



OHIO AUDITOR OF STATE  
**KEITH FABER**





**HAMILTON COUNTY AGRICULTURAL SOCIETY  
HAMILTON COUNTY  
NOVEMBER 30, 2023-2022**

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## INDEPENDENT AUDITOR'S REPORT

Hamilton County Agricultural Society  
Hamilton County  
7700 Vine Street  
Cincinnati, Ohio 45216

To the Board of Directors:

### Report on the Audit of the Financial Statements

#### ***Qualified and Adverse Opinions***

We have audited the financial statements of the Hamilton County Agricultural Society, Hamilton County, Ohio (the Society), which comprises the cash balances, receipts and disbursements for the governmental fund type as of and for the years ended November 30, 2023 and 2022, and the related notes to the financial statements.

#### ***Additional Opinion Qualifications***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statement referred to above present fairly, in all material respects, the cash balances, receipts and disbursements as of and for the years ended November 30, 2023 and 2022, and the related notes of the Hamilton County Agricultural Society, Hamilton County, Ohio, in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit, described in Note 2.

#### ***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* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position thereof for the years then ended.

#### ***Basis for Additional Opinion Qualification***

We were unable to obtain sufficient appropriate audit evidence supporting completeness, classification, and accuracy of the \$52,611 Admissions receipts, \$27,554 Privilege Fees receipts, \$80,162 Rentals receipts, and \$14,184 Other Operating receipts for the year ended November 30, 2023, which is 100 percent of total operating receipts for the year ended November 30, 2023; and, we were unable to obtain sufficient appropriate audit evidence supporting completeness, classification, and accuracy of the \$55,520 Admissions receipts, \$22,117 Privilege Fees receipts, \$95,739 Rentals receipts, and \$12,652 Other Operating receipts for the year ended November 30, 2022, which is 100 percent of total operating receipts for the year ended November 30, 2022. Consequently, we were unable to determine whether any adjustment to these amounts was necessary.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Society, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

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

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

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2025, on our consideration of the Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 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 Society's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
June 16, 2025

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**Hamilton County Agricultural Society**  
*Hamilton County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended November 30, 2023*

<b>Operating Receipts</b>	
Admissions	\$50,121
Privilege Fees	22,453
Rentals	84,718
Other Operating Receipts	15,552
	<hr/>
<i>Total Operating Receipts</i>	172,844
	<hr/>
<b>Operating Disbursements</b>	
Wages and Benefits	63,576
Utilities	32,046
Professional Services	101,381
Equipment and Grounds Maintenance	4,731
Property and Rent Services	17,104
Senior Fair	28
Other Operating Disbursements	23,761
	<hr/>
<i>Total Operating Disbursements</i>	242,627
	<hr/>
<i>Excess (Deficiency) of Operating Receipts</i>	
<i>Over (Under) Operating Disbursements</i>	(69,783)
	<hr/>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	48,267
Local Support	3,200
Donations/Contributions	17,905
	<hr/>
<i>Net Non-Operating Receipts (Disbursements)</i>	69,372
	<hr/>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(411)
	<hr/>
Cash Balance, Beginning of Year	16,119
	<hr/>
<i>Cash Balance, End of Year</i>	\$15,708
	<hr/>

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

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**Agricultural Society of Hamilton County**  
*Hamilton County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2023*

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**Note 1 – Reporting Entity**

The Agricultural Society of Hamilton County (the Society), Hamilton 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 1845 to operate an annual agricultural fair. The Society sponsors the week – long Hamilton County Fair during August. Hamilton County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 11 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Hamilton 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. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including the monthly food giveaway involving the county and other organizations, recycling days, Tow and Treat, Cincy Speedway Gate Split, Swap Meets and Antiques Sales. The reporting entity does not include any other activities or entities of Hamilton County, Ohio.

The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**Agricultural Society of Hamilton County**  
*Hamilton County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2023*

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***Capital Assets***

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

**Note 3 – Deposits and Investments**

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

	<u>2022</u>
Demand deposits	\$15,708

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 4 – Risk Management**

The Society has insurance through PEP and pays a monthly premium based on the numbers from the previous year's gate count.

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 officials' liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Hamilton County Commissioners provide general insurance coverage for all the buildings on the Hamilton County Fairgrounds pursuant to Ohio Revised Code Section 1711.24.

**Note 5 – Related Party Transactions**

The Society has Board Members that are related. Additionally, the Treasurer and Superintendent are related to one another and to a board member.

