



**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY  
REGULAR AUDIT  
FOR THE YEAR ENDED NOVEMBER 30, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Receipts, Disbursements, and Change in Cash Balance - For the Year Ended November 30, 2001 .....	3
Notes to the Financial Statement .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings .....	17

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STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Warren County Agricultural Society  
Warren County  
P.O. Box 58  
Lebanon, Ohio 45036

To the Board of Directors:

We have audited the accompanying financial statement of Warren County Agricultural Society, Warren County, Ohio (the Society), as of and for the year ended November 30, 2001. This financial statement is the responsibility of the Society's management. Our responsibility is to express an opinion on this financial statement based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Society did not provide sufficient documentation supporting the stall rental receipts recorded as rental receipts on the financial statement. Without this evidential matter, we were unable to obtain sufficient information regarding the receipts recorded for the financial statement or to satisfy ourselves regarding the validity of the underlying transactions through other auditing procedures. Stall rental receipts represent 16% of operating receipts recorded on the financial statement.

As discussed in Note 1, the Society prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, except for such adjustments, if any, might have been determined to be necessary had we been able to obtain sufficient documentation supporting the Society's stall rental receipts recorded as rental receipts on the financial statement, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Society as of November 30, 2001, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Directors, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

June 20, 2002

**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED NOVEMBER 30, 2001**

	<b>2001</b>
<b>Operating Receipts:</b>	
Admissions	\$130,727
Privilege Fees	41,112
Rentals	408,361
Sustaining and Entry Fees	41,789
Parimutuel Wagering Commission	2,843
Other Operating Receipts	26,086
 Total Operating Receipts	 650,918
<b>Operating Disbursements:</b>	
Wages and Benefits	139,895
Utilities	32,522
Professional Services	71,253
Equipment and Grounds Maintenance	189,585
Race Purse	61,749
Senior Fair	19,217
Junior Fair	33,727
Capital Outlay	28,687
Other Operating Disbursements	59,619
 Total Operating Disbursements	 636,254
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	  14,664
<b>Non-Operating Receipts (Disbursements):</b>	
State Support	40,730
County Support	2,800
Restricted Support	8,600
Donations/Contributions	50
Investment Income	1,631
Debt Service	(82,534)
 Net Non-Operating Receipts (Disbursements)	  (28,723)
 Excess (Deficiency) of Receipts Over (Under) Disbursements	  (14,059)
 Cash Balance, Beginning of Year	  15,633
 <b>Cash Balance, End of Year</b>	  <b>\$1,574</b>

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

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**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Warren County Agricultural Society, Warren County, Ohio (the Society), is a body corporate and politic 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 1853 to direct the operation of an annual agricultural fair. The Society sponsors the week-long Warren County Fair during July. During the fair, harness races are held. Warren County is not financially accountable for the Society. The responsibility for management of the affairs of the Society is vested in the Board of Directors. The Board is made up of 12 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Warren County and pay an annual membership fee to the Society.

**Reporting Entity**

The reporting entity includes all activity occurring on the fairgrounds and the Society's portion of simulcast activity occurring at other locations relating to the harness races. This includes the annual fair, harness racing during fair week and simulcast relating to harness racing. Other year round activities at the fairgrounds including facility rental, track and stall rental, and community events. The reporting entity does not include any other activities or entities of Warren County, Ohio.

The financial activity of the Junior Fair Board and the Junior Livestock Sale Committee is summarized in Note 7 and Note 8, respectively.

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

**B. Basis of Accounting**

This financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Deposits**

Interest earned is recognized and recorded when received.

**D. Budgetary Process**

The Board of Directors did not adopt a budget in 2001.

**E. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Restricted Support**

Restricted support includes amounts that are required by the donor to be set aside for specific uses.

**G. Income Tax Status**

The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(v1). Management is not aware of any actions or events that would jeopardize the Society's tax status.

**H. Race Purse**

Stake races are conducted during the Warren 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, Lebanon Trotting Club, Inc., and Miami Valley Trotting, Inc. pay fees to the Society to qualify horses for entry into stake races. These payments must be made before a horse can participate in a stake race. These fees are reflected on the accompanying financial statement as Sustaining and Entry Fees.

Ohio Fairs Fund

The State of Ohio contributes money to the Society from the Ohio Fairs Fund to help supplement race purse. See Note 3 for additional information.

**I. Parimutuel 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 determined by the parimutuel wagering system. The Society contracts with a totalizer service to collect bets and provide the parimutuel wagering system.

Parimutuel wagering commission (commission) is the Society's share of total parimutuel 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 Parimutuel Wagering Commission. See Note 3 for additional information.

