

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY
Regular Audit
For the Years Ended November 30, 2013 and 2012**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Directors
Vinton County Agricultural Society
PO Box 241
McArthur, OH 45651

We have reviewed the *Independent Auditor's Report* of the Vinton County Agricultural Society, Vinton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period December 15, 2011 through November 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Vinton County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 15, 2014

This page intentionally left blank.

VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statements of Receipts, Disbursements, and Changes in Cash Balance for the Years Ended November 30, 2013 and 2012	4
Notes to the Financial Statements.....	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9
Schedule of Audit Findings	11
Schedule of Prior Audit Findings	15

This page intentionally left blank.

Perry & Associates
Certified Public Accountants, A.C.
www.perrycpas.com

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056
(740) 373-2402 Fax

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203
(304) 428-5587 Fax

ST. CLAIRSVILLE
121 E. Main Street
St. Clairsville, OH 43950
(740) 695-1569
(740) 695-5775 Fax

INDEPENDENT AUDITOR'S REPORT

November 7, 2014

Vinton County Agricultural Society
Vinton County
PO Box 241
McArthur, OH 45651

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the **Vinton County Agricultural Society**, Vinton County, (the Society) as of and for the years ended November 30, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Society's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our adverse and qualified audit opinion.

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

As described in Note 1B of the financial statements, the Society prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2013 and 2012, or changes in financial position thereof for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

Admissions receipts related to grandstand events are reported at \$2,886 and \$5,062 for the years ended November 30, 2013 and 2012, respectively, which are 1.8% of General Fund receipts for the year ended November 30, 2013 and 3.5% of General Fund receipts for the year ended November 30, 2012. Rental receipts related to grounds rentals are reported at \$12,800 and \$14,307 for the years ended November 30, 2013 and 2012, respectively, which are 7.8% of General Fund receipts for the year ended November 30, 2013 and 9.9% for the year ended November 30, 2012. Other operating receipts related to grandstand event concessions and other sources without documentation are reported at \$3,696 and \$8,737 for the years ended November 30, 2013 and 2012, respectively, which are 2.2% of General Fund receipts for the year ended November 30, 2013 and 6.0% of General Fund receipts for the year ended November 30, 2012. Sponsorship receipts are reported at \$16,217 for the year ended November 30, 2012, which is 11.2% of General Fund receipts for the year ended November 30, 2012. We were unable to obtain sufficient appropriate audit evidence supporting the above amounts recorded as admissions, rentals, other operating and sponsorship receipts. We were also unable to obtain sufficient appropriate audit evidence over operating disbursements. These expenditures represent 49% of operating disbursements in 2013 and 35% of operating disbursements in 2012. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances of the Vinton County Agricultural Society, Vinton County as of November 30, 2013 and 2012, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

Vinton County Agricultural Society
Vinton County
Independent Auditor's Report
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY**

**STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012**

	2013	2012
Operating Receipts:		
Admissions	\$ 59,842	\$ 57,506
Privilege Fees	14,751	9,325
Rentals	21,876	20,452
Sustaining and Entry Fees	4,375	6,825
Other Operating Receipts	4,458	19,642
	<u>105,302</u>	<u>113,750</u>
 Operating Disbursements:		
Wages and Benefits	1,307	1,433
Utilities	15,905	16,999
Professional Services	49,131	42,885
Equipment and Grounds Maintenance	30,204	10,692
Senior Fair	10,200	9,759
Junior Fair	13,982	9,760
Capital Outlay	13,678	15,754
Other Operating Disbursements	23,985	37,501
	<u>158,392</u>	<u>144,783</u>
 <i>Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements</i>	 (53,090)	 (31,033)
 Non-Operating Receipts (Disbursements):		
State Support	9,148	12,303
County Support	2,500	2,687
Debt Proceeds	21,450	-
Donations/Contributions	450	-
Sponsorship/Promotions	25,840	16,217
Sale of Assets	200	-
Debt Service - Principal	(7,772)	(3,611)
Debt Service - Interest	(36)	(569)
	<u>51,780</u>	<u>27,027</u>
 <i>Net Non-Operating Receipts (Disbursements)</i>	 <u>51,780</u>	 <u>27,027</u>
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 (1,310)	 (4,006)
 Cash Balance, Beginning of Year	 <u>4,152</u>	 <u>8,158</u>
 Cash Balance, End of Year	 <u>\$ 2,842</u>	 <u>\$ 4,152</u>

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

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012**

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 Vinton County Agricultural Society, Vinton 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 1971 to operate an annual agricultural fair. The Society sponsors the week-long Vinton County Junior Fair during July. Vinton County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 15 directors serving staggering three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Vinton 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 other year round activities at the fairgrounds, including facility rental, community events, demolition derbies and go-kart races. The reporting entity does not include any other activities or entities of Vinton County, Ohio.

The Vinton County Junior Fair does not have a separate Junior Fair Board with separate financial activity to summarize. Note 5 summarizes the Junior Livestock Sale Committee's financial activity.

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

B. Accounting Basis

These financial statements follow 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.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits

All cash assets of the Society are maintained in a non-interest bearing checking account.

