

**KNOX COUNTY  
AGRICULTURAL SOCIETY  
KNOX COUNTY, OHIO**

**REGULAR AUDIT**

**FOR THE FISCAL YEARS ENDED  
NOVEMBER 30, 2020 AND 2019**



OHIO AUDITOR OF STATE  
KEITH FABER



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

Board of Directors  
Knox County Agricultural Society  
P.O. Box 707, 601 Fairgrounds Road  
Mt. Vernon, Ohio 43050

We have reviewed the *Independent Auditor's Report* of Knox County Agricultural Society, Knox County, prepared by Julian & Grube, Inc., for the audit period December 1, 2018 through November 30, 2020. 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. Knox County Agricultural Society is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 21, 2021

**This page intentionally left blank.**

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor’s Report .....	1 - 2
Financial Statements:	
Statement of Receipts, Disbursements, and Change in Fund Balance (Regulatory Cash Basis) For the Fiscal Year Ended November 30, 2020.....	3
Notes to the Financial Statement For the Fiscal Year Ended November 30, 2020.....	4 - 9
Statement of Receipts, Disbursements, and Change in Fund Balance (Regulatory Cash Basis) For the Fiscal Year Ended November 30, 2019.....	10
Notes to the Financial Statement For the Fiscal Year Ended November 30, 2019.....	11 - 15
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 <i>Government Auditing Standards</i> .....	16 - 17
Schedule of Findings and Responses.....	18 - 22
Summary Schedule of Prior Audit Findings.....	23

**This page intentionally left blank.**

## Independent Auditor's Report

Knox County Agricultural Society  
Knox County  
601 Fairgrounds Road  
P.O. Box 707  
Mount Vernon, Ohio 43050

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements as of and for the fiscal years ended November 30, 2020 and 2019, and the related notes of the Knox County Agricultural Society, Knox County, Ohio.

### ***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 of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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 financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. 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 Knox County Agricultural Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Knox County Agricultural 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 evaluating 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, the financial statements are prepared by the Knox County Agricultural Society, on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D).

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though the Knox County Agricultural Society does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the "Unmodified 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 Knox County Agricultural Society, as of November 30, 2020 and 2019, or changes in net position, or cash flows thereof for the fiscal years then ended.

***Unmodified 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 as of and for the fiscal years ended November 30, 2020 and 2019, and related notes of the Knox County Agricultural Society, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 2.

***Emphasis of Matter***

As described in Note 9 to the financial statements for the fiscal year ended November 30, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Knox County Agricultural Society. Our opinions are not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2021, on our consideration of the Knox County Agricultural 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Knox County Agricultural Society's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Knox County Agricultural Society's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
August 27, 2021



**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN FUND BALANCE (REGULATORY CASH BASIS)  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2020**

**Operating Receipts:**

Admissions	\$	655
Privilege Fees		5,106
Sustaining and Entry Fees		33,498
Pari-mutuel Wagering Commission		955
Rentals		75,335
Other Operating Receipts		490
<b>Total Operating Receipts</b>		<u>116,039</u>

**Operating Disbursements:**

Utilities		47,495
Professional Services		46,763
Equipment and Grounds Maintenance		50,401
Property and Rent Services		55,462
Race Purse		94,936
Capital Outlay		27,900
Senior Fair		1,646
Junior Fair		39,525
Other Operating Disbursements		52,805
<b>Total Operating Disbursements</b>		<u>416,933</u>

Excess of Operating Disbursements

Over Operating Receipts		<u>(300,894)</u>
-------------------------	--	------------------

**Non-Operating Receipts (Disbursements):**

State Support		63,805
County Support		57,160
Donations/Contributions		222,229
Investment Income		745
Sale of Assets		4,050
Debt Service		(40,145)
<b>Net Non-Operating Receipts (Disbursements)</b>		<u>307,844</u>

Excess of Receipts Over Disbursements

6,950

Cash Balance, Beginning of Year

135,919

**Cash Balance, End of Year**

\$ 142,869

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

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2020

**NOTE 1 - REPORTING ENTITY**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Knox County Agricultural Society, Knox County, Ohio (the "Society"), as a body corporate and politic. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1849 to operate an annual agricultural fair. The Society sponsors the week-long Knox County Fair during July. During the fair, harness races are held. Knox County is not financially accountable for the Society. The Board of Directors manage the Society. The Board is made up of twenty-three directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Knox 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 include facility rental, track and stall rental, storage rental, and other community events. The reporting entity does not include any other activities or entities of Knox County, Ohio.