**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2001  
(Continued)**

**2. CASH AND DEPOSITS**

The carrying amount of cash and investments at November 30, 2001 follows:

	2001
Demand deposits	\$1,574

**Deposits:** The bank balance was covered by Federal Depository Insurance Corporation (FDIC).

**3. HORSE RACING**

State Support Portion of Purse

Ohio Fairs Fund money received to supplement purse for the year ended November 30, 2001 was \$35,443 and is included within State Support on the accompanying financial statement.

Parimutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompanying financial statement, rather, it records the Parimutuel Wagering Commission (commission) which is the Society's share of total parimutuel wagers after paying winning bettors. The expenses of providing the parimutuel wagering system are called Tote Services, and these expenses are included in Professional Service Disbursements, State taxes, which are also paid from Parimutuel Wagering Commission, are reflected in Other Operating Disbursements, and the amount remaining is the Society's net portion.

	2001
Total Amount Bet (Handle)	\$ 29,018
Less: Payoff to Bettors	(23,127)
Parimutuel Wagering Commission	5,891
Tote Service Set Up Fee	(450)
Tote Service Commission	(2,599)
State Tax	(716)
Society Portion	\$ 2,126

**4. DEBT**

Debt outstanding at November 30, 2001 was as follows:

	Principal	Interest Rate
Capital Improvement Note	\$210,000	Variable

The Capital Improvement Note bears a variable interest rate of 1% above the prime rate as published in the *Wall Street Journal*. It is currently at 6% and is due to Lebanon Citizens National Bank. Proceeds of the note were used for the construction of restroom facilities.

**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2001  
(Continued)**

**4. DEBT (Continued)**

Amortization of the above debt is scheduled as follows based on the current rate of 6%:

<u>Year ending November 30:</u>	Capital Improvement Loan	Interest	Total
2002	60,000	10,800	\$70,800
2003	60,000	7,249	67,249
2004	60,000	3,699	63,699
2005	30,000	518	30,518
Total	<u>\$210,000</u>	<u>\$22,266</u>	<u>\$232,266</u>

**5. RETIREMENT BENEFITS**

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2001, employees contributed 6.2% of their gross salaries. The Society contributed an amount equal to 6.2% of participant's gross salaries through November 30, 2001.

**6. RISK MANAGEMENT**

The Warren County Commissioners provide general insurance coverage for all the buildings on the Warren County Fairgrounds pursuant to Ohio Rev., Code Section 1711. 24. General liability coverage is provided by the Cincinnati Insurance Company with limits of \$1,000,000 aggregate. The Society also has coverage with the Cincinnati Insurance Company which includes crime coverage for employee dishonesty with limits of liability of \$15,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through August 2002.

**7. JUNIOR FAIR BOARD**

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Warren County Fair. The Society disbursed \$200 directly to the Junior Fair Board and \$33,727 directly to vendors to support Junior Fair activities. The Society was reimbursed \$500 by Warren County for its support of Junior Club work. All Junior Fair Board activity is accounted for in a separate account by the Junior Fair Board. The accompanying financial statement does not include the activities of the Junior Fair Board. The Junior Fair Board's financial activity for the year ended November 30, 2001 follows:

Beginning Cash Balance	\$ 1,311
Receipts	5,235
Disbursements	<u>(5,941)</u>
Ending Cash Balance	<u>\$ 605</u>

**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2001  
(Continued)**

**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 Warren County's auction. Monies to cover the cost of the auction are generated through a 2½ % commission assessed on the auction price and are retained by the Junior Livestock Committee. The accompanying financial statement does not include the activities of the Junior Livestock Committee. The Junior Livestock Committee's financial activity for the year ended November 30, 2001 follows:

Beginning Cash Balance	\$ 11,875
Receipts	265,573
Disbursements	<u>(271,683)</u>
Ending Cash Balance	<u><u>\$ 5,765</u></u>

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Warren County Agricultural Society  
Warren County  
P.O. Box 58  
Lebanon, Ohio 45036

To the Board of Directors:

We have audited the financial statement of the Warren County Agricultural Society, Warren County, Ohio (the Society), as of and for the year ended November 30, 2001, and have issued our report thereon dated June 20, 2002, wherein we noted the scope of our audit was restricted regarding rental receipts. Except as described in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Society's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Society in a separate letter dated June 20, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Society's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Society's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2001-60483-001 through 2001-60483-008.

Warren County Agricultural Society  
Warren County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Society in a separate letter dated June 20, 2002.

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.



