



Mary Taylor, CPA
Auditor of State



Dave Yost • Auditor of State

January 11, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

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

DAVE YOST
Auditor of State

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**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

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Mary Taylor, CPA
Auditor of State

Pike County Agricultural Society
Pike County
311 Mill Street
Piketon, Ohio 45661

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 statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents 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

December 20, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Pike County Agricultural Society
Pike County
311 Mill Street
Piketon, Ohio 45661

To the Board of Directors:

We have audited the accompanying financial statement of Pike County Agricultural Society, Pike 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. Our responsibility is to express an opinion on this financial statement based on our audit.

Except as described in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

We were unable to obtain sufficient evidential matter supporting fifteen expenditures totaling \$22,899 recorded as Professional Services, Equipment and Grounds Maintenance, Race Purse, Junior Fair, and Capital Outlay for the year ended November 30, 2009. These expenditures are 8 percent of disbursements for the year ended November 30, 2009. We were unable to determine the validity of these expenditures through alternative procedures.

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 statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require societies to reformat their statements. 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 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 statement referred to above for the years ended November 30, 2009 and 2008 does 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.

Also, in our opinion, except for such adjustments, if any, that would have been necessary had sufficient competent evidential matter been available to assure the accuracy and existence of the recorded Professional Services, Equipment and Grounds Maintenance, Race Purse, Junior Fair, and Capital Outlay expenditures for the year ended November 30, 2009, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Pike County Agricultural Society, Pike County, as of November 30, 2009 and 2008, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

For the year ended November 30, 2008, the Society included activity of the Junior Livestock Sale Committee and the Junior Fair Board in the Society's financial statement. For the year ended November 30, 2009, the Society included activity of the Junior Fair Board in the Society's financial statement.

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 December 20, 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 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

December 20, 2010

**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

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

	2009	2008
Operating Receipts:		
Admissions	\$122,382	\$102,102
Privilege Fees	28,778	34,986
Rentals	30,063	32,462
Sustaining and Entry Fees	21,543	26,757
Livestock Proceeds	337	390,968
Other Operating Receipts	14,233	8,167
Total Operating Receipts	217,336	595,442
Operating Disbursements:		
Utilities	22,993	27,696
Professional Services	97,822	100,680
Equipment and Grounds Maintenance	32,137	37,977
Race Purse	36,004	43,576
Senior Fair	5,862	7,497
Junior Fair	15,914	389,203
Capital Outlay	47,205	228,074
Other Operating Disbursements	14,852	4,736
Total Operating Disbursements	272,789	839,439
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(55,453)	(243,997)
Non-Operating Receipts (Disbursements):		
State Support	27,004	29,448
County Support	25,000	40,164
Debt Proceeds		119,938
Donations/Contributions	8,437	3,218
Sponsorships/Promotions	4,205	9,290
Investment Income	322	1,731
Debt Service	(4,431)	(637)
Net Non-Operating Receipts (Disbursements)	60,537	203,152
Excess (Deficiency) of Receipts Over (Under) Disbursements	5,084	(40,845)
Cash Balance, Beginning of Year	47,565	88,410
Cash Balance, End of Year	\$52,649	\$47,565

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

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**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE 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 Pike County Agricultural Society, Pike 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 1905 to operate an annual agricultural fair. The Society sponsors the week-long Pike County Fair during July and/or August. Harness Races are held on the two days immediately prior to the Fair. Pike 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 Pike 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 include facility rental and stall rental. In addition, the Society included the activity of the Junior Livestock Sale Committee in the reporting entity of the Society for the year ended November 30, 2008 and the activity of the Junior Fair Board for the years ended November 30, 2009 and 2008. The reporting entity does not include any other activities or entities of Pike County, Ohio.

Notes 6 and 7, respectively, summarize the Junior Fair Board's financial activity for 2008 and 2009 and Junior Livestock Sale Committee's financial activity for 2009.

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

B. Accounting Basis

This 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.

This 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).

**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Income Tax Status (Continued)

Management is unaware of any actions or events that would jeopardize the Society's tax status.

E. Race Purse

The Pike County Harness Races are held during the Pike 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 reports 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. See Note 3 for additional information.

2. DEPOSITS

The carrying amount of deposits at November 30, 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Demand deposits	\$52,649	\$47,565

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 year

**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

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

3. HORSE RACING (Continued)

ended November 30, 2009 and 2008 was \$12,144 and \$13,848, respectively. These are included as State Support.

Pari-mutuel Wagering

The Society does not record the Total Amount Bet or the Payoff to Bettors in the accompanying 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)	\$ 5,752	\$ 5,980
Less: Payoff to Bettors	(4,616)	(4,781)
Parimutuel Wagering Commission	1,136	1,199
Tote Service Set Up Fee	0	0
Tote Service Commission	(1,000)	(1,044)
State Tax	(136)	(155)
Society Portion	\$ 0	\$ 0

4. LONG TERM PAYABLE TO PIKE COUNTY

The Society obtained a loan on April 7, 2008 for \$120,000 for the construction of the Art Hall Building. Pike County paid off the loan and issued a bond anticipation note in the amount of \$120,000 on March 9, 2009. The Society must repay the loan to the County plus interest at a rate based upon the annual investment rate of the County. The interest rate applicable at November 30, 2009 is 2.25 percent.

