



Mary Taylor, CPA  
Auditor of State



**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

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Mary Taylor, CPA  
Auditor of State

Jackson County Agricultural Society  
Jackson County  
3362 State Route 776  
Jackson, Ohio 45640

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

September 3, 2010

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Jackson County Agricultural Society  
Jackson County  
3362 State Route 776  
Jackson, Ohio 45640

To the Board of Directors:

We were engaged to audit the accompanying financial statement of the Jackson County Agricultural Society, Jackson County, Ohio (the Society), as of and for the years ended November 30, 2009 and 2008. This financial statement is the responsibility of the Society's management.

As described more fully in Note 1, the Society has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require agricultural societies to reformat their statement. The Society has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our disclaimer on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended November 30, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2009 and 2008, or its changes in financial position for the years then ended.

The Society did not provide adequate supporting documentation for Admissions, Privilege Fee, Rental Receipts and Sustaining and Entry Fees in 2009 and 2008, nor were we able to satisfy ourselves as to the completeness of those receipts by other auditing procedures. These receipts represent 98.2 percent and 96.7 percent of total operating receipts for the years ended November 30, 2009 and 2008, respectively. In addition, Society did not provide adequate supporting documentation for Sponsorship/Promotion receipts and Donation/Contribution receipts in 2009 and 2008, nor were we able to satisfy ourselves as to the completeness of those receipts by other auditing procedures. These receipts represent 19.8 percent and 26.0 percent of non-operating receipts for the years ended November 30, 2009 and 2008, respectively.

Because of the effects of the matters discussed in the preceding paragraph, the scope of our audit work was not sufficient to enable us to express, and we do not express, an opinion on the financial statement referred to above for the years ended November 30, 2009 and 2008.

The Society has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an engagement performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our engagement.

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

**Mary Taylor, CPA**  
Auditor of State

September 3, 2010



**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEARS ENDED NOVEMBER 30, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>Operating Receipts:</b>		
Admissions	\$326,334	\$118,697
Privilege Fees	12,437	12,220
Rentals	67,140	34,588
Sustaining and Entry Fees	18,692	21,637
Parimutuel Wagering Commission	1,141	1,290
Other Operating Receipts	6,647	5,156
 Total Operating Receipts	 432,391	 193,588
<b>Operating Disbursements:</b>		
Utilities	36,230	33,514
Professional Services	46,365	39,825
Equipment and Grounds Maintenance	25,025	22,415
Race Purse	32,821	37,228
Senior Fair	8,795	10,389
Junior Fair	7,736	7,647
Capital Outlay	125,612	52,475
Other Operating Disbursements	220,926	52,693
 Total Operating Disbursements	 503,510	 256,186
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 (71,119)	 (62,598)
<b>Non-Operating Receipts (Disbursements):</b>		
State Support	23,704	25,739
County Support	3,000	3,000
Grant Proceeds	3,769	
Debt Proceeds	35,000	60,000
Donations/Contributions	1,730	16,319
Sponsorships/Promotions	14,730	15,480
Investment Income	1,004	1,816
Debt Service:		
Principal	(47,000)	(12,000)
Interest	(1,334)	(1,707)
 Net Non-Operating Receipts (Disbursements)	 34,603	 108,647
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 (36,516)	 46,049
 Cash Balance, Beginning of Year	 154,471	 108,422
 <b>Cash Balance, End of Year</b>	 <b>\$117,955</b>	 <b>\$154,471</b>

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

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**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2009 AND 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Jackson County Agricultural Society, Jackson County (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 1986 to operate an annual agricultural fair. The Society sponsors the week-long Jackson County Fair during July. During the fair, harness races are held. Jackson County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 21 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Jackson County and pay an annual membership fee to the Society.

**Reporting Entity**

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and harness racing during fair week. Other year round activities at the fairgrounds including facility rental, track and stall rental, and community events. The reporting entity does not include any other activities or entities of Jackson County, Ohio.

