestock Sale Committee’s financial activity.

The Society’s management believes these financial statements present all activities for which the Society is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

These financial statements follow 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Deposits and Investments

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

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2016

Capital Assets

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do 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.

Race Purse

Harness stake races are held during the Wyandot 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 Western Ohio Colt Racing 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 report these fees as Sustaining and Entry Fees.

Ohio Fairs Fund The State of Ohio contributes money to the Society from the Ohio Fairs Fund to supplement the race purse. See Note 4 for additional information.

Pari-mutuel Wagering

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as the pari-mutuel wagering system determines. The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 4 for additional information.

Note 3 – Deposits and Investments

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

	2016
Demand deposits	<u>\$21,650</u>

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2016

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 4 – Horse Racing

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the year ended November 30, 2016, was \$10,463, 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 (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, which are also paid from Pari-mutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society’s net portion.

	2016
Total Amount Bet (Handle)	\$ 9,941
Less: Payoff to Bettors	(7,911)
Parimutuel Wagering Commission	2,030
Tote Service Set Up Fee	(700)
Tote Service Commission	(627)
State Tax	(286)
Society Portion	\$ 417

Note 5 – Risk Management

The Wyandot County Commissioners provide general insurance coverage for all the buildings on the Wyandot County Fairgrounds pursuant to Ohio Revised Code § 1711.24. Public Entities Pool of Ohio provides general liability and vehicle insurance, with limits of \$2,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$10,000,000. The Society’s Secretary is bonded with coverage of \$20,000.

Note 6 – Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants’ gross salaries. The Society has paid all contributions required through November 30, 2016.

Wyandot County Agricultural Society
Wyandot County
Notes to the Financial Statements
For the Year Ended November 30, 2016

Note 7 – Junior Fair Board

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Wyandot County Fair. The Society disbursed \$11,188 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. The Junior Fair Board accounts for its activities separately. These accompanying financial statements do not include this activity. The Junior Fair Board’s financial activity for the year ended November 30, 2016, follows:

	2016
Beginning Cash Balance	\$ 6,205
Receipts	31,656
Disbursements	(32,039)
Ending Cash Balance	\$ 5,822

Note 8 – Junior Livestock Sale Committee

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Wyandot County’s auction. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the year ended November 30, 2016, follows:

	2016
Beginning Cash Balance	\$ 72,963
Receipts	381,464
Disbursements	(398,815)
Ending Cash Balance	\$ 55,612

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Wyandot County Agricultural Society
Wyandot County
10171 State Highway 53 North
Upper Sandusky, Ohio 43351

To the Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements of the Wyandot County Agricultural Society, Wyandot County, Ohio (the Society) as of and for the years ended November 30, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated April 29, 2019, wherein we noted the Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Society's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all 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 2017-001 and 2017-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated April 29, 2019.

Entity's Responses to Findings

The Society's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan. We did not subject the 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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
April 29, 2019

WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY
Schedule of Findings
November 30, 2017 and 2016

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

Finding Number 2017-001 – Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Society's management and is essential to ensure the information provided to the readers of the financial statement is fairly stated.

The Society lacked a policy regarding financial review, which contributed to the following material reporting discrepancies occurring without detection in the financial statements:

- In 2017 and 2016, numerous revenues and expenses were rolled into Other Operating Receipts and Other Operating Disbursements that should have been reported as a separate revenue or expense line item. These included Restricted and Unrestricted Support amounts in Other Operating Receipts, and Administrative, Racing Expense, Supplies, Professional Services, Property Services, Advertising, Repairs, Insurance, Rents and Leases, and Contests amounts in Other Operating Disbursements.
- In 2017, Capital Outlay was understated by \$19,675.
- Beginning fund balance in 2016 was overstated compared to previous year ending balance by \$5,689. This also caused the ending fund balance to be incorrect, as well as the beginning and ending fund balances in 2017.
- During 2017 and 2016, adjustments were necessary to correct various items in the notes to the financial statements, including the pari-mutual wagering note, the deposits note, the Junior Fair Board note, and the Junior Livestock Sale Committee note.

As a result, the financial statements did not correctly reflect the financial activity of the Society. The Society's financial statements have been adjusted to correct these errors for both 2017 and 2016. We recommend the Board develop policies and procedures, including a final review of the financial statements, by the Board (or other oversight committee or individual) to identify and correct errors and omissions. In addition, the Board should refer to guidance provided by the United States Department of Agriculture and the Auditor of State to assist in the proper presentation of the Society's financial statements.

Managements' Response:

See Corrective Action Plan

WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY
Schedule of Findings - Continued
November 30, 2017 and 2016

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - Continued
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Finding Number 2017-002 – Material Weakness

Bank Reconciliations and Timely Posting to Accounting System

Monthly bank reconciliations should be performed by the Secretary and reviewed and approved by the Board. During 2016 and 2017, adequate timely bank reconciliations were not performed. This deficiency is a result of inadequate policies and procedures in performing bank reconciliations.

The reconciliation of the Society's bank accounts with its cash ledgers is a necessary control procedure to adequately safeguard cash and to provide an accurate financial picture of the Society. As part of the bank reconciliation, all differences between the balance appearing on the financial statements and the balance of cash according to the Society's records should be accounted for. In addition, transactions should be posted to the accounting system in a timely manner.

Failure to timely record transactions and review and approve bank reconciliations could result in funds being lost, stolen, or unaccounted for without detection and does not allow the Board to adequately monitor the financial activity of the Society.

We recommend the Society ensure transactions are posted timely to the accounting system and perform monthly bank reconciliations consisting of fund balances, bank statements, investment balances and a detail of outstanding checks and deposits. The reconciliation should be submitted to the Board monthly and the Board should review the reconciliation, investigate any discrepancies and document their review and approval by signing it.

Managements' Response:

See Corrective Action Plan

WYANDOT COUNTY AGRICULTURAL SOCIETY
 WYANDOT COUNTY, OHIO
 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management
 November 30, 2017 and 2016

FINDING NUMBER	FUNDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2015-001	Finding for Recovery - Misuse of Society Credit Card	Corrective Action Taken and Finding is Fully Corrected	N/A
2015-002	Finding for Recovery – Missing Cash Receipts	Corrective Action Taken and Finding is Fully Corrected	N/A
2015-003	Material Weakness – Financial Reporting	Not Corrected	Repeated as Finding 2017-001
2015-004	Significant Deficiency – Unsupported Disbursements	Corrective Action Taken and Finding is Fully Corrected	N/A
2015-005	Significant Deficiency – Bank Reconciliations and Timely Posting to Accounting System	Not Corrected	Repeated as Finding 2017-002

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WYANDOT COUNTY AGRICULTURAL SOCIETY
WYANDOT COUNTY

CORRECTIVE ACTION PLAN – Prepared by Management
November 30, 2017 and 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	Action is in place to correct in future with information being sent to an accountant for review.	Immediately	Sommer Miller, Fiscal Officer
2017-002	Action is in place to correct in future with information being sent to an accountant for review.	Immediately	Sommer Miller, Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



WYANDOT COUNTY AGRICULTURAL SOCIETY

WYANDOT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 20, 2019