



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Fairfield County Agricultural Society  
Fairfield County  
P.O. Box 945  
Lancaster, Ohio 43130

We have performed the procedures enumerated below on the Fairfield County Agricultural Society's (the Society) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended November 30, 2021 and 2020, and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Society. The Society is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended November 30, 2021 and 2020, and certain compliance requirements related to these transactions and balances included in the information provided to us by the Society.

The Board of Trustees and the management of the Society have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Society's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2021 and 2020, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

### Cash and Investments

1. We recalculated the November 30, 2021 and November 30, 2020 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2019 beginning fund balances recorded to the November 30, 2019 balances in the prior year audited statements. We found a difference of \$668. We also agreed the December 1, 2020 beginning fund balances for each fund recorded to the November 30, 2020 balances. We found no exceptions.
3. We agreed the 2021 and 2020 bank reconciliation as of November 30, 2021 and 2020 to the total fund cash balances reported in the Trial Balance Report and the financial statements filed by the Society in the Hinkle System. There was a \$668 difference in 2021 and a \$668 variance in 2020.

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4. We confirmed the November 30, 2021 bank account balances with the Society's financial institutions. We also agreed the confirmed balances to the amounts appearing in the November 30, 2021 bank reconciliation. For 5 of the Society's 19 accounts the confirmed amount does not agree to the Society's trial balance report, resulting in net variances of \$906. For 1 of these accounts, support was provided that shows the variance is the result of unposted interest and bank fees totaling \$16. No support was provided for the remaining variance of \$890 related to three certificates of deposits and a checking account.
5. We selected five reconciling debits (such as outstanding checks) from the November 30, 2021 bank reconciliation:
  - a. We traced each debit to the subsequent December and January bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the check register and determined the debits were dated prior to November 30. We found no exceptions.
6. We inspected investments held at November 30, 2021 and November 30, 2020 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code §§ 135.13 or 135.14. We found no exceptions.

#### **Intergovernmental Receipts**

1. We selected a total of five receipts from the Distribution Transaction Detail Report (State DTL) and the County Auditor's Vendor History Report from 2021 and a total of five from 2020.
  - a. We compared the amount from the above named reports to the amount recorded in the Transaction Detail Report. The amounts agreed.
  - b. We inspected the Transaction Detail Report to determine these receipts were allocated to the proper account codes. We found three receipts that were incorrectly posted to account codes. However, because we did not inspect all intergovernmental receipts, our report provides no assurance regarding whether or not other similar errors occurred.
  - c. We inspected the Transaction Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

#### **Admission/Grandstand Receipts**

We selected admission/grandstand cash receipts for the 2021 fair from the year ended November 30, 2021 recorded in the Transaction Detail Report and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts did not agree with a difference of \$493.

For 2021, the amount recorded in the receipt ledger was \$354,818.

- a. The ticket sales recapitulation reported 49,174 regular and 3,282 senior tickets sold.
- b. The admission price per ticket was \$7 for regular and \$3 for seniors.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$354,064. We also noted \$261 of overages in drawers. There were total of \$354,325 in admissions which is less then the amount recorded by \$493.

### **Privilege Fee Receipts**

We selected 10 privilege fee cash receipts from the year ended November 30, 2021 and 10 privilege fee cash receipts from the year ended November 30, 2020 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Transaction Detail Report. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the Transaction Detail Report to determine whether the receipt was recorded in the proper year. We found no exceptions.

### **Rental Receipts**

We selected 10 rental cash receipts from the year ended November 30, 2021 and 10 rental cash receipts from the year ended November 30, 2020 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Transaction Detail Report. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found three transactions in which we could not recalculate fees or agree to supporting documents. However, because we did not inspect all rental receipts, our report provides no assurance regarding whether or not other similar errors occurred.
- c. Inspected the Transaction Detail Report to determine whether the receipt was recorded in the proper year. We found no exceptions.