The Junior Fair Board's financial activity are reported in the Society's financial statement.

Note 8 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**

**A. Basis of Presentation**

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

**B. Basis of Accounting**

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). The basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

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

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. 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. The Society did not have any investments for the fiscal year ended November 30, 2020.

The Society maintains an interest-bearing checking account, savings account and money market account.

**D. Property, Plant, and Equipment**

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

**E. 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.

**F. Race Purse**

Harness Racing Stakes races are held during the Knox 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 Home Talent Colt Stakes Association pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement reports these fees as Sustaining and Entry Fees.

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

**G. 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.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2020

**NOTE 3 - DEPOSITS**

The Society maintains a deposits pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits as of the year ended November 30, 2020 was as follows:

	2020
Demand Deposits	\$ 59,977
Savings Account	70,634
Money Markets	12,258
Total Deposits	\$ 142,869

Deposits are insured by the Federal Deposit Insurance Corporation.

**NOTE 4 - HORSE RACING**

State Support Portion of Purse

The financial statement reports Ohio Fair Funds money, received to supplement purse for the fiscal year ended November 30, 2020 in the amount of \$7,788, as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompanying 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 Services Disbursements. State taxes, 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.

	2020
Total Amount Bet (Handle)	\$ 4,590
Less: Payoff to Bettors	(3,635)
Pari-mutuel Wagering Commission	955
State Tax	(146)
Society Portion	\$ 809

**NOTE 5 - COUNTY ALLOCATION**

In 2009, the Knox County Commissioners authorized the issuance of \$600,000 of notes in anticipation of bonds for the purpose of acquiring real property for use by the Knox County Fair Board. It is agreed that future payments on the mortgage shall be made on a semi-annual, alternating basis between the Commission and Fair Board. In 2013, Knox County issued refunding bonds and used the proceeds to pay off the anticipation notes in 2014.

Knox County allocated \$12,160 in grant monies during 2020 to the Fair Board for operations. Allocations are reported as part of County Support in the financial statement.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2020

**NOTE 6 - RISK MANAGEMENT**

The Society is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

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 Society'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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2020:

	<u>2020</u>
Cash and investments	\$40,318,971
Actuarial liabilities	\$14,111,510

**NOTE 7 - DEBT**

The Knox County Commissioners issued a refunding bond in a joint venture with the Society in 2013 in the amount of \$514,682, starting on June 1, 2014, for the purpose of acquiring real property. The Society and Knox County must pay their portions of the bond annually at a fixed interest rate of 2.15%.

Amortization of the Society's portion of the above debt is scheduled as follows:

<u>Fiscal Year Ending:</u>	<u>Refunding Bond Principal</u>	<u>Refunding Bond Interest</u>	<u>Total</u>
2021	\$ 30,050	\$ 1,661	\$ 31,711
2022	30,689	1,006	31,695
2023	31,328	338	31,666
	<u>\$ 92,067</u>	<u>\$ 3,005</u>	<u>\$ 95,072</u>

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2020

**NOTE 7 – DEBT - (Continued)**

The Society entered into a loan contract with John Deere Financial during 2019 for the purchase of a utility tractor. The amount financed totaled \$40,274. This will be repaid in 5 equal annual installments of \$8,055. The first payment was due on July 16, 2020.