Notes 6 and 7, respectively, summarize the Junior Fair Board's and 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.

**B. Accounting Basis**

The financial statement follows the accounting basis the Auditor of State prescribes or permits. 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.

The statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. 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.

**D. 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.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

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

**E. Race Purse**

The Jackson County Harness Races are held during the Jackson 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 the Southern Valley Colt Circuit pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement report these fees as Sustaining and Entry Fees.

Ohio Fairs Fund

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

**F. 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 3 for additional information.

**2. CASH AND INVESTMENTS**

The carrying amount of cash and investments at November 30, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Demand deposits	\$87,955	\$154,471
Certificate of deposit	30,000	0
Total deposits	<u>\$117,955</u>	<u>\$154,471</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. HORSE RACING**

State Support Portion of Purse

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the years ended November 30, 2009 and 2008 was \$19,069 and \$21,007, respectively, as State Support.

**3. HORSE RACING (Continued)**

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompany financial statement, rather, it records the Pari-mutuel Wagering Commission (commission) which is the Society's share of total pari-mutuel wagers after paying winning bettors. The expenses of providing the pari-mutuel wagering system are called Tote Services, and these expenses are included in Professional Service Disbursements, 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.

	2009	2008
Total Amount Bet (Handle)	\$ 12,984	\$ 14,541
Less: Payoff to Bettors	(10,406)	(11,652)
Parimutuel Wagering Commission	2,578	2,889
Tote Service Set Up Fee	(200)	(200)
Tote Service Commission	(1,236)	(1,399)
State Tax	(317)	(357)
Society Portion	\$ 825	\$ 933

**4. DEBT**

Debt outstanding at November 30, 2009 was as follows:

	Principal	Interest Rate
County Loan	\$35,000	2.00%
Total	\$35,000	

Jackson County loaned the Society \$35,000 on September 2, 2009 for the construction of a swine barn. The Society must repay the loan to the County at variable amounts per year plus interest at a rate based upon the annual investment rate of the County. The interest rate applicable at November 30, 2009 is 2.00 percent.

Amortization of the above debt is scheduled as follows:

Year ending November 30:	Jackson County	Interest	Total
2010	15,000	700	15,700
2011	20,000	400	20,400
Total	\$35,000	\$1,100	\$36,100

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

**5. RISK MANAGEMENT**

The Society is exposed to various risks of property and casualty losses, and injuries to employees.

The Society insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Society belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Society's share of these unpaid claims collectible in future years is approximately \$8,863.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

**5. RISK MANAGEMENT (Continued)**

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2007	\$8,628
2008	\$8,225

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**6. 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 Jackson County Fair. The Society disbursed \$7,736 and \$7,647 directly to vendors in 2009 and 2008, respectively to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. Jackson County paid the Society \$500 in each year to support Junior Club work. The Junior Fair Board accounts for its activities separately. These accompanying financial statements do not include this activity. The Junior Fair Board's financial activity for the years ended November 30, 2009 and 2008 follows:

	2009	2008
Beginning Cash Balance	\$ 1,942	\$ 1,322
Receipts	2,596	3,162
Disbursements	(2,256)	(2,542)
Ending Cash Balance	\$ 2,282	\$ 1,942

**7. 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 Jackson County's auction. A commission, per head, on auction sales of \$45 for Grand Champion and \$15 for all other market animals is retained by the Junior Livestock Sale Committee to cover auction costs.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

**7. JUNIOR LIVESTOCK SALE COMMITTEE (Continued)**

The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30, 2009 and 2008 follows:

	<u>2009</u>	<u>2008</u>
Beginning Cash Balance	\$ 37,840	\$ 9,626
Receipts	189,021	257,211
Disbursements	<u>(217,147)</u>	<u>(228,997)</u>
Ending Cash Balance	<u>\$ 9,714</u>	<u>\$ 37,840</u>





# Mary Taylor, CPA

Auditor of State

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

Jackson County Agricultural Society  
Jackson County  
3362 State Route 776  
Jackson, Ohio 45640