### **Other Receipts**

We selected 10 other receipts from the year ended November 30, 2021 and 10 other receipts from the year ended November 30, 2020 and:

- a. Agreed the receipt amount recorded in the Transaction Detail Report to supporting documentation. We noted one transaction that did not agree to the supporting documentation. However, because we did not inspect all other receipts, our report provides no assurance regarding whether or not similar errors occurred.
- b. Confirmed the amounts charged complied with rates in force during the period. We found two transactions in which there was no fee schedule or support to recalculate the fees charged. However, because we did not inspect all other receipts, our report provides no assurance regarding whether or not similar errors occurred.
- c. Inspected the Transaction Detail Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of November 30, 2019.
2. We inquired of management, and inspected the receipt and expenditure records for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. We noted the Society received a Small Business Administration Paycheck Protection Program (PPP) loan in the amount of \$24,400 during 2020 and a second PPP loan in the amount to of \$24,400 in 2021. Both PPP loans were approved for loan forgiveness. Therefore, there were no debt service payments made and no outstanding debt balances as of November 30, 2021.
3. We agreed the amount of debt proceeds received for 2021 and 2020 from the debt documents to amounts recorded in the Receipt Ledger. The amounts agreed.

4. For new debt issued during 2021 and 2020, we inspected the debt legislation. The Society must use the proceeds to for 25% utilities and 75% payroll. We inspected the expenditure ledger and observed the Society purchased used proceeds for utilities and payroll as required by debt legislation. We found no exceptions.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Transaction Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Transaction Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
    - i. We inspected the provided files for the Retirement system, Federal, State & Local income tax withholding authorization.
    - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found one instance where an employee was paid for four hours less than the hours recorded on their time card. We also found four instances where the employee did not have an approved pay rate and noted the Society did not maintain state or local tax withholding authorization forms for any employee. Because we did not compare all time cards or recalculate pay for all employees, our report provides no assurance whether or not other similar errors occurred.

2. We inspected the last remittance of tax and retirement withholdings for the year ended November 30, 2021 to confirm remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2021. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2022	December 1, 2021	\$2,085	\$2,085
State income taxes	December 15, 2021	December 1, 2021	\$306	\$306
Local income tax	December 16, 2021	December 1, 2021	\$353	\$353
School district income tax	December 15, 2021	December 1, 2021	\$216	\$216

We found no exceptions.

### **Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the Transaction Detail Report for the year ended November 30, 2021 and 10 from the year ended November 30, 2020 and determined whether:
  - a. The disbursements were for a proper public purpose. We found one instance where the Society paid sales taxes totaling \$85 although the Society is tax exempt. However, because we did not inspect all non-payroll disbursements, our report provides no assurance regarding whether or not other similar errors occurred.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Transaction Detail Report and to the names and amounts on the supporting invoices. We found one instance lacking supporting documentation to ensure the correct amount was paid. However, because we did not inspect all non-payroll disbursements, our report provides no assurance regarding whether or not other similar errors occurred.
  - c. Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

### **Sunshine Law Compliance**

1. We obtained and inspected the Society's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2.
  - a. We inquired with Society management and determined that the Society did not have any completed public records requests during the engagement period.
  - b. The Society did not have any denied public records requests during the engagement period.
  - c. The Society did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Society had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Society's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We inquired with Society management and determined that the Society's poster describing their Public Records Policy was not displayed conspicuously in all branches of the Society as required by Ohio Rev. Code § 149.43(E)(2).
7. We did not select any applications submitted to the Records Commission for one-time disposal of obsolete records, and management's review of the schedules of records retention and dispositions for the engagement period. The Society is not subject to the Ohio Rev. Code records authority. Therefore this step is not applicable and applications were not inspected or inquired about.
8. We inquired with Society management and determined that the Society did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).

9. We inspected the public notices for the public meetings held during the engagement period and determined the Society notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
  - a. Executive sessions were only held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found that four of the six executive sessions taken during meetings did not have a documented purpose for going into executive session. As the purposes/general subject matter of the executive sessions were not properly documented in meeting minutes as required by Ohio Rev. Code § 121.22, it was not evident that those four executive sessions were properly held for purposes that correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).

### **Other Compliance**

1. Ohio Rev. Code § 117.38 requires Societies to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Entity filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended November 30, 2021 and 2020 in the Hinkle system. We found no exceptions.

We were engaged by the Society to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination, or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Society's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Society and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

June 1, 2023

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# OHIO AUDITOR OF STATE KEITH FABER



**FAIRFIELD COUNTY AGRICULTURAL SOCIETY**

**FAIRFIELD 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 7/6/2023**

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

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[www.ohioauditor.gov](http://www.ohioauditor.gov)