Amortization of the loan is scheduled as follows:

Fiscal Year Ending:	Tractor Principal
2021	\$ 8,055
2022	8,055
2023	8,055
2024	8,054
	\$ 32,219

**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 Knox County’s auction. Monies to cover the cost of the auction are generated through a per head commission based upon species. 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, 2020 follows:

	2020
Beginning Cash Balance	\$ 8,418
Receipts	7,438
Disbursements	(14,185)
Ending Cash Balance	\$ 1,671

**NOTE 9 - 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. The impact on the Society’s future operating costs, revenues and additional recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 10 – ACCOUNTABILITY AND COMPLIANCE**

The Society was in noncompliance with Ohio Administrative Code Section 117-2-01(B), Section 117-2-02(D) and Section 117-2-02(C)(3). The Society was also in noncompliance with Ohio Revised Code Section 9.38.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2020

**NOTE 11 – SUBSEQUENT EVENT**

In December 2020, due to the loss of receipts caused by the COVID-19 pandemic, the Society was forgiven the principal and interest obligation owed for the fiscal year ended November 30, 2021 by the Knox County Commissioners in relation to the real property bond.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN FUND BALANCE (REGULATORY CASH BASIS)  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019**

<b>Operating Receipts:</b>	
Admissions	\$ 236,101
Privilege Fees	108,009
Sustaining and Entry Fees	29,363
Pari-mutuel Wagering Commission	1,043
Rentals	93,620
Other Operating Receipts	14,006
Total Operating Receipts	482,142
 <b>Operating Disbursements:</b>	
Utilities	72,204
Professional Services	150,556
Equipment and Grounds Maintenance	60,232
Property and Rent Services	100,084
Race Purse	92,210
Capital Outlay	40,274
Senior Fair	8,570
Junior Fair	62,917
Other Operating Disbursements	86,247
Total Operating Disbursements	673,294
Excess of Operating Disbursements Over Operating Receipts	(191,152)
 <b>Non-Operating Receipts (Disbursements):</b>	
State Support	14,101
County Support	57,160
Debt Proceeds	40,274
Donations/Contributions	175,485
Investment Income	231
Debt Service	(31,680)
Net Non-Operating Receipts (Disbursements)	255,571
Excess of Receipts Over Disbursements	64,419
Cash Balance, Beginning of Year	71,500
<b>Cash Balance, End of Year</b>	<b>\$ 135,919</b>

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



**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019

**NOTE 1 - REPORTING ENTITY**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Knox County Agricultural Society, Knox County, Ohio (the "Society"), as a body corporate and politic. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1849 to operate an annual agricultural fair. The Society sponsors the week-long Knox County Fair during July. During the fair, harness races are held. Knox County is not financially accountable for the Society. The Board of Directors manage the Society. The Board is made up of twenty-three directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Knox 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 include facility rental, track and stall rental, storage rental, and other community events. The reporting entity does not include any other activities or entities of Knox County, Ohio.

The Junior Fair Board's financial activity are reported in the Society's financial statement.

Note 8 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**

**A. Basis of Presentation**

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

**B. Basis of Accounting**

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). The basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

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

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. 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. The Society did not have any investments for the fiscal year ended November 30, 2019.

The Society maintains an interest-bearing checking account, savings account and money market account.

**D. Property, Plant, and Equipment**

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

**E. 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.

**F. Race Purse**

Harness Racing Stakes races are held during the Knox 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 Home Talent Colt Stakes Association pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement reports these fees as Sustaining and Entry Fees.

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

**G. 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.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019

**NOTE 3 - DEPOSITS**

The Society maintains a deposits pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits as of the year ended November 30, 2019 was as follows:

	2019
Demand Deposits	\$ 105,379
Savings Account	18,320
Money Markets	12,220
Total Deposits	\$ 135,919

Deposits are insured by the Federal Deposit Insurance Corporation.

**NOTE 4 - HORSE RACING**

State Support Portion of Purse

The financial statement reports Ohio Fair Funds money, received to supplement purse for the year ended November 30, 2019 was \$7,543, as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompanying 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 Services Disbursements. State taxes, 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.