To the Board of Directors:

We were engaged to audit the financial statement of the Agricultural Society, Jackson County, Ohio (the Society), as of and for the years ended November 30, 2009 and 2008, and have issued our report thereon dated September 3, 2010, wherein we noted the Society prepared its financial statement using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also disclaimed an opinion because we were unable to obtain sufficient evidence to reasonably assure completeness of the 2009 and 2008 Admissions, Privilege Fee, Rental Receipts, Sustaining and Entry Fees, Donation/Contribution and Sponsorship/Promotion receipts of the Society.

### Internal Control Over Financial Reporting

In planning and performing our engagement, we considered the Society's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of opining on the effectiveness of the Society's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Society's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and other deficiencies we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 entity's financial statement will not be prevented, or detected and timely corrected. We consider Findings 2009-001, 2009-002 and 2009-005 through 2009-009 described in the accompanying Schedule of Findings 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 Findings 2009-010 and 2009-011 described in the accompanying Schedule of Findings to be significant deficiencies.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Society's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2009-001 through 2009-007.

We did note certain matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated September 3, 2010.

The Society's responses to the findings identified in our engagement are described in the accompanying Schedule of Findings. We did not audit the Society's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the Board of Directors, and others within the Society. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

September 3, 2010

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-001**

**Finding for Recovery Repaid Under Audit and Material Weakness**

Ohio Rev. Code Section 149.351(A) requires all records which are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided under Sections 149.38 to 149.42 of the Ohio Rev. Code.

Board Member, Gary Jolly, received a contract from a concession vendor indicating the contract payment to be \$635. The vendor and Mr. Jolly signed the contract. Mr. Jolly indicated receipt of the \$635 on June 19, 2008 by writing 'paid' and initialing it. There was no indication Mr. Jolly paid the \$635 to the Secretary or Treasurer. We found no evidence the Secretary received the money to post the receipt to the ledgers or deposit it to the bank.

In accordance with the foregoing facts, and pursuant to the Ohio Rev. Code Section §117.28, a Finding for Recovery for public money collected but not accounted for is hereby issued against Gary Jolly, Board Member, and Travelers Casualty and Surety Company of America, his bonding company, in the amount of \$635, and in favor of the Jackson County Agricultural Society's General Fund.

The amount was repaid on July 23, 2010.

**Officials' Response:**

The \$635.00 was paid and deposited.

**FINDING NUMBER 2009-002**

**Noncompliance Citation and Material Weakness**

Ohio Admin. Code Section 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Ohio Rev. Code Section 149.351(A) requires all records which are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided under Sections 149.38 to 149.42 of the Ohio Rev. Code.

The Secretary wrote a check from the Junior Fair Board Imprest Account to make cash payments for premiums to the exhibitors. Junior Fair Advisors were to utilize premium payout sheets listing the exhibitors, the dollar amount owed to each and a signature line. The exhibitors were required sign to receive their payment. In 2009, the Advisors did not make all exhibitors sign for their payments or simply marked "pd" (paid) next to the recipients' names.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-002 (Continued)**

**Noncompliance Citation and Material Weakness (Continued)**

We recommend the Society communicate the proper procedures and stress the importance of accurate record keeping to any person or group collecting or disbursing monies on behalf of the Society. We further recommend the Treasurer review and reconcile such records with the actual cash received or disbursed.

**Officials' Response:**

The Society has provided signed testimony that cash payments for premiums were distributed.

**Auditor of State's Conclusion:**

Generally Accepted Auditing Standards Section 326.08 provides guidance to auditors in evaluating the appropriateness of evidence. This guidance explains that evidence is more reliable when it is prepared when processing a transaction ("contemporaneously written"). We appreciate the Society's signed testimony, but signed testimony prepared months after processing a transaction is less reliable than documentation prepared when processing a transaction.

