



**Mary Taylor, CPA**  
Auditor of State



**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

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# Mary Taylor, CPA

Auditor of State

Richland County Agricultural Society  
Richland County  
750 N. Home Road  
Mansfield, Ohio 44906

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 statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Society 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 statements in accordance with GAAP. Our Report includes an 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 statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 27, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Richland County Agricultural Society  
Richland County  
750 N. Home Road  
Mansfield, Ohio 44906

To the Board of Directors:

We have audited the accompanying financial statements of the Richland County Agricultural Society, Richland County, Ohio, (the Society) as of and for the years ended November 30, 2006 and 2005. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Because of the inadequacy of accounting records, we were unable to obtain sufficient evidence regarding the account classification of revenues reported in the accompanying statements.

As described more fully in Note 1, the Society has prepared these financial statements 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 statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Society to reformat its financial statement presentation and make other changes effective for the years ended November 30, 2006 and 2005. While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Society has elected not to reformat its statements. Since the Society does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion 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, 2006 and 2005 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, 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves about the account classification of revenues, as described in paragraph three above, the financial statements referred to above present fairly, in all material respects, the combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Society to include Management's Discussion and Analysis for the years ended November 30, 2006 and 2005. 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 July 27, 2007, 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 audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

July 27, 2007

**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN CASH BALANCE  
FOR THE YEARS ENDED NOVEMBER 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>Operating Receipts:</b>		
Admissions	\$236,166	\$216,976
Privilege Fees	114,809	113,130
Rentals	219,794	210,119
Sustaining and Entry Fees	57,085	60,260
Parimutuel Wagering Commission	5,960	7,881
Other Operating Receipts	<u>33,569</u>	<u>23,204</u>
 Total Operating Receipts	 <u>667,383</u>	 <u>631,570</u>
<b>Operating Disbursements:</b>		
Wages and Benefits	131,572	141,864
Utilities	145,937	146,185
Professional Services	139,780	176,495
Equipment and Grounds Maintenance	167,017	136,214
Race Purse	77,968	85,709
Senior Fair	26,064	37,167
Junior Fair	14,445	13,894
Capital Outlay	12,335	47,675
Other Operating Disbursements	<u>152,059</u>	<u>236,431</u>
 Total Operating Disbursements	 <u>867,177</u>	 <u>1,021,634</u>
Deficiency of Operating Receipts Under Operating Disbursements	 <u>(199,794)</u>	 <u>(390,064)</u>
<b>Non-Operating Receipts (Disbursements):</b>		
State Support	29,155	32,044
County Support	83,729	73,728
Restricted Donations/Contributions	125,928	101,615
Unrestricted Donations/Contributions	72,554	177,427
Investment Income	2,726	3
Sale of Assets		3,080
Loan to Junior Fair Board	(20,000)	
Debt Service	<u>(1,047)</u>	<u>(12,198)</u>
 Net Non-Operating Receipts (Disbursements)	 <u>293,045</u>	 <u>375,699</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	93,251	(14,365)
Cash Balance, Beginning of Year	<u>41,884</u>	<u>56,249</u>
 <b>Cash Balance, End of Year</b>	 <b><u>\$135,135</u></b>	 <b><u>\$41,884</u></b>

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

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**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2006 AND 2005**

**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 Richland County Agricultural Society, Richland County, Ohio, (the Society) as a body corporate and politic. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1850 to operate an annual agricultural fair. The Society sponsors the week-long Richland County Fair during August. During the fair, harness races are held, culminating in the running of the Northern Ohio Colt Stakes. Richland County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 27 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Richland 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 including a flea market and Christmas Wonderland. The reporting entity does not include any other activities or entities of Richland County, Ohio.

Notes 10 and 11, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

The Society's management believes these financial statements present all activities for which the Society is financially accountable.

**B. Basis of Accounting**

These financial statements follow the accounting basis the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and disbursements when paid rather than when a liability is incurred.

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

**C. Cash and Investments**

The Society's accounting basis includes investments in its cash balances. Accordingly, this basis does not report investment purchases as disbursements or investment sales as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Budgetary Process**

The Board of Directors annually prepares an operating budget, including estimated receipts and disbursements. The Board approves the budget in its final form during the first six months of each fiscal year. The Board reviews the budget throughout the year and compares it with actual results.

