

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY
Regular Audit
For the Years Ended November 30, 2012 and 2011**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Directors
Coshocton County Agricultural Society
707 Kenilworth Avenue
Coshocton, Ohio 43812

We have reviewed the *Independent Accountants' Report* of the Coshocton County Agricultural Society, Coshocton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period December 1, 2010 through November 30, 2012. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Coshocton County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

July 10, 2013

This page intentionally left blank.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report	1
Statement of Receipts, Disbursements, and Change in Cash Balance - For the Years Ended November 30, 2012 and 2011	3
Notes to the Financial Statements.....	4
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	10
Schedule of Audit Findings	12
Schedule of Prior Audit Findings	14

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 ACCOUNTANTS' REPORT

June 3, 2013

Coshocton County Agricultural Society
Hancock County
707 Kenilworth Avenue
Coshocton, Ohio 43812

To the Board of Directors:

We have audited the accompanying financial statements of the **Coshocton County Agricultural Society**, Coshocton County, (the Society) as of and for the years ended November 30, 2012 and 2011. 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.

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.

As described more fully in Note 1.B., 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.

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 statements referred to above for the years ended November 30, 2012 and 2011 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, 2012 and 2011, or its changes in financial position for the years then ended.

Coshocton County Agricultural Society
Coshocton County
Independent Accountants' Report
Page 2

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance of the Coshocton County Agricultural Society, as of November 30, 2012 and 2011, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2013 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.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2012 AND 2011**

	2012	2011
Operating Receipts:		
Admissions	\$ 362,623	\$ 333,849
Privilege Fees	113,277	100,750
Rentals	52,780	41,779
Sustaining and Entry Fees	17,883	19,178
Pari-mutuel Wagering Commission	744	337
Other Operating Receipts	36,078	42,384
 Total Operating Receipts	 583,385	 538,277
Operating Disbursements:		
Wages and Benefits	89,005	82,838
Utilities	56,875	49,873
Professional Services	152,555	137,038
Equipment and Grounds Maintenance	90,754	67,603
Race Purse	34,269	35,191
Senior Fair	95,766	85,558
Junior Fair	24,317	30,374
Capital Outlay	1,850	39,441
Other Operating Disbursements	69,414	76,467
 Total Operating Disbursements	 614,805	 604,383
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(31,420)	(66,106)
Non-Operating Receipts (Disbursements):		
State Support	18,729	4,235
County Support	12,800	12,800
Sale of Assets	-	502
Donations/Contributions	25,537	38,714
Investment Income	146	305
Debt Service:		
Principal	(10,677)	(10,009)
Interest and Other Fiscal Charges	(5,503)	(6,058)
 Net Non-Operating Receipts (Disbursements)	 41,032	 40,489
Excess (Deficiency) of Receipts Over (Under) Disbursements	9,612	(25,617)
Cash Balance, Beginning of Year	207,224	232,841
Cash Balance, End of Year	\$ 216,836	\$ 207,224

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2012 AND 2011**

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 Coshocton County Agricultural Society, Coshocton 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 1851 to operate an annual agricultural fair. The Society sponsors the week-long Coshocton County Fair during September and October. During the fair, harness races are held, culminating in the running of the Home Talent harness racing event. Coshocton County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 18 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Coshocton 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 the 4th of July celebration, horse shows, and relay for life events. The reporting entity does not include any other activities or entities of Coshocton County, Ohio.

Notes 6 summarize the Junior Fair 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 and Investments

The Society did not have any investments during the audit period.

D. Property, Plant, and Equipment

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

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012 AND 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Support

Restricted support includes amounts that donors restrict for specific use.

F. 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.

G. Race Purse

Speed program stake races are held during the Coshocton 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 Home Talent Colt 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 3 for additional information.