**FINDING NUMBER 2009-003**

**Noncompliance Citation**

Ohio Rev. Code Section 9.38 requires, in part, that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. Public money collected for other public offices must be deposited by the first business day of the week following the date of collection. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. 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.

Several members of the Society collected cash relating to rental fees, sustaining entry fees, promotion/sponsorship and gift/donations. The members did not deposit these to the Treasurer or the designated depository within the three-day period allowed by Board policy. Based on our review of the bank statements, the Society deposited large amounts only a few times a month, even during busy times. This indicates the Society held cash for extended periods. Maintaining significant amounts of cash on hand for extended periods increases the risk of loss or theft.

We recommend the Society deposit all receipts exceeding \$1,000 with the Treasurer or the designated depository by the next business day and all others no later than 3 business days after receiving it as permitted by Board policy. We further recommend the Society limit the number of cash collection points to help improve the physical security of the assets.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-003 (Continued)**

**Noncompliance Citation – Ohio Rev. Code Section 9.38 (Continued)**

**Officials' Response:**

The Secretary in her office will safeguard receipts that exceed \$1,000, which is the Jackson County Courthouse Treasurer's office. The Society will review its Board Policy on public money received from board members.

**FINDING NUMBER 2009-004**

**Noncompliance Citation**

Ohio Rev. Code Section 117.38 provides that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. Any public office not filing the report by the required date shall pay a penalty of twenty-five dollars for each day the report remains unfiled, not to exceed seven hundred fifty dollars. The Auditor of State may waive these penalties, upon the filing of the past due financial report.

The report shall contain the following: (A) amount of collections and receipts, and accounts due from each source; (B) amount of expenditures for each purpose; (C) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation; and (D) amount of public debt of each taxing district, the purpose of the debt, and how the debt will be repaid.

Also, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

The Society did not file its 2009 report with the Auditor of State. Failure to file the annual financial report within 60 days of the fiscal year-end can result in fines and penalties.

We recommend the Society file its annual financial reports with the Auditor of State within 60 days of the fiscal year end.

**Officials' Response:**

The Society will act upon the recommendation of the Auditor.

**FINDING NUMBER 2009-005**

**Noncompliance Citation and Material Weakness**

Ohio Admin. Code Section 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-005 (Continued)**

**Noncompliance Citation and Material Weakness – Ohio Admin. Code Section 117-2-02(A)  
(Continued)**

Ohio Rev. Code Section 149.351(A) requires all records which are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided under Sections 149.38 to 149.42 of the Ohio Rev. Code.

In 2009, the Society sold Raffle Tickets for the July 4 Event. The public could purchase the tickets for \$50 each through PayPal or directly from a Board Member. The ticket entitled the holder to admission and a chance to win the raffle.

The Society did not track raffle tickets distributed to Board Members or business for sale nor did the Society collect unsold tickets from them. As a result, the Society did not and could not reconcile raffle tickets actually sold and unsold to determine whether all proceeds from the sale were turned in and deposited by the Society.

Additionally, the Society collected admissions to the July Fourth Extravaganza at the gate on the day of the event and did not utilize pre-numbered tickets. These admissions were commingled with raffle ticket sales making an accurate reconciliation between the tickets and receipts impossible.

As a result, we could not gain assurance over completeness of these receipts. Furthermore, the Society is unable to determine whether all tickets actually sold were turned in with the proceeds from their sale.

We recommend the Society carefully track all tickets given to the Board Member and businesses to sell and require all unsold tickets to be returned to the Treasurer. The Treasurer should then ensure that all tickets made available for sale are either represented by cash receipts or by unsold tickets.

**Officials' Response:**

The Society has addressed the concerns of the Auditor's Office for the 2009 July 4<sup>th</sup> Event in regards to ticket reconciliation by requiring Board Members and businesses who are selling 2010 tickets to sign an Extravaganza Ticket Distribution Agreement. As the Society utilizes a checks and balances system for all other receipts and expenditures of the Society with the Secretary being responsible for the receipts and deposits of monies for the Society, and the Treasurer responsible for the budget and the expenditures of the Society, the Society feels the person designated by the Society for the distribution and receipt of extravaganza tickets should be the person responsible for the reconciliation of said tickets.