**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2006 AND 2005  
(Continued)**

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

**E. Property, Plant, and Equipment**

The Society's accounting basis records acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The accompanying financial statements do not include these items as assets.

**F. Restricted Support**

Restricted support includes amounts that donors restrict for specific uses.

**G. 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.

**H. Race Purse**

Northern Ohio Colt Stakes stake races are held during the Richland 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 United States Trotting Association pay fees to the Society to qualify horses for entry into stake races. They must make payment before a horse can participate in a stake race. The accompanying financial statement 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 4 for additional information.

**I. Pari-mutuel Wagering**

A wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses and various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as the pari-mutuel wagering system determines. The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 4 for additional information.

**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2006 AND 2005  
(Continued)**

**2. BUDGETARY ACTIVITY**

For the year ended November 30, 2006, the Society had budgeted receipts of \$872,800 and actual receipts of \$981,475, resulting in a variance of \$108,675. Additionally, the Society had budgeted disbursements of \$852,900 and actual disbursements of \$888,224, resulting in a variance of (\$35,324).

For the year ended November 30, 2005, the Society had budgeted receipts of \$1,030,333 and actual receipts of \$1,019,467, resulting in a variance of (\$10,866). Additionally, the Society had budgeted disbursements of \$1,032,932 and actual disbursements of \$1,033,832, resulting in a variance of (\$900).

**3. CASH AND INVESTMENTS**

The carrying amount of cash and investments at November 30, 2006 and 2005 is as follows:

	<u>2006</u>	<u>2005</u>
Demand deposits	\$9,702	\$41,884
Certificates of deposit	125,433	0
Total	<u>\$135,135</u>	<u>\$41,884</u>

**Deposits:** The Federal Depository Insurance Corporation insures up to \$100,000 of the Society's bank balance.

**4. HORSE RACING**

State Support Portion of Purse

The financial statements report State Support for Ohio Fairs Fund money received to supplement purse for the years ended November 30, 2006 and 2005 of \$29,155 and \$32,044, respectively.

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.

**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
NOVEMBER 30, 2006 AND 2005  
(Continued)**

**4. HORSE RACING (Continued)**

	2006	2005
Total Amount Bet (Handle)	\$ 29,304	\$ 39,081
Less: Payoff to Bettors	(23,344)	(31,200)
Parimutuel Wagering Commission	5,960	7,881
Tote Service Set Up Fee	(600)	(600)
Tote Service Commission	(2,720)	(3,767)
State Tax	(826)	(1,002)
Society Portion	\$ 1,814	\$ 2,512

**5. DEBT**

The Society received a Line of Credit in fiscal year 2003 to help cover operating costs during the off season. The final payment on the Line of Credit was made during fiscal year 2005.

The Society entered into an operating lease with The Kissinger Company for a Minolta Digital Copy Machine for 63 months in fiscal year 2001. The Society paid the last lease payment during fiscal year 2006 and then purchased the copy machine after that final lease payment.

The Society had no outstanding debt as of November 30, 2006.

**6. RETIREMENT SYSTEM**

In November 2001, the Society established a pension plan, Roth IRA, in which all qualified employees may participate. This plan is entirely funded by employee contributions.

**7. RISK MANAGEMENT**

The Richland County Commissioners provide general insurance coverage for all the buildings on the Richland County Fairgrounds pursuant to Ohio Revised Code § 1711.24. General liability and vehicle insurance coverage is provided by Ohio Fair Participating Plan, with limits of \$1,000,000 and \$1,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$1,000,000.

The Society provides workers compensation coverage on all employees through the State of Ohio workers compensation fund. Coverage is currently in effect through January 31, 2007.

**8. RELATED PARTY TRANSACTIONS**

A Board member is owner of a construction company in which the Society did business with. The Society paid the Board member's company \$5,398 and \$513 in 2006 and 2005, respectively, for work performed.

The Treasurer is the owner of a cabinet company which the Society did business with. The Society paid the Treasurer's company \$1,675 in 2005 for work performed.

**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2006 AND 2005  
(Continued)**

**9. SUBSEQUENT EVENTS**

On June 28, 2007, the Society entered into an agreement with Richland County for a \$92,500 grant and a \$500,000 loan with 4 percent interest to be paid back in 5 years. The loan and grant are for upgrades to the waterlines at the Fairgrounds, a new poultry barn, and a new shower addition to the red barn.