Long Term Payable outstanding at November 30, 2009 was as follows:

	Principal	Interest Rate
County Loan	120,000	2.25%
Total	\$120,000	

Amortization of the above debt is scheduled as follows:

**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

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

4. LONG TERM PAYABLE TO PIKE COUNTY (Continued)

Year ending	County Loan
<u>November 30:</u>	<u></u>
2010	\$0
2011	9,700
2012	9,543
2013	9,385
2014	9,228
2015-2019	47,618
2020-2024	48,028
2025	9,202
Total	<u><u>\$142,704</u></u>

5. RISK MANAGEMENT

The Pike County Commissioners provide general insurance coverage for all the buildings on the Pike County Fairgrounds pursuant to Ohio Revised Code § 1711.24. A private company provides general liability and vehicle insurance, with limits of \$1,000,000 and \$3,000,000 aggregate. This policy includes crime coverage for employee dishonesty with limits of liability of \$1,000,000. The Society's Treasurer is bonded with coverage of \$10,000.

General liability and vehicle insurance limits of \$3,000,000 aggregate is decreased from \$5,000,000 in the prior audit. In addition, the Society's Treasurer bond of \$10,000 is decreased from \$20,000 in the prior audit.

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, assists the Senior Fair Board with the Junior Fair Division activities of the Pike County Fair. The accompanying financial statement includes this activity.

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 Pike County's auction. A commission per head on auction sales of \$10 for steers, hogs, goats, and lambs and \$5 for all other market animals is retained by the Junior Livestock Sale Committee to cover auction costs. The accompanying financial statement includes the Junior Livestock sales activities for 2008.

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

PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY

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

7. JUNIOR LIVESTOCK SALE COMMITTEE (Continued)

	2009
Beginning Cash Balance	\$ 10,385
Receipts	366,502
Disbursements	<u>(356,268)</u>
Ending Cash Balance	<u>\$ 20,619</u>

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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*

Pike County Agricultural Society
Pike County
311 Mill Street
Pike County, Ohio 45661

To the Board of Directors:

We have audited the financial statement of Pike County Agricultural Society, Pike County, Ohio (the Society), as of and for the years ended November 30, 2009 and 2008, and have issued our report thereon dated December 20, 2010, wherein we noted the Society followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that sufficient competent evidential matter was not available to obtain the necessary assurances over the accuracy certain Society expenditures for the year ended November 30, 2009. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 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 a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 statements will not be prevented, or detected and timely corrected. We consider findings 2009-001 and 2009-003 described in the accompanying Schedule of Findings to be material weaknesses.

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 and 2009-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated December 20, 2010.

The Society's responses to the findings identified in our audit 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

December 20, 2010

**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

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

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

FINDING NUMBER 2009-001

Noncompliance Citation/Material Weakness

Ohio Rev. Code Section 149.351 (A) states that 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 commissions provided for under sections 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under section 149.33 of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

During 2009, \$22,899 of expenditures had no supporting documentation, such as an invoice, and therefore could not be determined to be for a proper public purpose due to lack of supporting documentation. During 2008, \$5,415 of expenditures had no supporting documentation, such as an invoice, and therefore could not be determined to be for a proper public purpose due to lack of supporting documentation. We were unable to determine the validity of these expenditures through alternative procedures.

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

Officials' response: Correction is being made for the current fiscal year. We are going back from 12/1/09-11/30/10 making sure all checks have proper documentation for the disbursement.

FINDING NUMBER 2009-002

Noncompliance Citation

Auditor of State Bulletin 2004-010 states an auditor can regard electronic imaging of checks as evidence when performing an audit. The Bulletin provides, in part, that a bank may use the electronic image to create a "substitute check" for a bank that chooses to continue receiving paper checks. This substitute check has the same legal effect as the original paper check. A substitute check is a paper reproduction of the original check that: contains an image of the front and back of the original check; bears a magnetic ink character recognition (MICR) line containing all of the information appearing on the original check's MICR line, with certain exceptions; conforms, in paper stock, dimension, and otherwise, with generally applicable banking industry standards for substitute checks; and is as suitable for automated processing as the original check. A substitute check that meets these requirements and bears the following legend is considered to be the legal equivalent of the original paper check.

