



Dave Yost • Auditor of State

**LOGAN COUNTY AGRICULTURAL SOCIETY
LOGAN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statement of Receipts, Disbursements, and Change in Fund Balance (Cash Basis) – For the Years Ended November 30, 2014 and 2013	3
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required By <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Logan County Agricultural Society
Logan County
301 East Lake Avenue
P.O. Box 758
Bellefontaine, Ohio 43311

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statement and related notes of the Logan County Agricultural Society, Logan County, (the Society) as of and for the years ended November 30, 2014 and 2013.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

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Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Society does not intend the statement to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Additional Opinion Qualification* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2014 and 2013, or changes in financial position or cash flows thereof for the years then ended.

Basis for Additional Opinion Qualification

Admissions receipts are reported at \$97,494 for the year ended November 30, 2014 which is 14% of operating receipts for fiscal year 2014. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as admissions receipts. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* paragraph, the financial statement referred to above presents fairly, in all material respects, the cash balances of the Logan County Agricultural Society, Logan County, as of November 30, 2014 and 2013, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2015, on our consideration of the Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

July 24, 2015

**LOGAN COUNTY AGRICULTURAL SOCIETY
LOGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN FUND BALANCE (CASH BASIS)
FOR THE YEARS ENDED NOVEMBER 30, 2014 AND 2013**

	2014	2013
Operating Receipts:		
Admissions	\$97,494	\$107,072
Privilege Fees	43,581	50,302
Sales	10,881	11,678
Utilities	40	50
Racing Fees and Charges	26,229	17,437
Fees	734	3,753
Rentals	30,181	27,388
Restricted	423,143	357,519
Unrestricted	33,162	17,245
Other Taxes	956	809
Total Operating Receipts	666,401	593,253
Operating Disbursements:		
Salaries and Wages	21,068	22,182
Benefits	135	5,507
Administrative	5,228	2,421
Race Supplies	5,081	2,618
Supplies	7,925	8,267
Utilities	23,199	20,324
Racing	65,037	45,930
Professional Services	55,362	49,999
Property Expenses	40,214	39,839
Advertising	6,649	3,754
Repairs	12,970	620
Insurance	14,767	14,442
Rent and Lease	5,641	15,520
Capital Outlay	0	985
Senior Fair	8,739	15,160
Contest	135	4,904
Junior Fair	26,324	15,176
Other Fair (Livestock Sales)	400,417	337,220
Miscellaneous	7,087	4,891
Total Operating Disbursements	705,978	609,759
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(39,577)	(16,506)
Non-Operating Receipts (Disbursements):		
State Support	44,782	32,520
County Support	5,100	5,000
Debt Service	(25,077)	(10,506)
Net Non-Operating Receipts (Disbursements)	24,805	27,014
Excess (Deficiency) of Receipts Over (Under) Disbursements	(14,772)	10,508
Cash Balance, Beginning of Year	15,458	4,950
Cash Balance, End of Year	\$686	\$15,458

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

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**LOGAN COUNTY AGRICULTURAL SOCIETY
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2014 AND 2013**

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 Logan County Agricultural Society, Logan 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 1849 to operate an annual agricultural fair. The Society sponsors the week-long Logan County Fair during July. During the fair, harness races are held, culminating in the running of the Logan County Standard Bred races. Logan 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 Logan County and pay an annual membership fee to the Society.

B. Reporting Entity

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

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

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

C. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

D. Deposits and Investments

The Society maintained all money in demand deposits and held no investments.

E. 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.

**LOGAN COUNTY AGRICULTURAL SOCIETY
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Stake races are held during the Logan 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.

1. Sustaining and Entry Fees

Horse owners and the Western Ohio Colt Racing Association (WOCRA) 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 statements report these fees as Racing Fees and Charges.

2. 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 part of Racing Fees and Charges. See Note 3 for additional information.

2. DEPOSITS

The Society maintains all money in deposit accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at November 30, 2014 and 2013 was as follows:

	2014	2013
Demand deposits	<u>\$686</u>	<u>\$15,458</u>

Deposits: The Society's bank balance was covered by the Federal Depository Insurance Corporation (FDIC).

**LOGAN COUNTY AGRICULTURAL SOCIETY
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2014 AND 2013
(Continued)**

3. HORSE RACING

A. State Support Portion of Purse

The financial statement reports Ohio Fairs Fund money, received to supplement purse for the year ended November 30, 2014 and 2013 was \$11,287 and \$13,133, respectively, and is included within the line item State Support on the accompanying financial statement.

B. 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) as part of Racing Fees and Charges, 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 Racing disbursements, and the amount remaining is the Society's net portion.

	2014	2013
Total Amount Bet (Handle)	\$6,964	\$4,757
Less: Payoff to Bettors	(5,466)	(3,748)
Parimutuel Wagering Commission	1,498	1,009
Tote Service Set Up Fee	(400)	(200)
Tote Service Commission	(714)	(526)
State Tax	(198)	(138)
Society Portion	\$186	\$145

4. DEBT

Debt outstanding at November 30, 2014, was as follows:

	Principal	Interest Rate
Line of Credit	\$11,876	10.25%

In December 2006, the Society obtained a line of credit with PNC Bank to meet obligations of the Society. Interest payments are due monthly but principal payments are not required. Total principal payments of \$22,954 and \$5,000 were made during 2014 and 2013, respectively, by the Society. Interest payments amounted to \$1,371 and \$2,211 during 2014 and 2013.