**10. 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 Richland County Fair. During 2006, the Society disbursed \$10,100 directly to the Junior Fair Board. During 2005, the Society disbursed \$10,042 directly to the Junior Fair Board. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursements. Richland County paid the Society \$3,845 and \$3,852 to support Junior Club work during 2006 and 2005, respectively. 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, 2006 and 2005 is as follows:

	2006	2005
Beginning Cash Balance	\$6,108	\$9,791
Receipts	17,991	16,553
Disbursements	(16,212)	(20,236)
Ending Cash Balance	\$7,887	\$6,108

**11. 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 Richland County's auction. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30, 2006 and 2005 is as follows:

	2006	2005
Beginning Cash Balance	\$30,990	\$28,194
Receipts	379,522	298,829
Disbursements	(358,903)	(296,033)
Ending Cash Balance	\$51,609	\$30,990

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# 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*

Richland County Agricultural Society  
Richland County  
750 N. Home Road  
Mansfield, Ohio 44906

To the Board of Directors:

We have audited the financial statements of the Richland County Agricultural Society, Richland County, Ohio, (the Society) as of and for the years ended November 30, 2006 and 2005, and have issued our report thereon dated July 27, 2007, wherein we noted we were unable to obtain assurance regarding the account classification of revenues reported on the financial statements and we noted the Society follows accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Society's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2006-001 and 2006-002.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable conditions 2006-001 and 2006-002 listed above to be material weaknesses. In a separate letter to the Society's management dated July 27, 2007, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

### **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, 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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2006-002. In a separate letter to the Society's management dated July 27, 2007, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management, and the Board of Directors. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 27, 2007

**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**SCHEDULE OF FINDINGS  
NOVEMBER 30, 2006 AND 2005**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2006-001**

**Material Weakness**

**Cash Reconciliation**

A necessary step in the internal control over financial reporting is to reconcile the balance of the bank to the balance of the cash in the accounting records. Bank reconciliation means accounting for the differences between the balance of the bank statement(s) and the cash and investment balances according to the entity's records at a specific point in time.

We noted the following with respect to the Society's bank reconciliations:

- The Society's original reconciliation for November 30, 2006 and 2005 did not have an accurate list of outstanding checks. The outstanding check amount was plugged to get the bank and book balances to reconcile. The Treasurer re-performed the November 30, 2006 and 2005 reconciliations to obtain an accurate listing of outstanding checks.

The Treasurer should ensure there is an accurate listing of outstanding checks to be used in the monthly reconciliation process.

- The Treasurer, after re-performing the November 30, 2005 bank reconciliation, identified six receipts which were posted two or three times to the books. These double and triple postings resulted in an overstatement of revenues by \$15,062.

The Treasurer should ensure all receipts are only posted once to the books. Any errors in posting receipts should be identified and corrected with each month's reconciliation.

- There were transfers posted to the books for November 30, 2006 and 2005 that were transfers between bank accounts, and as a result, should not have been posted to the books.

The Treasurer should ensure any transferring of money between bank accounts is not reflected as revenue or disbursements on the books.

- The November 30, 2006 reconciliation originally performed by the Society did not have the correct bank account balance for one of the bank accounts. In addition, the reconciliation did not include the Society's petty cash, but included various items in the cash on hand that should not have been included. It also did not include a \$376 deposit in transit, and it included \$23,135 of other reconciling items that should have been posted to the books rather than being carried as a reconciling item. When the Treasurer re-performed the reconciliation, some of these situations were corrected.

The Treasurer should ensure the bank account balances used in the reconciliation are supported by the bank statements. In addition, all petty cash, cash on hand and other reconciling items should be included and should have supporting documentation for the amounts. Any errors identified in the reconciliation should be immediately investigated and corrected rather than carrying amounts on the reconciliations as reconciling items.