For governments that do not receive their cancelled original or substitute checks, AOS suggests these governments request that their banks send images of the front and back of all issued checks. This will enable governments to review and scrutinize the transactions and ensure that the payees as well as the various endorsements are appropriate. As monthly [or other periodic] bank statements are received, reconciliation between check numbers and the amounts paid should be conducted promptly. If questionable items are identified, governments should immediately request their bank investigate these items for possible adjustment to the government's account. Furthermore, a government may want to

**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

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

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

FINDING NUMBER 2009-002 (Continued)

Noncompliance Citation - Auditor of State Bulletin 2004-010 (Continued)

request a substitute check or the best available source document from the bank (e.g., copy of the front and back of the check) when a questionable item is identified that requires investigation.

The Society uses American Savings Bank. The bank did not provide optical imaging of canceled checks or the canceled checks themselves. By not having the front side of the check, it is not possible to ensure the payee, date, or authorized signatures are appropriate. By not having the reverse side of the check, it is not possible to ensure that the payees as well as the various endorsements are appropriate. This could result in a lack of sufficient audit evidence or could relate in a failure to follow the records retention laws.

We recommend the Treasurer consult with the bank to have the bank provide images of both the front and reverse side of each canceled check for disbursements. As an alternative, the bank could send the original canceled checks back to the Society.

Officials' response: Bank statements will be through the end of month and online copies of cancelled checks will be available on line.

FINDING NUMBER 2009-003

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, the following errors were noted in the financial statements that required audit adjustment or reclassification:

2008

- The manual financial statements did not agree to the underlying QuickBooks ledger as follows:
 - Admission Fees were overstated in the amount of \$25.
 - Privilege Fees were overstated in the amount of \$395.
 - Total Rental was understated in the amount of \$85.
 - Sustaining and Entry Fees were overstated in the amount of \$85.
 - Total Livestock Sale Proceeds were overstated in the amount of \$347.
 - Total Other Operating Receipts were understated in the amount of \$8,022.
 - Total Utilities were understated in the amount of \$4,502.
 - Total Professional Services were understated in the amount of \$1,037.
 - Total Equipment and Grounds Maintenance were overstated \$930.
 - Senior Fair Expenses were overstated in the amount of \$4,502.
 - Junior Fair Expenses were overstated in the amount of \$328.
 - Other Operating Disbursements were overstated \$430.
- The Society incorrectly posted Grounds Maintenances Expenses in the amount of \$1,270 paid in 2009 to the 2008 financial statements.

**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS *(Continued)
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FINDING NUMBER 2009-003 (Continued)

Material Weakness (Continued)

2008 (Continued)

- County Support Receipts in the amount of \$32,000 were posted as donations

2009

- The manual financial statements did not agree to the underlying QuickBooks ledger as follows:
 - Admission Fees were understated in the amount of \$150.
 - Total Rentals were understated in the amount of \$2,669.
 - Livestock Sale Proceeds were understated \$337.
 - Total Other Operating Receipts were understated \$580.
 - Total Professional Services Expenses were understated in the amount of \$444.
 - Race Purse was overstated in the amount of \$250.
 - Total Equipment and Grounds Maintenance were understated in the amount of \$1,348.
 - Total Sponsorships/ Promotions receipts were understated in the amount of \$340.
 - Interest was understated in the amount of \$12.
 - Total Debt Service was understated in the amount of \$2,373.
- The Society incorrectly posted Grounds Maintenances Expenses in the amount of \$1,270 paid in 2009 to the 2008 financial statements.
- County Support Receipts in the amount of \$25,000 were posted as donations.
- Payment to the livestock committee in the amount of \$10,385, to remove the livestock sales activity from the Society's books was posted as a transfer.
- The Society incorrectly posted a \$340 donation receipt when no donation occurred and no monies were received.

The audited financial statement and Society's accounting system reflect the above adjustments.

To ensure the Society's financial statements and notes to the financial statements are complete and accurate, we recommend that the Society's Fiscal Officer review the *Uniform System of Accounting for Agricultural Societies* for guidance on the correct line item to post various receipts and expenditures of the Society.

Officials' response: Directors are reviewing the profit and loss statement to ensure that deposits and expenditures are put in the appropriate accounts. Any corrections will be made as necessary.

**PIKE COUNTY AGRICULTURAL SOCIETY
PIKE COUNTY**

**SCHEDULE OF PRIOR AUDIT 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; <i>Explain</i>
2007-001	OAC 117-2-02(A) Annual financial statements not supported by accounting records.	Yes	
2007-002	AOS Bulletin 2004-010 Bank did not provided cancelled checks or electronic images.	No	Reissued as Finding 2009-002
2007-003	Material weakness for incorrect posting to the financial statement.	No	Reissued as Finding 2009-003
2007-004	Material weakness for lack of supporting documentation for donations and contributions.	Yes	
2007-005	Material weakness for lack of support for rental receipts.	Partially corrected	Reissued as a management letter recommendation
2007-006	OAC 117-2-01(D) Significant deficiency for inaccurate bank reconciliations.	Partially corrected	Reissued as a management letter recommendation



Mary Taylor, CPA
Auditor of State

PIKE COUNTY AGRICULTURAL SOCIETY

PIKE 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
JANUARY 11, 2011**