**Hamilton County Agricultural Society**  
*Hamilton County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended November 30, 2022*

<b>Operating Receipts</b>	
Admissions	\$55,520
Privilege Fees	22,117
Rentals	104,991
Other Operating Receipts	12,652
	<hr/>
<i>Total Operating Receipts</i>	195,280
	<hr/>
<b>Operating Disbursements</b>	
Wages and Benefits	70,988
Utilities	57,722
Professional Services	60,919
Equipment and Grounds Maintenance	32,220
Property and Rent Services	31,851
Senior Fair	193
Other Operating Disbursements	37,186
	<hr/>
<i>Total Operating Disbursements</i>	291,079
	<hr/>
<i>Excess (Deficiency) of Operating Receipts</i>	
<i>Over (Under) Operating Disbursements</i>	(95,799)
	<hr/>
<b>Non-Operating Receipts (Disbursements)</b>	
Local Support	3,200
Donations/Contributions	11,344
Sale of Assets	1,142
	<hr/>
<i>Net Non-Operating Receipts (Disbursements)</i>	15,686
	<hr/>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	(80,113)
	<hr/>
Cash Balance, Beginning of Year	96,232
	<hr/>
<i>Cash Balance, End of Year</i>	\$16,119
	<hr/>

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

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**Agricultural Society of Hamilton County**  
*Hamilton County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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**Note 1 – Reporting Entity**

The Agricultural Society of Hamilton County (the Society), Hamilton 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 1845 to operate an annual agricultural fair. The Society sponsors the week – long Hamilton County Fair during August. Hamilton County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 11 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Hamilton 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. Other year-round activities at the fairgrounds including facility rental, track and stall rental, and community events including the monthly food giveaway involving the county and other organizations, recycling days, Tow and Treat, Cincy Speedway Gate Split, Swap Meets and Antiques Sales. The reporting entity does not include any other activities or entities of Hamilton County, Ohio.

The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Society recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**Agricultural Society of Hamilton County**  
*Hamilton County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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***Capital Assets***

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

**Note 3 – Deposits and Investments**

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

	<u>2022</u>
Demand deposits	\$16,119

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 4 – Risk Management**

The Society has insurance through PEP and pays a monthly premium based on the numbers from the previous year's gate count.

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 officials' liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Hamilton County Commissioners provide general insurance coverage for all the buildings on the Hamilton County Fairgrounds pursuant to Ohio Revised Code Section 1711.24.

**Note 5 – Related Party Transactions**

The Society has Board Members that are related. Additionally, the Treasurer and Superintendent are related to one another and to a board member.





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

Hamilton County Agricultural Society  
Hamilton County  
7700 Vine Street  
Cincinnati, Ohio 45216

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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for the governmental fund type as of and for the years ended November 30, 2023 and 2022, and the related notes to the financial statements of the Hamilton County Agricultural Society, Hamilton County, Ohio (the Society), and have issued our report thereon dated June 16, 2025, wherein we noted the Society followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also qualified the opinion since we were unable to obtain sufficient appropriate audit evidence supporting completeness and accuracy over operating receipts.

***Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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 Society's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2023-001 through 2023-006 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings as item 2023-007 to be a significant deficiency.

***Report on 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 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 as items 2023-006 and 2023-008.

***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.



Keith Faber  
Auditor of State  
Columbus, Ohio  
June 16, 2025

**HAMILTON COUNTY AGRICULTURAL SOCIETY  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2023 AND 2022**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2023-001**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Term of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in the Society's internal controls over financial reporting, the following conditions related to the Society's financial statements and accounting records were identified:

- Admissions receipts and Privilege Fees receipts were understated by \$2,490 and \$5,101, respectively, while Rental receipts, Donations/Contributions receipts, and Other Operating receipts were overstated by \$4,556, \$2,398, and \$1,368, respectively, for 2023.
- Wages and Benefits disbursements, Equipment and Grounds Maintenance disbursements, and Other Operating disbursements were overstated by \$5,309, \$10,842, and \$6,201, respectively, while Professional Services disbursements, Property and Rent Services disbursements, and Utilities disbursements were understated by \$19,773, \$1,719, and \$1,591, respectively, for 2023.
- Property and Rent Services disbursements and Other Operating disbursements were overstated by \$4,998 and \$494, respectively, for 2022.
- Rentals receipts were understated by \$9,252 for 2022.
- Equipment and Grounds Maintenance disbursements, Professional Services disbursements, Property and Rent Services disbursements, Senior Fair disbursements, Utilities disbursements, Wages and Benefits disbursements, and Other Operating disbursements were overstated by \$1,577, \$4,631, \$1,316, \$108, \$5,321, \$1,657, and \$2,883, respectively, for 2022 due to the inclusion of disbursements from November 2021.