	2019
Total Amount Bet (Handle)	\$ 14,978
Less: Payoff to Bettors	(11,873)
Pari-mutuel Wagering Commission	3,105
Tote Service Set-up Fee	(1,200)
Tote Service Commission	(863)
State Tax	(467)
Society Portion	\$ 575

**NOTE 5 - COUNTY ALLOCATION**

In 2009, the Knox County Commissioners authorized the issuance of \$600,000 of notes in anticipation of bonds for the purpose of acquiring real property for use by the Knox County Fair Board. It is agreed that future payments on the mortgage shall be made on a semi-annual, alternating basis between the Commission and Fair Board. In 2013, Knox County issued refunding bonds and used the proceeds to pay off the anticipation notes in 2014.

Knox County allocated \$12,160 in grant monies during 2019 to the Fair Board for operations. Allocations are reported as part of County Support in the financial statement.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019

**NOTE 6 - RISK MANAGEMENT**

The Society is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

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 Society'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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2019:

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

**NOTE 7 - DEBT**

The Knox County Commissioners issued a refunding bond in a joint venture with the Society in 2013 in the amount of \$514,682, starting on June 1, 2014, for the purpose of acquiring real property. The Society and Knox County must pay their portions of the bond annually at a fixed interest rate of 2.15%.

Amortization of the Society's portion of the above debt is scheduled as follows:

<u>Fiscal Year Ending:</u>	<u>Refunding Bond Principal</u>	<u>Refunding Bond Interest</u>	<u>Total</u>
2020	\$ 29,410	\$ 2,295	\$ 31,705
2021	30,050	1,661	31,711
2022	30,689	1,006	31,695
2023	31,328	338	31,666
	<u>\$ 121,477</u>	<u>\$ 5,300</u>	<u>\$ 126,777</u>

THIS SPEACE IS INTENTIONALLY LEFT BLANK

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019

**NOTE 7 – DEBT - (Continued)**

The Society entered into a loan contract with John Deere Financial during 2019 for the purchase of a utility tractor. The amount financed totaled \$40,274. This will be repaid in 5 equal annual installments of \$8,055. The first payment is due on July 16, 2020.

Amortization of the loan is scheduled as follows:

Fiscal Year Ending:	Tractor Principal
2020	\$ 8,055
2021	8,055
2022	8,055
2023	8,055
2024	8,054
	\$ 40,274

**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 Knox County’s auction. Monies to cover the cost of the auction are generated through a per head commission based upon species. 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, 2019 follows:

	2019
Beginning Cash Balance	\$ 16,881
Receipts	10,512
Disbursements	(18,975)
Ending Cash Balance	\$ 8,418

**NOTE 9 – ACCOUNTABILITY AND COMPLIANCE**

The Society was in noncompliance with Ohio Administrative Code Section 117-2-01(B), Section 117-2-02(D) and Section 117-2-02(C)(3). The Society was also in noncompliance with Ohio Revised Code Section 9.38.

**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***

Knox County Agricultural Society  
Knox County  
601 Fairgrounds Road  
P.O. Box 707  
Mount Vernon, Ohio 43050

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements of the Knox County Agricultural Society, Knox County, Ohio, as of and for the fiscal years ended November 30, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated August 27, 2021, wherein we noted as described in Note 2 to the financial statements, the Knox County Agricultural Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. As described in Note 9 to the financial statements for the fiscal year ended November 30, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Knox County Agricultural Society.

***Internal Control over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 through 2020-005 that we consider to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Knox County Agricultural Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2020-002, 2020-003, and 2020-005.

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

The Knox County Agricultural Society's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Knox County Agricultural Society's responses were not subjected 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 Knox County Agricultural 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 Knox County Agricultural Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
August 27, 2021

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2020-001

Material Weakness – Financial Statement Presentation

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

Certain adjustments were made to the financial statements and note disclosures to properly state amounts for the fiscal years ended November 30, 2020 and 2019. The audited financial statements and note disclosures have been adjusted for the misstatements identified during the audit.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Society’s activity.