**FINDING NUMBER 2009-006**

**Noncompliance Citation and Material Weakness**

Ohio Admin. Code Section 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-006 (Continued)**

**Noncompliance Citation and Material Weakness – Ohio Admin. Code Section 117-2-02(A)  
(Continued)**

Ohio Rev. Code Section 149.351(A) requires all records which are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided under Sections 149.38 to 149.42 of the Ohio Rev. Code.

The following items were noted during testing of receipts for the Society:

- The Society issues Camper Rental agreements for the Fourth of July, Fair Week, and Halloween weekend. The campers signed and dated the rental agreements. However, the campground is open all year round and the rental agreements were not pre-numbered. Therefore, we could not assure completeness over these receipts.
- Board members collected contracts and payments for concession fees and privilege fees as vendors arrived at the fairgrounds. The contracts issued for these types of services were not pre-numbered. In addition, testing of these contracts and payments indicated the following items:
  - Concession vendor, Gilbert Hartley, paid \$1,250 without completing a contract.
  - Concession vendors GEM Beverage and Jackson Rotary paid \$200 and \$240, respectively, and did not sign their contracts.
  - A Board Member marked the contract for concession vendor, Gary Yasko, as paid in full on August 18, 2008. The total contract was \$1,625. The Secretary prepared only one receipt for Mr. Yasko in the amount of \$1,250. No subsequent valid receipt was prepared for the remaining \$375.
- The Society rented stalls for horses throughout the season. The Society did provide signed contracts for audit. However, these contracts were not pre-numbered. There was no indication of dates in and out for the horses. In the event of a disaster, the Society would not be able to verify the number and identity of horses stalled on that date. In addition, the Society did not obtain contracts from all patrons noted in the receipt book. We could not assure completeness over these receipts.

The items noted above resulted in an inability to obtain sufficient evidence to support the completeness of the 2008 and 2009 privilege fees and rental receipts reported by the Society.

We recommend the Board of Directors require the use of pre-numbered contracts for campground rental agreements, stall rentals, privilege and concession contracts.

**Officials' Response:**

The Society will take your recommendation under advisement and discuss at a future board meeting.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-007**

**Noncompliance Citation and Material Weakness**

Ohio Admin. Code Section 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Ohio Rev. Code Section 149.351(A) requires all records which are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided under Sections 149.38 to 149.42 of the Ohio Rev. Code.

The Society failed to provide support for \$12,540 in 2009 disbursements and \$12,098 in 2008 non-payroll disbursements. This failure resulted in an inability to support that these expenditures had a proper public purpose or charged to appropriate account codes. We were able to obtain a certain level of assurance of the proper public purpose of these expenditures through alternate procedures.

The failure to maintain supporting documentation eliminates a significant control point and obscures the audit trail. In addition, these failures could result in the Society making inappropriate disbursements for goods or services not actually received by the Society.

We recommend the Society maintain documentation to support all expenditures. 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 obvious from the existing documentation. We recommend the Treasurer review this documentation to determine that the Society makes disbursements only for proper public purpose from appropriate account codes to the proper vendors.

**Officials' Response:**

The Society does maintain a record of all expenditures. Many receipts that were listed by the Auditor's office as missing were in the brown accordion folder provided to the Auditor and copies have been made and are being resubmitted. The Society Treasurer does not write any checks without proper documentation by a Society board member.

**Auditor of State's Conclusion:**

We reviewed, in detail, the records submitted by the Society, along with a review of the board minutes, to identify evidence or formal Board discussion to support the expenditures discussed above. The amounts above reflect only expenditures for which the Society did not provide adequate documentation. The amounts reported above are comprised of the following transactions. We do not agree the "support," or lack thereof, the Society refers to above provides sufficient evidential matter.