The financial statements have been adjusted for these errors. The Society did not have procedures in place for effective monitoring of the Society's financial activity, and the accuracy of accounting and financial reporting. It is important that the Board take an active role in monitoring the posting and reporting of such activity. Failure to accurately post and monitor financial activity increases the risk that errors, theft, and fraud could occur and not be detected in a timely manner.

Due care should be exercised when posting entries to the financial records and financial statement preparation. The Society officials should review the Auditor of State Uniform System of Accounting for Agricultural Societies Manual and the chart of accounts to assure that items are being posted to the proper account codes and funds, and update control procedures for review of financial activity so that errors can be detected and corrected in a timely manner.

## **FINDING NUMBER 2023-002**

### **Material Weakness – Cash Reconciliation Process Errors**

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Treasurer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board and/or other administrator are responsible for reviewing the reconciliations and related support.

Monthly bank to book reconciliations were not prepared or reviewed each month of 2023 and 2022. The Treasurer did not prepare formal reconciliations since most months the total bank balance agreed to the accounting system balance without any reconciling items. Failure to reconcile monthly increases the possibility that the Society will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Treasurer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

## **FINDING NUMBER 2023-003**

### **Material Weakness – Purchasing Cycle Deficiencies**

The maintenance of supporting documentation for non-payroll disbursements is an integral part of a sound and properly functioning control environment to support management's assertions of accuracy and completeness and to substantiate that disbursements were made for proper public purposes.

Page 7 of the AOS Uniform System of Accounting for Agricultural Societies manual states, in part, that expenses shall be recorded, when paid, in the appropriate expense account and that sufficient documentation shall be retained to support the expense. Such documentation may include invoices, receipts, purchase orders, contracts, or other documentation of what was purchased, from whom it was purchased, and the purpose of the purchase if not otherwise obvious from the existing documentation.

The following conditions related to management controls over the non-payroll disbursements for 2023 and 2022 were identified:

- There was no formal approval process for expenditures including those made by debit card and credit card such as by using purchase orders.
- Checks were not issued in sequential order.
- One check dated August 21, 2023 was issued and cleared the Society's bank account on August 17, 2023.

**FINDING NUMBER 2023-003**  
**(Continued)**

- The Society failed to maintain supporting invoice documentation for 14 disbursements selected for testing:

Method of Payment	Vendor	Description	Transaction Date	Amount
Check No. 28976	Walker Funeral Home	Donation in a fair support's memory	5/3/22	\$500.00
Check No. 29044	Dan Egbert	Blow up rides for fair	8/16/22	9,500.00
Check No. 5093	Second Line Services	Fair gates and parking services	8/17/23	10,545.00
ACH	Hamilton County Clerk of Courts	Court judgment from most civil suit	5/12/22	6,353.00
Debit Card	Hyatt Regency	Two hotel rooms for annual fair manager convention	1/11/22	1,493.04
Debit Card	Oakes Hauling	Debris removal	6/27/22	365.00
Debit Card	Oakes Hauling	Debris removal	7/6/22	598.00
Debit Card	Oakes Hauling	Debris removal	7/7/22	299.00
Debit Card	Oakes Hauling	Debris removal	7/22/22	165.00
Debit Card	Oakes Hauling	Debris removal	8/2/22	600.00
Debit Card	Oakes Hauling	Debris removal	8/9/22	598.00
Debit Card	Mills Fence	Fencing	8/2/23	158.30
Debit Card	Palm Portable Restrooms LLC	Port-a-potties	9/12/23	1,000.00

By performing alternative procedures, we determined that these expenditures were for a proper public purpose.

- The Society failed to maintain supporting invoice documentation for five disbursements where a proper public purpose could not be determined; see Finding Number 2023-006.

Failure to establish an approval process for non-payroll disbursements may result in expenditures which are not for proper public purposes. Failure to maintain supporting documentation for non-payroll disbursements could result in the Society paying for goods and services which were not received, results in an insufficient audit trail, and increases the likelihood of fraudulent transactions.

To help ensure that non-payroll disbursements are made for proper public purposes and that expenditures are made in accordance with the Society's budget, the Society should establish a process for approval of non-payroll disbursements. In addition, procedures should be established to ensure that supporting documentation for all purchases of goods and services is maintained and available for inspection.

#### **FINDING NUMBER 2023-004**

##### **Material Weakness – Payroll Cycle Deficiencies**

When designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

All public officials and management are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the operations of their respective public offices, and to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and reports its transactions.