We recommend the Society design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Society should consider having an outside third-party, or board member with financial experience, perform a second review of the financial report prior to filing in the Hinkle System. Further, the Society should reach out to its auditor throughout the year if questions arise on how to properly account for receipts or disbursements. Additionally, we recommend the Society incorporate the adjustments from this audit into its future unaudited financial statements submitted via the Hinkle System.

*Client Response:* The Society will closely monitor all transactions to ensure accurate financial reporting going forward. The Society will also use the provided shell as a template only and potentially consult with an outside accounting firm to better report a more representative financial statement. The Society also plans to implement better controls of all the accounts associated with the Society and better track and increase controls of all transactions that are being reported. As stated before, the Society is in process of changing the " job " duties of the Trophy Coordinator so that the accounts under this said person will be documented more accurately, accounted for in a more timely fashion, and all transactions accounted for will include all deposit & expense receipt details. The Society will also be implementing new controls over the signature ability for the checking account procedure.

Finding Number	2020-002
----------------	----------

Material Weakness/Noncompliance – Accounting Records

Ohio Administrative Code (OAC) § 117-2-02(D) states that all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include a cash receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions should be recorded on this ledger. The local office should also maintain adequate documentation to support the amounts recorded on this ledger.



**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2020-002 - (Continued)

Furthermore, the Uniform System of Accounting for Agricultural Societies (USAAS) manual issued by the Auditor of State stipulates procedures over cash receipts for agricultural societies. In part, the USAAS states a multi-part pre-numbered receipt should be completed for each receipt. A copy of the receipt shall be given to the person or organization making the payment. The society shall account for each receipt issued or spoiled by accounting for all receipt numbers consecutively. A cash receipt shall be prepared for all cash receipts regardless of whether other documentation evidences receipt (e.g. camping contract).

In addition, OAC § 117-2-02(C)(3) states that check vouchers may be used as a written order authorizing the drawing of a check in payment of a lawful obligation of the public office. Each voucher shall contain the date, purchase order number, the account code, amount, approval, and any other required information. The local office should also attach supporting documentation to the voucher, such as vendor invoices and timely record the transaction into its manual or computerized account records. It is management’s responsibility to implement internal accounting control policies and procedures to reasonably ensure the Society’s receipts and disbursements are safeguarded and recorded. Specifically, these control procedures include the maintenance of adequate documentation to support the accuracy and completeness of receipt and disbursement records.

While the majority of this issue primarily dealt with petty cash activity, we noted certain instances in which various receipts affecting various line items could not be adequately substantiated due to lack of adequate supporting documentation like ticket reconciliations, sales forms, and event logs. Additionally, certain disbursements, primarily related to cash disbursements for services provided during the 2019 fair, could not be adequately substantiated due to lack of adequate supporting documentation like invoices, Board approvals, or event logs. Ultimately, these cash disbursements were determined to be reasonable although support was inconsistent.

Additionally, the accounting records within the Society’s accounting system lacked proper details like receipt numbers and other documentation to easily determine receipts collected were properly coded within the accounting system for certain receipts.

Without proper accounting records and support, the Society is at an increased risk of loss of receipts from theft as well as the potential for disbursements to be made without proper public purpose, which could result in a lack of accountability over financial activity or potential fraud.

We recommend the Society’s Treasurer and Board of Directors take the necessary steps to ensure the integrity of the financial records and retain adequate support of financial transactions of the Society for receipts and disbursements throughout the fiscal year.

Client Response: These areas of concern are currently being addressed by the Board and Treasurer and new controls and procedures are being assessed to ensure all transactions are sufficiently supported. The Society plans to implement better controls of all the accounts associated with the Society and better track and increase controls of all transactions that are being reported. As stated before, the Society is in process of changing the " job " duties of the Trophy Coordinator so that the accounts under this said person will be documented more accurately, accounted for in a more timely fashion, and all transactions accounted for will include all deposit & expense receipt details. The Society will also be implementing new controls over the signature ability for the checking account procedure.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2020-003

Material Weakness/Noncompliance - Timely Deposits and Cash Handling

Ohio Revised Code § 9.38 requires public money to be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. This section also stipulates if the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting officials who receive money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the next business day.