H. Pari-mutuel Wagering

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

Pari-mutuel wagering commission (the commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statement as Pari-mutuel Wagering Commission. See Note 3 for additional information.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012 AND 2011**

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, 2012 and 2011 was as follows:

	2012	2011
Demand Deposits	\$ 216,836	\$ 207,224

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. HORSE RACING

State Support Portion of Purse

The financial statements report Ohio Fairs Fund money, received to supplement purse for the year ended November 30, 2012 and 2011 was \$14,486 and \$15,289, respectively, as State Support.

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.

	2012	2011
Total Amount Bet (Handle)	\$ 15,496	\$ 8,199
Less: Payoff to Bettors	(12,116)	(6,411)
Pari-mutuel Wagering Commission	3,380	1,788
Tote Service Set Up Fee	(600)	(600)
Tote Service Commission	(1,562)	(601)
Sales Tax	(474)	(250)
Society Portion	\$ 744	\$ 337

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012 AND 2011**

4. DEBT

Debt outstanding at November 30, 2012 was as follows:

	Principal	Interest Rate
Ohio Heritage Bank Loan	\$ 82,125	6.00%

The Ohio Heritage Bank loaned the Society \$185,000 at an interest rate of 7.65%. The loan was entered into on June 24, 1999 and matures November 2018. Proceeds of the loan were used to purchase three houses bordering the fair grounds. On January 26, 2004 the Society refinanced the loan in the amount of \$157,553 at an interest rate of 6.00% and maturity date of January 2019.

Amortization of the above debt is scheduled as follows:

Year ending November 30:	Ohio Heritage Loan	Interest	Total
2013	\$11,339	\$4,619	\$15,958
2014	12,038	3,920	15,958
2015	12,781	3,177	15,958
2016	13,569	2,389	15,958
2017	14,406	1,552	15,958
2018-2019	17,992	684	18,676
Total	\$82,125	\$16,341	\$98,466

5. RISK MANAGEMENT

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

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

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

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012 AND 2011**

5. 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, 2010, PEP retained \$350,000 for casualty claims and \$150,000 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 retained earnings at December 31, 2011 and 2010 (the latest information available):

	<u>2011</u>	<u>2010</u>
Assets	\$33,362,404	\$34,952,010
Liabilities	(14,187,273)	(14,320,812)
Net Assets	<u>\$19,175,131</u>	<u>\$20,631,198</u>

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of November 30, 2011, the Society's share of these unpaid claims collectible in future years is approximately \$20,000.

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>2011</u>	<u>2010</u>
\$21,957	\$18,942

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012 AND 2011**

5. RISK MANAGEMENT (CONTINUED)

Financial Position (Continued)

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.

6. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scout, Girl Scout, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Coshocton County Fair. The Society disbursed \$24,317 and \$30,374 directly to vendors to support Junior Fair activities in 2012 and 2011, respectively. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. 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, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Beginning Cash Balance	\$ 2,293	\$ 1,743
Receipts	6,870	8,301
Expenditures	<u>(7,759)</u>	<u>(7,751)</u>
Ending Cash Balance	<u>\$ 1,404</u>	<u>\$ 2,293</u>

The prior year audited Ending Cash Balance at November 30, 2010 for Junior Fair Board was \$523. The Beginning Cash Balance at 2011 contained in this report was obtained from the Coshocton County Junior Fair Board Advisor.

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

June 3, 2013

Coshocton County Agricultural Society
Coshocton County
707 Kenilworth Avenue
Coshocton, Ohio 43812

To the Board of Directors:

We have audited the financial statements of the **Coshocton County Agricultural Society**, Coshocton County, Ohio, (the Society) as of and for the years ended November 30, 2012 and 2011, and have issued our report thereon dated June 3, 2013, 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 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 statements, 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 audit findings we identified certain deficiencies in internal control over financial reporting, that we consider to be 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 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 2012-001 through 2012-03 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, 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 no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated June 3, 2013.

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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS
NOVEMBER 30, 2012 AND 2011**

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

FINDING NUMBER 2012-01

Material Weakness

Annual Budget

The “Uniform System of Accounting of Agricultural Societies” requires each agricultural society to prepare a budget of its revenues and expenses. The budget shall cover the period December 1st through November 30th. The budget shall be considered approved by the board of directors prior to the first day of the ensuing fiscal year. The budget shall be prepared at the level of the accounts from the chart of accounts which are used by the Society. The Board did not formally approve a budget for either 2012 or 2011.