## FINDING NUMBER 2006-001 (Continued)

### Material Weakness (Continued)

#### Cash Reconciliation (Continued)

As a result of the errors noted above, as of November 30, 2006, the Society's reconciliation indicates the book balance is \$15,880 higher than the bank balance. This amount could not be identified by the Treasurer and was adjusted to the books in conjunction with the audit with management's approval. In addition, the Society does not maintain supporting documentation for many of its cash receipts. As a result of not maintaining supporting documentation for many cash receipts, it is not practical to be able to find this error. As such, we were unable to opine on the account classification of revenues in the financial statements.

- Without complete and accurate monthly bank reconciliations, the Society's internal control is significantly weakened which could hinder management's timely detection of errors or irregularities. The Society should perform complete monthly bank reconciliations in a timely manner. Also, the Treasurer should initial the bank reconciliation to indicate approval and a copy of the monthly bank reconciliation and listing of outstanding checks and other reconciling items should be provided to the Board each month for review. All unreconciled differences should be resolved as quickly as possible so they are not carried forward month-to-month and all reconciling matters should be appropriately documented. Further, the Board should formally approve and document to its minutes the adjustment of \$15,062 to its cash fund balance.

**Official's Response:** Accurate lists of outstanding checks are being maintained. There is only one bank account maintained, therefore there will be no transfer between banks. Reconciliation is being done on a monthly basis.

## FINDING NUMBER 2006-002

### Material Weakness/Noncompliance Citation

**Ohio Admin Code Section 117-2-02(A)** requires governments to 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.

Failure to maintain accounting records sufficient to identify, assemble, analyze, classify, record and report its transactions could result in the Society not having accurate reconciliations, which could lead to the Society spending more money than what they have.

Our testing of the receipts and disbursements noted the following:

- For admission receipts, there were 13 receipts in 2006 and 2 receipts in 2005 that did not have any supporting documentation for the number of tickets sold and the amount of receipts collected for the various events. In addition, duplicate receipts were not always utilized for admission receipts reported on the "Deposit Report".

The Society should ensure the ticket reconciliation sheets are used for all gates and all events to support the number of tickets sold and amount of money collected. For ticket sales online, the Society should print out a report or maintain some type of documentation to support the receipt amount. In addition, duplicate receipts should be used for all money received by the Society. This will help ensure proper accountability and verify the existence of all receipts.

### FINDING NUMBER 2006-002 (Continued)

#### Material Weakness/Noncompliance Citation (Continued)

- For privilege fee receipts, there were 8 receipts in 2006 and 13 receipts in 2005 that did not have any supporting documentation for the fees collected.

The Society should ensure each receipt is supported by a contract/agreement with each individual and/or a copy of the check used to pay the fee. This will help ensure proper accountability and verify the existence of all receipts.

- For rental receipts, there were 3 receipts in 2006 and 18 receipts in 2005 that did not have any supporting documentation for the receipts collected.

The Society should ensure each receipt is supported by a contract/agreement with each individual and/or a copy of the check used to pay the fee. This will help ensure proper accountability and verify the existence of all receipts.

- For restricted and unrestricted receipts, none of the receipts tested in 2006 and 2005 had supporting documentation.

The Society should ensure each receipt is supported by a copy of the check, agreement, a letter, or some other type of documentation. This will help ensure proper accountability and verify the existence of all receipts.

- For nonpayroll disbursements, there was 1 petty cash reimbursement without any supporting documentation for what was purchased with the petty cash. In addition, there were 2 payments to contest winners during the fair and one refund from a concert paid without any supporting documentation.

The Society should ensure each disbursement is supported by some type of documentation. In addition, the petty cash reimbursements should be supported by the receipts for what was purchased with the petty cash. This will help ensure proper accountability and verify the existence of all disbursements.

**Official's Response:** Sometimes fees are paid in cash and there is no contract/agreement necessary. When fees are paid by check a copy of the check is kept on file. Attempt will be made to insure proper documentation for all receipts and expenses.

**RICHLAND COUNTY AGRICULTURAL SOCIETY  
RICHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
NOVEMBER 30, 2006 AND 2005**

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>
2004-001	<b>Ticket Reconciliations:</b> Reconciliations were not performed to compare expected revenue, based on the number of grandstand event tickets sold, to the actual revenue collected for the event.	No	Partially Corrected – Repeated similar comment in Finding 2006-002.



**Mary Taylor, CPA**  
Auditor of State

**AGRICULTURAL SOCIETY**

**RICHLAND 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  
OCTOBER 9, 2007**