D. Property, Plant and Equipment

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

E. Income Tax Status

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509(a). Contributions to the Society are deductible per Section 170(b)(1)(A)(v1). Management is unaware of any actions or events that would jeopardize the Society's tax status.

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012
(Continued)**

2. DEPOSITS

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

	2013	2012
Demand Deposits	\$ 2,842	\$ 4,152

Deposits are insured by the Federal Deposit Insurance Corporation.

3. DEBT

Debt outstanding at November 30, 2013 was as follows:

	Principal	Interest Rate
Equipment Note	\$ 21,450	5.00%

The \$21,450 note bears an interest rate of 5.0% and is due to Vinton County National Bank. The note was entered into on May 16, 2013, and matures May 16, 2018. Proceeds of the note were used for the purchase of a mower and to pay the remaining balance on the Society's skid steer note and is collateralized by the equipment.

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Note
2014	\$ 4,954
2015	4,954
2016	4,954
2017	4,954
2018	4,954
Total	\$ 24,770

4. RISK MANAGEMENT

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

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.

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012
(Continued)**

4. RISK MANAGEMENT (Continued)

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, 2013, 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.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2012 and 2013.

	<u>2012</u>	<u>2013</u>
Assets	\$34,389,569	\$34,411,883
Liabilities	<u>(14,208,353)</u>	<u>(12,760,194)</u>
Net Position	<u>\$20,181,216</u>	<u>\$21,651,689</u>

At December 31, 2012 and 2013, respectively, the liabilities above include approximately \$13.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$11.1 million of unpaid claims to be billed to approximately 475 member governments in the future, as of December 31, 2012 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Society's share of these unpaid claims collectible in future years is approximately \$4,000.

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>	
<u>2012</u>	<u>2013</u>
\$ 5,306	\$ 6,232

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to 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.

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012
(Continued)**

5. 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. The Livestock Committee is made up of individuals from the Board of Directors, local businesses and individuals involved in 4-H. The Livestock Committee makes decisions concerning the livestock auction, but has no real fiscal power. The Livestock Committee checking account is controlled by the Society and checks are signed by the Society's Treasurer. Receipts from buyers and checks to sellers are accounted for in the junior livestock sale committee bank account. Monies to cover the cost of the auction are generated through an \$8 commission per animal sold.

The accompanying financial statements do not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30, 2013 and 2012 follows:

	2013	2012
Beginning Cash Balance	\$ 455	\$ 4,245
Receipts	93,295	133,810
Disbursements	(93,745)	(137,600)
Ending Cash Balance	\$ 5	\$ 455

Perry & Associates
Certified Public Accountants, A.C.

www.perrycpas.com

MARIETTA

428 Second Street
Marietta, OH 45750
(740) 373-0056
(740) 373-2402 Fax

PARKERSBURG

1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203
(304) 428-5587 Fax

ST. CLAIRSVILLE

121 E. Main Street
St. Clairsville, OH 43950
(740) 695-1569
(740) 695-5775 Fax

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

November 7, 2014

Vinton County Agricultural Society
Vinton County
PO Box 241
McArthur, OH 45651

To the Board of Directors:

We have audited in accordance with auditing standards generally accepted in the United State and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Vinton County Agricultural Society**, Vinton County, (the Society) as of and for the years ended November 30, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated November 7, 2014, wherein we noted the Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also qualified our opinion due to the lack of sufficient appropriate audit evidence supporting the amounts recorded as admissions, rentals, other operating and sponsorship receipts and operating disbursements.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Society's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Society's internal control. Accordingly, we have not opined on it.

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

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Society's financial statements. 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 2013-001 through 2013-006 described in the accompanying schedule of audit findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Society's financial statements are 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, opining 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 that we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2013-001 through 2013-003.

We also noted certain matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated November 7, 2014.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2013-001

Material Weakness/Noncompliance

Ohio Revised Code Section 149.351(A) states all records are the property of the public office concerned and 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 commission provided for under sections 149.38 to 149.42 of the Revised Code. **Ohio Revised Code Section 149.43(B)** states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection, in accordance with this division. **Ohio Administrative Code (OAC) 117-10-01(B)** requires county and independent agricultural societies to record and report all financial transactions in accordance with Appendix A of the Auditor of State manual, "Uniform System of Accounting for Agricultural Societies."

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

During our testing of non-payroll transactions for the audit period, we noted 18 of 37 (49%) tested disbursements did not have supporting documentation during 2013 and 14 of 40 (35%) tested disbursements did not have supporting documentation during 2012. No support was attached or found, therefore it could not be determined to be for a proper public purpose due to lack of supporting documentation.

We recommend that all records be maintained for audit purposes and that no disbursements are made unless supporting documentation is available.

Officials' Response: Officials did not provide a response to this finding.

FINDING NUMBER 2013-002

Material Weakness/Noncompliance

Contracts

Ohio Revised Code Section 149.43 (B)(1)-(2) states that upon request and subject to division (B)(8) of this section, all public records responsive to the request shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. Subject to division (B)(8) of this section, upon request, a public office or person responsible for public records shall make copies of the requested public record available at cost and within a reasonable period of time. To facilitate broader access to public records, a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section.

VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

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

FINDING NUMBER 2013-002 (Continued)

Contracts (Continued)

The Society provided building, and grounds rentals throughout the season. The Society did not provide signed contracts for these rentals for audit. Rentals without contracts totaled \$12,800 in 2013 and \$14,307 in 2012. Based on these factors, we could not determine if proper rates were charged or assure completeness over these receipts.

We recommend that all contracts indicate the party with which the Society is contracting, the dates covered by the contract, the date the contract is signed, the rate in effect, and sufficient documentation to agree the rate charged to an approved rate schedule. We further recommend that an accounts payable sheet be maintained by the Society for ongoing rentals to compare amounts charged with amounts collected to determine if all payments due to the Society have been received.

Officials' Response: Officials did not provide a response to this finding.

FINDING NUMBER 2013-003

Material Weakness/Noncompliance

Sponsorships and Other Operating Receipts

Ohio Rev. Code Section 149.43 (B)(1)-(2) states that upon request and subject to division (B)(8) of this section, all public records responsive to the request shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. Subject to division (B)(8) of this section, upon request, a public office or person responsible for public records shall make copies of the requested public record available at cost and within a reasonable period of time.

To facilitate broader access to public records, a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section.

The Society failed to maintain support pertaining to the following:

- Sponsorship Receipts totaling \$16,217 in 2012
- Other Operating Receipts totaling \$3,696 in 2013
- Other Operating Receipts totaling \$8,737 in 2012

We could not determine that the proper rates were charged or proper amounts were collected due to the lack of support.

We recommend the Society Secretary and Treasurer monitor receipts and ensure proper support is available and properly organized to allow for proper transparency and verification.

Official's Response: Officials did not provide a response to this finding.

VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

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

FINDING NUMBER 2013-004

Material Weakness

Non-Fair Events

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 hosted Go-Kart races throughout 2013 and 2012 for which they received admission receipts. The Society failed to maintain any manner of ticket accountability for some of the gate sales. As such, the Society could not support \$2,886 in receipts posted in 2013 or \$5,062 in receipts posted in 2012 pertaining to go-kart admissions.

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: Officials did not provide a response to this finding.

FINDING NUMBER 2013-005

Material Weakness

Financial Reporting

At the end of each year, the Society is required to submit an annual report that contains financial results for the year. There were significant problems with the financial reporting process and, in turn, the annual reports for the years ended November 30, 2013 and 2012. The following problems with financial reporting occurred during the audit period and resulted in various inaccuracies in the annual reports:

- There were footing and cross-footing errors in the annual report;
- Current year checks were voided, but the voided checks still appeared as actual expenditures in the individual system account balances;
- There were individual system account balances for revenue and expenditure accounts that did not agree to amounts on the annual report.

Errors and problems with financial reporting as discussed above have resulted in inaccurate annual reports, significant audit adjustments and the inability to determine errors or irregularities in a timely manner.

VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

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

FINDING NUMBER 2013-005 (Continued)

Financial Reporting (Continued)

We recommend the Society verify that individual account balances at year end agree to the corresponding line item on the annual report. In addition, the annual report should be verified, prior to submission, by an individual, or by a finance committee that is not involved in the financial reporting process to help eliminate errors in the annual report.

Officials' Response: Officials did not provide a response to this finding.

FINDING NUMBER 2013-006

Material Weakness

Posting Receipts and Disbursements

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code.

During 2013 and 2012, receipts and disbursements were not always posted correctly. The following errors were noted:

- Start monies for events were recorded on the books as receipts and disbursements for 2013
- Booth rentals were misclassified as Other Operating Receipts instead of Privilege Fees in 2013
- Ohio Treasurer of State funds were misclassified as Other Operating Receipts instead of State Support in 2013
- Junior Fair Livestock Committee account activity was recorded on the Society's books in 2013
- Note proceeds were not recorded on the Society's books in 2013
- Go kart concession sales were misclassified as Admissions instead of Other Operating Receipts in 2012
- Go kart entries and payouts not properly recorded on the Society's books in 2012
- Sponsorship receipts misclassified as Donations/Contributions instead of Sponsorships/Promotions in 2012
- Debt payment was not split between Principal and Interest in 2012
- Transfer of funds to the Junior Fair Livestock Committee account was misclassified as Principal instead of Junior Fair Expense in 2012

Not posting receipts and disbursements accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Treasurer refer to Ohio Administrative Code for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Officials' Response: Officials did not provide a response to this finding.

**VINTON COUNTY AGRICULTURAL SOCIETY
VINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01	State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) – Finding for Recovery for \$151	No	Finding for Recovery Not Repaid
2011-02	Go-Kart Receipt Deposits	No	Not Corrected; Reissued as Finding 2013-004

This page intentionally left blank.



Dave Yost • Auditor of State

VINTON COUNTY AGRICULTURAL SOCIETY

VINTON 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
DECEMBER 30, 2014**