The Board should review the budgetary retirement under the “Uniform System of Accounting for Agricultural Societies” and formally approve a budget annually. The budget should be approved at the same level as the chart of accounts used by the Society, which is the object level. Budgetary amounts should be integrated, if possible, into the Society’s computer system and monthly budget versus actual reports should be reviewed and approved by the Board. This will help ensure the Board is aware of all the Society’s financial activity, as well as provide useful information to make informed decisions.

Management’s Response – We did not receive a response from management to this finding.

FINDING NUMBER 2012-02

Material Weakness

Financial Statement Reporting and Reconciliation

The financial statement presented in 2012 or 2011 did not correctly report the financial activity of the Society. The problems with the annual financial report are a result of the following:

- The “Standard Profit and Loss” report used to compile the financial statements is set to include accrual activity (receivables and liabilities), though the Society reports activity using the cash basis method of accounting. For example, disbursement activity reported in the financial statements included disbursement checks owed to the Society’s vendors prior to year end but not paid until after year end totaling \$2,538 in 2012 and \$1,288 in 2011 because the Secretary inappropriately had Quick Books Accounting System set up to recognize accruals at month end.
- It was also discovered in 2012 and 2011 the Society initially overstated receipts and expenditures by reporting \$7,705 and \$12,243 respectively, of cash used by the Society’s management for change as a disbursement when withdrawn and as a receipt when returned to the bank.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS (CONTINUED)
NOVEMBER 30, 2012 AND 2011**

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

FINDING NUMBER 2012-02 (Continued)

Material Weakness (Continued)

Financial Statement Reporting and Reconciliation (Continued)

Sound financial reporting is the responsibility of the Secretary, Treasurer and the Board of Directors and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Society should review financial statements and ensure activity is properly reported and ending cash balances are properly reconciled. Also, the Society should consider consulting a QuickBooks expert in order to ensure the software is set to properly report activity on a cash basis. This will help ensure the Society properly reports activity in the correct year. The financial statements have been adjusted accordingly.

Management's Response – We did not receive a response from management to this finding.

FINDING NUMBER 2012-03

Material Weakness

Ohio Fairs Fund – 2011 Distribution

During our test of Para-mutuel gambling receipts, we noted correspondence from the Ohio Department of Agriculture, Amusement Ride Safety Division informing the Society the 2011 Ohio Fairs Fund Distribution amount would be \$15,288.85. The funds were to be used to support the Society's harness racing activities at the 2011 County Fair.

When the funds were received, the check was placed in the Society's safe located at the Fair Board's office for a prolonged period of time rather than being deposited with the Board's financial institution. When the check was finally deposited into the Society's account several months later it was subsequently returned by the Department of Agriculture's bank due to the check being stale dated. The Society's checking account was debited for the amount of the check plus return deposit item fees and the receipt entry in the accounting system was voided. This distribution may still be due to the Society. The Secretary is the Society's fiscal officer and, as such, is responsible for the collection and the deposit of this money. This situation has resulted in the loss of funds due to the Society.

We recommend the Society's officials contact the Ohio Department of Agriculture, Amusement Ride Safety Division and take the necessary steps to have the Department reissue the check. We also recommend the Secretary deposit all funds due the Society on a timely basis and record such deposits in the Society's accounting system.

Management's Response – We did not receive a response from officials to this finding.

**COSHOCTON COUNTY AGRICULTURAL SOCIETY
COSHOCTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2012 AND 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-001	Annual Budget	No	Reissued as finding 2012-001
2010-002	Financial Statement Reporting and Reconciliation	No	Reissued as finding 2012-002

This page intentionally left blank.



Dave Yost • Auditor of State

COSHOCTON COUNTY AGRICULTURAL SOCIETY

COSHOCTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 23, 2013**