**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2009-007 (Continued)**

**Noncompliance Citation and Material Weakness - Ohio Admin. Code Section 117-2-02(A)  
(Continued)**

2009				
Check	Amount	Vendor	Description	Documentation Provided
15524	\$ 42	Postmaster		No invoice, contract or discussion in the minutes
15526	325	Life ambulance	Go-Kart Races	No invoice, contract or discussion in the minutes
15528	350	Life ambulance	Go-Kart Races	No invoice, contract or discussion in the minutes
15547	73	Dakota's Roadhouse	Contest Judges	No invoice, contract or discussion in the minutes
15730	1,200	Steve Stevenson	Veterinary Services	No invoice, contract or discussion in the minutes
15732	3,000	American Motorsports	Motocross Racing	No invoice, contract or discussion in the minutes
15757	550	Wilbur Hale	Tractor Shuttle	No invoice, contract or discussion in the minutes
1019	6,750	Jamie O'Neal	Entertainment	Internally-prepared, hand-written list of costs; no other support
1067	250	Jackson Co Livestock	July 4 Pizza Party	Internally-prepared, hand-written list of costs; no other support
	<u>\$ 12,540</u>	Insufficiently or Unsupported 2009 Expenditures		
2008				
Check	Amount	Vendor	Description	Documentation Provided
15116	\$ 190	Huff's Guide	Fair Guide	No invoice, contract or discussion in the minutes
15128	1,573	Brandy Fruth	Basket Bingo	Copied envelope with handwritten description and amount along with internal check stub
15150	110	Guy Waugh	Copper Wire	No invoice, contract or discussion in the minutes
15363	450	Dance King	DJ Service	No invoice, contract or discussion in the minutes
15371	1,200	Tracey Sturgill	Veterinary Services	A typed, signed contract for the period 2005, 2006 and 2007 with 2008 penciled in.
15390	3,000	Carey's Hauling service	Trash Collection	No invoice, contract or discussion in the minutes
15391	25	YMCA	Reimbursement	No invoice, contract or discussion in the minutes
15400	550	Wilbur Hale	Other Services	No invoice, contract or discussion in the minutes
15409	2,500	Big W Cheerleading	Gate Workers	Contract signed by "Big W Cheerleading" instead of Cindi Graham whom the check was mailed to.
15410	1,500	Big W Cheerleading	Parking Attendant	Contract signed by "Big W Cheerleading" instead of Cindi Graham whom the check was mailed to.
15441	300	Jean Hammond	Entertainment	No invoice, contract or discussion in the minutes
15450	500	Cheryl Doles	Entertainment	No invoice, contract or discussion in the minutes
15451	100	Ohio Fair Managers Assoc		No invoice, contract or discussion in the minutes
15459	100	Guy Waugh		No invoice, contract or discussion in the minutes
	<u>\$ 12,098</u>	Insufficiently or Unsupported 2008 Expenditures		

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-008**

**Material Weakness**

The Uniform System of Accounting for Agricultural Societies (November 2002 Revision) states that agricultural societies shall deposit all cash receipts into a society-owned bank account. A multi-part pre-numbered receipt should be completed for each cash receipt, except for ticket sales. 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.

The Society did not always issue sequentially numbered duplicate receipts to persons and/or organizations issuing payments for various types of receipts such as Rentals, Ground Space Fees ( a type of Privilege fees), Contest Fees (a type of Sustaining entry Fees), Promotions/Sponsorships, Gifts/Donations, and certain Other Receipts. Duplicate receipts were on file for all items; however, the Secretary wrote these duplicate receipts to the Board Members who collected the monies rather than to the individual persons and/or organizations issuing payments.

Additionally, the Secretary skipped receipts, removed all copies of one receipt, and issued receipts out of sequence for monies paid to her for deposit.

Failure to issue pre-numbered duplicate receipts to payees eliminates a significant control point, obscures the audit trail, and provides the opportunity for errors and/or irregularities to occur and remain undetected by management for an extended period. Also, as a result, we were unable to obtain adequate assurance over the completeness of the identified receipt sources as reported in the financial statement.