**Jim Petro**  
Auditor of State

June 20, 2002

**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2001**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2001-60483-001**

**Reportable Condition – Reconciliations**

The Society did not prepare complete or accurate reconciliations between the bank balance and the Society's fund balances. Reconciliations were performed for only one month of the audit period and the one reconciliation was not complete. Reconciliations are an effective tool to help management determine the completeness of recorded transactions, as well as, ensure that all recorded transactions have been deposited with the financial institution. Inaccurate reconciliations can cause fund balances to be overstated or understated. We recommend the Society properly reconcile the account on a monthly basis. The reconciled checking account balance (bank balance less outstanding checks plus deposits in transit should) should equal the total fund balance. Any variances should be immediately investigated and justified. We also recommend that a Board member review and sign off on the reconciliation thereby indicating approval and ensuring timeliness of reconciliations.

**FINDING NUMBER 2001-60483-002**

**Reportable Condition – Receipts and Expenditures**

The Agricultural Society Secretary should maintain the books of the Society and exhibit accurate statements of all moneys received and expended.

An accurate record was not maintained for all moneys received by the Society. The following errors were noted:

- \$3,380 in stall rental receipts were deposited in the bank, but never recorded in the receipt ledger;
- \$115 in Junior Fair Expenses were expended, but never recorded in the expenditure ledger;
- \$206 in Bank Service Charges were assessed, but never recorded in the receipt ledger;
- A \$379.80 error in the amount of stall rent recorded in July 2001 that was never corrected by the Society;
- \$1,760 in building rental receipts were deposited in the bank, but never recorded in the receipt ledger;
- \$700 in camp site rental that was deposited in the bank, but never recorded in the receipt ledger;
- \$900 in starting gate expenses were recorded twice, but not corrected by the Society;
- \$4,267.25 in Junior Fair Expenses were expended, but never recorded in the expenditure ledger;
- \$2,861.62 In Senior Fair Expenses were expended, but never recorded in the expenditure ledger;
- \$790 in Photo Finish Expenses were recorded twice, but never corrected by the Society;
- \$135.90 in Junior Fair Expenses were recorded twice, but never corrected by the Society;
- \$100 in Senior Fair Expenses were recorded twice, but never corrected by the Society;

**FINDING NUMBER 2001-60483-002  
(Continued)**

- \$3,615 in Tractor Pull Junior Fair Expenditures were expended, but never recorded in the expenditure ledger;
- \$46.99 charge for a check purchase for the Horseman's Account was assessed, but never recorded;
- The main checking account was not reconciled at November 30, 2001. The book balance was \$96.27 over the bank balance; and
- The Society did not classify receipts and expenditures in a consistent manner between years, i.e., the Society recorded contract work under other services in 2000 and added a line item classifying contracted help under contracted help in 2001.

Failure to accurately keep the books of the Society could cause receipts, disbursements, and fund balances to be overstated or understated. Also, failure to consistently classify receipts and disbursements from one year to the next does not allow the Society to analyze increases or decreases in the types of receipts and disbursements it has for any unusual variances. These errors were corrected on the financial statements and the errors between funds were corrected by the Society in its ledgers. We recommend the Society post all entries to the receipt and disbursement ledger and to the proper fund and line item.

**FINDING NUMBER 2001-60483-003**

**Reportable Condition – Receipts**

The Society did not properly account for all receipts. We noted the following conditions relating to receipts:

- The Society did not maintain the supporting documentation for the Department of Agriculture receipt for \$5,040 recorded in January 2001;
- The Society did not have individual receipts for stall rental and privilege fee money collected. Failure to maintain proper documentation of receipts could result in a misstatement of receipts; and
- The Society recorded a receipt from the State of Ohio in the Operating Fund rather than the State and Local Fund. Failure to record receipt in the proper fund could cause the Society to use the funds for an improper purpose.

In order to strengthen internal controls over the receipting process, we recommend the Society implement the following procedures:

- Maintain copies of all the documents that it receives with receipts;
- Write and maintain a corresponding receipt for each payment to the Society for stall rent and privilege fees;
- Take due care when posting receipts to ensure receipts are posted in the proper fund and line item.

**FINDING NUMBER 2001-60483-004**

**Reportable Condition – Payroll**

The Society did not have adequate control procedures over payroll processing. The following conditions were noted concerning payroll disbursements:

- The Society does not have sufficient monitoring controls over Payroll Data and the payment of its federal taxes by Payroll Data. Failure to monitor Payroll Data and the payment of federal taxes could result in payroll errors and in federal taxes not being paid in full;
- The Society did not maintain a copy of employee's withholding or retirement enrollment forms. Failure to maintain a complete employee file could result in the Society withholding the incorrect amounts; and
- The Society did not properly approve payroll changes. In addition, the Society did not properly maintain and document time sheets. Failure to properly approve payroll changes and maintain time sheets could and did result in overpayment or underpayment of employees.