The Uniform System of Accounting for Agricultural Societies (USAAS) manual issued by the Auditor of State stipulates procedures over cash receipts for agricultural societies. In part, bank deposit slips shall be prepared daily, and cash deposited daily in the bank. Additionally, during periods of greater activity, such as the periods during and around fair week, cash should be deposited several times per day, and significant deposits at the end of the day should be deposited in the bank’s night depository and not left overnight on the fairgrounds.

While collected cash receipts were deposited with the Society’s Treasurer within reasonable timeframes and deposits were properly safeguarded, the Society did not deposit collected cash receipts with the Society’s financial institution as amounts were held for extended periods of time.

By not depositing monies with the Society’s financial institution within a reasonable period of time, not only is there increased risk of loss from burglary, misplacement, or misappropriation, but the cash is not available for disbursement or investment.

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

Client Response: The Society is attempting to deposit all money more timely and in accordance to the ORC mentioned. Unfortunately, this will always be area of struggle for the Society as everyone on the Board is a volunteer and the Secretary & Treasurer work on a part-time, 20 hours a month, basis. The Treasurer will stamp receipts as to when she receives them, and deposits will be make in accordance with ORC Rule. The Society has added a surtel teller station to the Treasurer’s office which can better allow the Society to deposit all checks from the comfort and safety of the Agricultural Society office.

Finding Number	2020-004
----------------	----------

Material Weakness – Petty Cash Activity

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

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2020-004 - (Continued)

The Society withdrew cash from its operating bank account to provide start-up funds for fair events and for cash disbursements for various fair purposes. The Society maintained support for cash withdrawals in the form of a withdrawal slip or check signed by the Treasurer and Board. However, the Board of Directors did not always approve the withdrawing of cash in the form of an official Board-approved resolution. Additionally, sufficient support for cash disbursements, such as invoices, receipts, or Board resolution, was not maintained to support the proper public purpose of certain cash disbursements. Ultimately, these cash disbursements were determined to be reasonable although support was inconsistent.

In addition, while the amounts eventually deposited agreed to the Society’s accounting system, certain cash receipts were included with the overall start-up funds for fair events. If a reconciliation over petty cash were performed, the inclusion of these cash receipts with start-up monies would make it more difficult to properly track all cash activity.

Similarly, several of the cash receipts included with the petty cash account lacked any support other than a deposit slip. These deposits were collected under normal fair operations but items like ticket reconciliations, event tracking sheets, and sales lists were not included in the audit documentation.

By not properly monitoring cash withdrawals and disbursements, the Society is at risk of funds being misused or misplaced. Also, when the Society pays cash for operations, the risk of fraud increases. Similarly, by not properly separating start-up cash from cash collections for fair activities and maintaining proper support, the Society will have more difficulty reconciling petty cash activity and is at an increased risk of loss of theft or misappropriation of assets.

We recommend the Society limit the withdrawing of cash as much as possible. If the Society must withdraw cash for start-up money, we recommend other cash receipts collected during the fair not be included with this start-up money and the exact amount of the start-up cash be redeposited into the operating bank account. If the Society determines it necessary to withdraw cash for payment of certain disbursements, we recommend a Board-approved set of policies and procedures be followed. This could include the use of a reconciliation form to track the cash withdrawn, cash spent, and any cash redeposited. Further, we recommend the Society maintain an audit trail for all cash disbursements.