We recommend the Board of Directors require pre-numbered duplicate receipt books be maintained by all board members collecting receipts. We further recommend the Board of Directors require pre-numbered duplicate receipt be completed showing payee, date, amount of receipt, and purpose of receipt for each receipt of funds collected with a copy of said receipt being issued to the payee.

**Officials' Response:**

The Society will take your recommendation under advisement and discuss at a future board meeting.

**FINDING NUMBER 2009-009**

**Material Weakness – Non-Fair Events and Donations**

The Society should maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

- The Society held speed pit events throughout the summer for which they kept 100% of gate receipts. A Board Member and his wife collected \$2 at the gate but did not issue sequentially numbered tickets. As a result, there was no accountability for cash collected at the events. We could not assure completeness over these receipts.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2009-009 (Continued)**

**Material Weakness – Non-Fair Events and Donations (Continued)**

- The Society hosted go-kart races throughout the summer for which they receive a percentage of admission receipts. The Go-Kart Club sells the tickets and accounts for all receipts by preparing a ticket accountability form. A representative of the Go-Kart Club presented the accountability form to a Board Member with the Society's percentage of receipts; however, the Board Member did not request or maintain a copy of the form to submit with the receipts for deposit. As a result, we could not assure completeness over these receipts.
  
- During 2008, the Society received \$16,319 in donations for the construction of a new swine barn. However, the Board recognized only 17 percent of these donations in the minutes. As a result, we could not assure completeness over these receipts.

Lack of adequate supporting documentation 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. In addition, failure to retain and/or obtain such documentation has resulted in the inability to determine that all receipts due were collected and accounted for on the Society's financial statements which has resulted in a qualified audit opinion regarding the Society's receipts.

While the Society has adequate procedures in place to ensure receipts posted to the books have been deposited to the bank, we recommend the Board of Directors adopt policies and develop methods to provide accountability and to ensure all monies collected are paid into and reported in the financial statements.

**Officials' Response:**

The Society will take your recommendation under advisement and discuss at a future board meeting.

**FINDING NUMBER 2009-010**

**Significant Deficiency**

When designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

The Treasurer should compare actual revenues and expenses to budgeted amounts each month and provide a report showing this comparison to the Board of Directors for review. The Board of Directors should determine the reasons why actual expenditures exceeded or were less than budgeted expenditures by making inquiries to fair management about the reasons. Additionally, the Society should compare their actual cash balance to budgeted cash balance at the end of each month. When the actual cash balance is below the budgeted cash balance, the Society should look for ways to increase revenues and/or decrease expenditures budgeted in the upcoming months so as to achieve the budgeted cash balance. In addition, the Board of Directors should review and approve bank reconciliations and expenditures monthly.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-010 (Continued)**

**Significant Deficiency – Board Monitoring (Continued)**

There was no documentation supporting the Board of Directors' review of monthly bank reconciliations for any Society account, approval of expenditures for 12 out of the 24 months in 2008 and 2009, or the extent to which the Board used financial information to monitor the financial activity of the Society. The lack of financial information provided to the Board for review each month, hampers the Board's ability to effectively monitor the financial activity and position of the Society.

The lack of controls over expenditures and financial reporting could adversely affect the Society's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Society's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

The Board should carefully review this information and make appropriate inquiries to help determine the continued integrity of financial information. This information also provides important data necessary to manage the Society. This information can help answer questions such as the following:

Inquiries Relevant to Overall Agricultural Society Operations:

- Are current receipts sufficient to cover expenditures?
- Are expenditures in line with prior year costs?
- If unusual fluctuations in receipts or expenditures occur, is the reason understood, and has it been appropriately budgeted?
- Are anticipated receipts being timely received?
- Is the Society maximizing its return on invested cash balances?
- Is the Society able to achieve the financial goals as set by the original or amended budgets?