The following conditions related to management controls over the payroll disbursements for 2023 and 2022 were identified:

- There was no evidence the employee pay rates for the Superintendent and temporary workers were approved by the Board in the minutes or via signed employment contracts.
- All Society full-time employees and temporary workers are classified as independent contractors rather than as employees. No federal, state, and local taxes or pension contributions were withheld and remitted.

Failure to maintain accurate and complete payroll records could result in a lack of financial accountability, errors in the computations of employees' gross pay, and increases the risk that theft, fraud, or errors could occur and not be detected in a timely manner.

The Society should exercise due care in maintaining necessary payroll records and implement control procedures for the approval of employee pay rates and timecards. Furthermore, reclassifying employees as independent contractors may not have been appropriate.

This issue is being referred to the Internal Revenue Service, the Ohio Department of Taxation, and the Ohio Public Employees Retirement System.

#### **FINDING NUMBER 2023-005**

##### **Material Weakness – Operating Receipts Cycle Deficiencies**

All public officials and management are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the operations of the respective public office. Adequate controls over receipts are essential to provide assurance that collections are accurate, complete, and properly classified for financial reporting purposes.

The following conditions related to management controls over the Society's receipts were identified:

- Schedules of approved fees, rental contracts, or other documentation to support the accuracy and classification of receipts were not maintained for:
  - a. Seven of seven Admissions receipts tested (100%) for 2023 and seven of seven Admissions receipts tested (100%) for 2022;
  - b. Seven of seven Privilege Fees receipts tested (100%) for 2023 and five of six Privilege Fees receipts tested (83%) for 2022;

**FINDING NUMBER 2023-005**  
**(Continued)**

- c. Seven of nine Rental receipts tested (78%) for 2023 and four of nine Rental receipts tested (44%) for 2022;
- d. One of six Other Operating receipts tested (17%) for 2023 and two of four Other Operating receipts tested (50%) for 2022.
- The manual receipt book was not used for:
  - a. Five of seven Admissions receipts tested (71%) for 2023 and six of seven Admissions receipts tested (86%) for 2022;
  - b. Three of seven Privilege Fees receipts tested (43%) for 2023 and three of six Privilege Fees receipts tested (50%) for 2022;
  - c. Three of nine Rental receipts tested (33%) for 2023 and one of nine Rental receipts tested (11%) for 2022;
  - d. Three of six Other Operating receipts tested (50%) for 2023 and two of four Other Operating receipts tested (50%) for 2022.
- The Society used Square Inc., a peer-to-peer payment application for cash receipts. Supporting documentation was not maintained to support the description and amounts received for:
  - a. One Rentals receipt totaling \$3,995 in 2023 and one Rentals receipt totaling \$4,451 in 2022.
  - b. One Privilege Fees receipt totaling \$881 in 2023 and two Privilege Fees receipts totaling \$3,497 in 2022.
  - c. One Admissions receipt totaling \$2,406 in 2023.

Due to these conditions, it was not possible to determine that the proper rates were charged or proper amounts were collected due to the lack of support. Failure to maintain adequate receipt records eliminates a significant control point, obscures the audit trail, and provides for the opportunity for errors and/or irregularities to occur and remain undetected for an extended period.

These conditions resulted in a qualified opinion over the Admissions, Privilege Fees, Rentals, and Other Operating receipts line items.

Controls should be implemented over the receipting process to assure that all receipts are properly accounted for. Such controls should include the following:

- Maintaining supporting documentation for all receipts, including duplicate receipts.
- Maintaining schedules of Board approved fees, rental contracts, etc.

**FINDING NUMBER 2023-006**

**Material Weakness/Finding for Recovery**

During 2022 and 2023, the Society's former Treasurer issued the disbursements, summarized below, for which supporting documentation was not maintained to substantiate that the expenditures served a lawful purpose of the Society.

Method of Payment	Authorizing Official(s)	Vendor	Transaction Date	Amount
Cash Withdraw	Tonya Eisner-Elliott	Tonya Eisner-Elliott	1/4/22	\$400.00
Cash Withdraw	Tonya Eisner-Elliott	Benjamin Birt	5/17/23	1,800.00
Cash Withdraw	Tonya Eisner-Elliott	Benjamin Birt	4/20/23	1,125.00
ACH	Tonya Eisner-Elliott	Fifth Third Bank Credit Card	4/25/23	9,791.56
Total				\$13,116.56

The Society's former Treasurer Tonya Eisner-Elliott authorized the cash withdrawal transactions above and maintained no documentation to support that these expenditures served a lawful purpose of the Society. The cash withdrawal slip for \$400 to Tonya Eisner-Elliott had a note of "convention expenses" handwritten on the slip. Interviews with the former Treasurer indicated the \$400 cash withdrawal were for expenses related to the annual Fair Manager's Convention. No documentation was provided to corroborate the \$400 was incurred for expenses related to the convention.