*Client Response:* The Society believes that there are instances in which we must operate with cash; however, moving forward, the Society plans to limit this activity, and the Treasurer and the Board will use a form to track all activity or eventually redeposited when cash is withdrawn. The Society has also eliminated the previously used cash account, and for any vendor requesting cash payments, a check will be written to cash and properly documented what it is for along with a contract, invoice, or other proper documentation certifying the funds.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
NOVEMBER 30, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2020-005

Material Weakness/Noncompliance – Control Environment

Ohio Administrative Code (OAC) § 117-2-01(B) states that “internal control” means a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) reliability of financial reporting; (2) effectiveness and efficiency of operations; (3) compliance with applicable laws and regulations; and (4) safeguarding of assets against unauthorized acquisition, use or disposition. Furthermore, strong internal control policies and procedures over receipts and disbursements are an important aspect of the Society’s operations to ensure receipts are properly safeguarded from theft or fraud and payments are for proper public purposes.

While the Treasurer has certain control practices in place to ensure receipts and payments appear proper and the Society is able to reconcile its bank accounts, there is no central, comprehensive, or documented set of control policies and procedures for the Society. As a result, there are discrepancies between who within the Society completes a financial transaction, how it is processed, and the support maintained to ensure the financial activity is properly recorded and accurate.

By not establishing a proper documented set of controls, the Society is at increased risk of loss of receipts from burglary and misplacement, and an increased risk of disbursements being made without proper public purpose, which could result in a lack of accountability over financial activity or potential fraud. Additionally, lack of a comprehensive set of control practices and procedures increases the risk of processing transactions without proper approval or supporting documentation.

We recommend the Society establish a central set of control policies and procedures adopted by the Board of Directors and management of the Society that are well documented to ensure consistent treatment of transactions for all financial activity. We also recommend an evaluation and redesign of the practiced control policies and procedures practiced by the Society may be beneficial and should improve overall processing of financial activity.

Client Response: The Society will review and update the current control processes practiced and will adopt a comprehensive, well documented set of controls to ensure all transactions are processed with proper approval and supporting documentation. The Society is currently in process of re-writing job descriptions, duties & controls for the Secretary, Treasurer, Junior Fair Coordinator & Trophy Coordinator. The Society Treasurer is also keeping a list of all "standing" orders and plans to present them yearly for approval. The Society Treasurer will not pay anyone without proper documentation or approval by the Board and document those approvals with payments.

**KNOX COUNTY AGRICULTURAL SOCIETY  
KNOX COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
NOVEMBER 30, 2020 AND 2019**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	2017	<u>Material Weakness - Financial Statement Presentation</u> - Certain adjustments were made to the Society's ledger, financial statement and note disclosures to properly state financial statement amounts. Adjustments were made to properly account for multiple transactions in the Society's system that were classified as an incorrect line item. Additional adjustments were necessary to reclassify receipts and disbursements the Society properly recorded in its general ledger, but classified them incorrectly on the financial statement.	Not Corrected	Reissued as material weakness as finding 2020-001 as audit adjustments were posted to the Society's financial statements and related notes.
2018-002	2017	<u>Material Weakness/Noncompliance - Accounting Records</u> – The Society did not comply with Ohio Administrative Codes § 117-2-02(D) and § 117-2-02(C)(3), which outline the procedures for public offices to maintain proper records for check vouchers and cash receipts. Support for certain receipts and disbursements as well as some cash withdrawals activity, wasn't always present or complete.	Not Corrected	Reissued as material weakness /noncompliance as finding 2020-002 as the Society had certain transactions in which there was lack of proper supporting documentation.
2018-003	2018	<u>Material Weakness/Noncompliance – Timely Deposits and Cash Handling</u> - The Society held funds of varying amounts greater than the allowable 1 or 3 business days without depositing them in accordance with the Ohio Revised Code Section 9.38 and the Uniform System of Accounting for Agricultural Societies manual issued by the Auditor of State.	Not Corrected	Reissued as material weakness /noncompliance as finding 2020-003 as the Society held deposits for excessive periods of time before depositing collections with the Society's financial institution.

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**KNOX COUNTY AGRICULTURAL SOCIETY**

**KNOX 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 10/5/2021**

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)