In order to monitor the financial activity of the Society effectively, we recommend the Board members review and accept/approve the monthly financial information provided by the Treasurer. We recommend that the Treasurer provide a detailed budget and financial statements, cash balances, and checks paid, and completed bank reconciliations for each regular Board meeting. The Board minutes should evidence this review.

**Officials' Response:**

The Society will take your recommendation under advisement and discuss at a future board meeting.

**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2009 AND 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-011**

**Significant Deficiency – Gate Ticket Sale Accountability**

The Auditor of State's prescribed Uniform System of Accounting for Agricultural Societies, revised November 2002, states that all tickets for admittance to the fair and its events shall be consecutively pre-numbered. Separate tickets shall be used to account for each type of admission. The numbered sequence of tickets given to distribution locations shall be recorded. All unsold tickets and cash for sold tickets shall be returned and compared against the tickets issued. The cash returned should equal the expected revenue from the tickets sold. A single pre-numbered cash receipt shall be issued for each batch of tickets sold. For example, revenue from the tickets sold by the fair office shall be reconciled with pre-numbered tickets assigned to the fair office for sale. Separate reconciliations shall be performed for groups of tickets assigned to each point of sale. A single, pre-numbered cash receipt shall be assigned to account for the cash associated with all reconciliations.

Our review of the ticket accountability forms for gate receipts indicated the following:

- The preparer altered ticket numbers on the accountability forms to reconcile to cash collected.
- The preparer did not sign the forms to indicate who made the corrections or the reason for the correction.
- The Society did not use separate tickets to account for discount tickets for children and senior citizens. The Society obtained the number of free or reduced-priced tickets for 2008 by backing into the total tickets sold based on collections rather than by actual tickets.
- The Society did not reconcile their ticket accountability forms to the Ride Company's forms for 2009. The day assigned as 'Kid's Day' documented only four free tickets relating to children's admissions and there was no indication as to whether the Society issued any reduced-price tickets for Senior Citizens' Day. Based on our reconciliation, the Society reported \$968 less in fair admissions than the Ride Company calculated.

As a result, we could not assure completeness over these receipts. In addition, the Society did not recognize a shortage of \$968 and investigate to determine whether the error was on the part of the Ride Company who gets a percentage of ticket sales or whether is occurred due to theft or loss at the ticket gates.

We recommend the Society comply with the prescribed Uniform System of Accounting for Agricultural Societies by issuing consecutively pre-numbered tickets for admittance to the fair and use separate tickets to account for each type of admission. The Society should record the numbered sequence of tickets given to distribution locations and all unsold tickets and cash for sold tickets shall be returned and compared against the tickets issued. The cash returned should equal the expected revenue from the tickets sold.

**Officials' Response:**

The Society uses admission tickets provided by the Ride Company. That being said the Society will take your recommendation under advisement and discuss with the Ride Company some form of reconciliation of admission tickets that will not be burdensome to the Society or the Ride Company.

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**JACKSON COUNTY AGRICULTURAL SOCIETY  
JACKSON COUNTY**

**SCHEDULE OF PRIOR FINDINGS  
NOVEMBER 30, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Ohio Rev. Code Section 9.38 for timely deposits	No	Reissued as Finding 2009-003
2007-002	Material Weakness relating to improper and missing bank reconciliations	Yes	NA
2007-003	Significant Deficiency for lack of budget to actual comparisons and monitoring	No	Reissued as Finding 2009-010
2007-004	Material Weakness for failure to provide support for material receipt sources	No	Reissued as Finding 2009-006
2007-005	Material Weakness for failure to provide support for gifts and donations	No	Reissued as Finding 2009-009
2007-006	Material Weakness for failure to issue duplicate receipts for material receipt sources.	No	Reissued as Finding 2009-008







**Mary Taylor, CPA**  
Auditor of State

**JACKSON COUNTY AGRICULTURAL SOCIETY**

**JACKSON 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  
SEPTEMBER 21, 2010**