To ensure accountability and strengthen internal controls over payroll as well as provide assurance that the activity is properly handled and fairly presented on the Society's ledgers and financial reports, we recommend:

- The Society adopt procedures to monitor Payroll Data. The Society should require Payroll Data to provide reports indicating payroll and withholding amounts are properly calculated, reported, and remitted. For example, we recommend the Society use the available website to confirm that the amount of the payroll taxes withdrawn from the checking account is the same amount that is remitted to the federal government;
- The Society maintain payroll files for all employees and copies of all the documents that it sends to Payroll Data in the employees' files at the Society; and
- The Society properly approve all payroll changes and require properly approved time sheets.

**FINDING NUMBER 2001-60483-005**

**Reportable Condition – Season Ticket Sales**

The Society did not have proper internal control procedures in place for the sale of season tickets at the gate. The Society did not keep track of season tickets sold at the gate. Failure to properly reconcile ticket sales could lead to misappropriation of funds or errors could occur that are not detected in a timely manner. Ticket proceeds should be documented and verified throughout the selling and inventory process. We recommend the Society reconcile season tickets sold during the fair daily. The Society should reconcile every ticket seller daily and indicate any overage or shortage on the reconciliation. In addition, the Society should distribute tickets daily at the beginning of the day and collect unsold tickets at the end of the day when performing the reconciliation. At the end of the fair a complete summary of tickets sold, any shortages/overages and any tickets unsold should be available for review at the Secretary's office.

**FINDING NUMBER 2001-60483-006**

**Reportable Condition – Stall Rentals**

The Society does not have measures in place to ensure completeness of Stall Rental revenue activities. In addition, the Society does not ensure that stall rental applications are properly approved before it rents stalls to trainers. Failure to adopt and follow procedures for Stall Rentals could result in the Society not collecting the proper money for Stall Rentals. Failure to obtain proper stall rental agreements could result in the Society overcharging or undercharging trainers for stall rentals.

**FINDING NUMBER 2001-60483-006  
(Continued)**

We recommend the Society develop and implement procedures designed to assure completeness (i.e., all parties renting stalls have signed a contract and paid all balances) of Stall Rentals. The procedures should include the following:

- Duplicates of individual stall rental receipts;
- A record of all rented and vacant stalls each month and matching invoices to individual receipts;
- Implementing a comprehensive horse stall inventory system that includes the identification of each stall as to whether a horse is racing or not racing, the classification of the type of stall (tack, straw, vacant, occupied with racing horse or non-racing horse, etc.), the amount of rental payment and the period when the account become delinquent; and
- The Society review all stall rent applications and that it indicates approval on the stall rental application. The Society should review every stall rent application to ensure that the trainer has agreed to the terms of the rental and that the proper number of stalls are available for rent.

The Secretary's office should be the centralized clearinghouse of all pertinent information and the Board should be updated on the status report on a routine basis.

**FINDING NUMBER 2001-60483-007**

**Reportable Condition – Segregation of Duties**

The small size of the Society's staff does not allow for an adequate segregation of duties. The Secretary handles all the financial record keeping including receipting, depositing, check writing, check signing and posting. The weakness of this system is that it allows for diversion of funds through possible alteration of source documents. Also, bookkeeping errors may occur without detection in a timely manner.

We believe the following conditions indicate a need for increased oversight of management by the Board:

- Society accounts were only reconciled for one month of the audit period;
- Numerous receipts were posted to incorrect line items or not posted at all; and
- Numerous disbursements were posted to incorrect line items or not posted at all.

To ensure accountability and to strengthen internal accounting controls, officials should periodically review the records, (i.e. reconciliations, etc), to determine accuracy and to verify that proper procedures were followed by the fiscal officer. These periodic reviews should be noted in the minutes, and documents reviewed should be initialed by the reviewer.

**FINDING NUMBER 2001-60483-008**

**Reportable Condition – Checks**

The Secretary and two members of the Board sign all the checks; however, the Board members sign the checks before they are written. The safety of the checking account and the issuance of checks should be properly maintained. Signing checks before they are written could result in the issuance of checks for improper expenditures. We recommend that the Board sign the checks after they have been written to the vendor. In addition, we recommend the Society make certain that all individuals handling checking accounts are properly bonded.

**WARREN COUNTY AGRICULTURAL SOCIETY  
WARREN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
NOVEMBER 30, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain:</b></i>
1	Lack of ticket reconciliation procedures for tickets sold at the gate	No	Partially corrected, season ticket reconciliation procedures not implemented; however, regular ticket reconciliation procedures were implemented. Issued as Finding # 2001-60483-005.
2	Lack of comprehensive receipt procedures	No	Not corrected.
3	Stall rental collection procedures	No	Not corrected.
4	Maintaining signed, blank checks	No	Not corrected.





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**WARREN COUNTY AGRICULTURAL SOCIETY**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 9, 2002**