Interviews with the former Treasurer further indicated that the cash withdrawals to Benjamin Birt, for which no cash withdrawal slip was available, were reimbursements for expenses that Benjamin Birt incurred for the Society. No documentation was provided to corroborate that the \$2,925 was incurred for expenses serving a lawful purpose of the Society.

Interviews with the former treasurer also indicated that the Society's account had frozen check clearing for a month due to fraudulent activity, so the bank issued her a commercial credit card to use. No credit card statement was maintained, a list of what was charged, or note of what expenses were paid via the card in the accounting ledger.

Since no supporting documentation was maintained and presented for audit for any of the above disbursements to corroborate that these were for lawful expenditures of the Society, these are illegal expenditures. In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against former Treasurer Tonya Eisner-Elliott in the amount of \$13,116.56 in favor of the Hamilton County Agricultural Society's General Fund and against Superintendent Benjamin Birt in the amount of \$2,925 in favor of the Hamilton County Agricultural Society's General Fund.



#### **FINDING NUMBER 2023-007**

##### **Significant Deficiency – Insufficient FRAQ Responses from Key Inquiries**

Auditing standards from the American Institute of Public Accountants (AICPA) outlined in AU-C 240, *Consideration of Fraud in a Financial Statement Audit*, discuss the responsibility for the prevention and detection of fraud, which lies with the Society's management and those charged with governance. AU-C 240.04 further indicates, "It is important that management, with the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance."

Additionally, as communicated in the engagement letter, management and those charged with governance are not only responsible to design and implement programs and controls to prevent and detect fraud, but also to report to us fraud of which they are aware.

Due to insufficient Fraud Risk Assessment Questionnaire responses from the Superintendent / Groundskeeper and three members of the Board of the Directors, and the lack of related assurances, additional fraud risks exist at the Society which reduce the effectiveness of the control environment. Fraud risks of a lack of communication, implementation, support, or enforcement of the Society's values or ethical standards by management were identified. Failure by officials to be knowledgeable regarding fraud risks and the system of internal control reduces the effectiveness of the control environment.

In order to mitigate the fraud risk identified above, the Society officials should draft, approve, implement, and monitor internal control policies which:

- Clearly communicate the Society's values and ethical standards, as well as any related disciplinary actions;
- Provide an understanding of the Society's programs, policies or controls so officials may actively engage in the Society's fraud risk assessment process.
- Encourage training attendance on governmental fraud risks and on internal control operations that help mitigate fraud risks.

#### **FINDING NUMBER 2023-008**

##### **Noncompliance – Debit Card Use**

**Ohio Rev. Code § 9.22** states no political subdivision may hold or utilize a debit card account, except for law enforcement purposes. Possession or use of a debit card account by a political subdivision except for law enforcement purposes is a violation of section 2913.21 of the Revised Code.

The Society utilized a debit card for purchasing in lieu of using a credit card and to reduce the quantity of warrants issued.

Using a debit card for purchasing could lead to unauthorized usage or inappropriate charges and is a violation of Ohio law. The Society should not use a debit card in accordance with Ohio law and should close the account.

##### **Officials' Response:**

We did not receive responses from Officials to the findings above.

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**HAMILTON COUNTY AGRICULTURAL SOCIETY  
HAMILTON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
NOVEMBER 30, 2023 – 2022**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-001	Annual Financial Reporting	Partially Corrected	Reissued in the Management Letter
2021-002	Minutes Deficiencies	Partially Corrected	Reissued in the Management Letter
2021-003	Financial Reporting	Not Corrected	Reissued as 2023-001
2021-004	Cash Reconciliation Process Errors	Not Corrected	Reissued as 2023-002
2021-005	Purchasing Cycle Deficiencies	Not Corrected	Reissued as 2023-003
2021-006	Payroll Cycle Deficiencies	Not Corrected	Reissued as 2023-004
2021-007	Receipt Cycle Deficiencies	Not Corrected	Reissued as 2023-005



# OHIO AUDITOR OF STATE KEITH FABER



**HAMILTON COUNTY AGRICULTURAL SOCIETY**

**HAMILTON 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 6/26/2025**

65 East State 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)