In November 2011, the Society obtained a line of credit with Yard Card Plus to finance a portion of a lawn mower purchase. There were no interest charges for this line of credit. This line of credit was paid off at the end of fiscal year 2013 with \$2,640 being paid.

**LOGAN COUNTY AGRICULTURAL SOCIETY
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2014 AND 2013
(Continued)**

5. RISK MANAGEMENT

The Logan County Commissioners provide general insurance coverage for all the buildings on the Logan County Fairgrounds pursuant to Ohio Revised Code § 1711.24.

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.

A. 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, 2014, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

B. Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2013 and 2014:

	<u>2013</u>	<u>2014</u>
Assets	\$34,411,883	\$35,402,177
Liabilities	(12,760,194)	(12,363,257)
Net Position	<u>\$21,651,689</u>	<u>\$23,038,920</u>

At December 31, 2013 and 2014, respectively, the liabilities above include approximately 11.6 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.1 million and \$10.8 million of unpaid claims to be billed. The Pool's membership increased from 475 members in 2013 to 488 members in 2014. These amounts will be included in future contributions from members when the related claims are due for payment. As of November 30, 2014, the Society's share of these unpaid claims collectible in future years is approximately \$10,000.

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.

**LOGAN COUNTY AGRICULTURAL SOCIETY
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 2014 AND 2013
(Continued)**

5. RISK MANAGEMENT (Continued)

Contributions to PEP	
2013	2014
<u>\$14,172</u>	<u>\$14,767</u>

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 and FFA organization representatives, is responsible for the Junior Fair Division activities of the Logan County Fair. The Society disbursed \$26,324 and \$15,176 for fiscal year 2014 and 2013, respectively, directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement.

The Society received from the State of Ohio, \$4,281 and \$4,241 during fiscal year ended November 30, 2014 and November 30, 2013, respectively, for support of the Junior Fair Division activities. These amounts have been reported in the accompanying financial statement in the line item State Support under non-operating revenues.

7. JUNIOR LIVESTOCK SALE COMMITTEE

The Junior Livestock Sale is held during fair week at which 4-H and FFA members may sell their animals directly to market through auction. Monies to cover the cost of the auction are generated through a 3.0% commission assessed on the auction price and are retained by the Society. Total receipts from the livestock sale during the fair were \$414,276 for fiscal year 2014 and \$337,485 for fiscal year 2013. The Society disbursed \$400,417 and \$337,220 for fiscal year 2014 and 2013, respectively, directly to the 4-H and FFA members for Junior Livestock Sale activities. These revenues and expenses are included in the accompanying financial statements in the line items Restricted Revenue and Other Fair Expense Disbursements, respectively.

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

Logan County Agricultural Society
Logan County
301 East Lake Avenue
P.O. Box 758
Bellefontaine, Ohio 43311

To the Board of Directors:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the Logan County Agricultural Society, Logan County, (the Society) as of and for the years ended November 30, 2014 and 2013, and the related notes to the financial statement and have issued our report thereon dated July 24, 2015 wherein we noted the Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also qualified our opinion due to lack of sufficient appropriate audit evidence supporting the amounts recorded as admission receipts in fiscal year 2014.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Society's financial statements. We consider findings 2014-001 through 2014-003 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2014-001 and 2014-002.

Society's Response to Findings

The Society's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Society's response and, accordingly, we express no opinion on it.

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

July 24, 2015

**LOGAN COUNTY AGRICULTURAL SOCIETY
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Noncompliance and Material Weakness

Accuracy and Completeness of Financial Activity

Ohio Admin. Code § 117-10-01 states each county agricultural society and independent society shall, for financial reporting and accounting purposes:

- A. Record and report all financial transactions on a fiscal year basis beginning on December 1 and ending November 30 for each fiscal year.
- B. Record and report all financial transactions in accordance with appendix A of the auditor of state manual, "Uniform System of Accounting for Agricultural Societies."

The following errors were reclassified and adjusted on the Society's financial reports for 2013 and 2014:

- Beginning balance in 2013 was increased by \$1,251 to agree to the prior year ending balance.
- Debt Service expenditures in 2013 were increased by \$2,902 to include unreported amount of \$262 and reclassification from Capital Outlay of \$2,640.
- Debt Service expenditures in 2014 were increased by \$22,954 to include unreported cash expenditures due to utilizing accrual system.
- Miscellaneous and Race Supplies expenditures were decreased by \$39,260 and \$7,290, respectively, and Admissions Revenue was decreased by \$46,550 to properly account for fair start-up cash in 2014.

The following reclassifications were inconsequential to the overall financial statements of the Society and were not posted to the statements:

- Tent/table rentals were posted as Property Expenses rather than Rent and Lease expenditures (\$4,225 in 2014).
- Employer portion of withholdings was posted as Salaries and Wages expenditure instead of Benefits expenditure (\$1,576 in 2014).

Failure to correctly classify financial activity in the accounting records and financial statements may impact the user's understanding of the financial operations, the Society's ability to make sound financial decisions, and may result in material misstatement of the financial statements. In addition, such undetected errors may result in irregularities not being detected in a timely manner.

The Society should have procedures in place to help assure the accurate and complete recording of financial activity and balances in the accounting records and financial statements to assist in the effective management and reporting of financial resources.

FINDING NUMBER 2014-002

Noncompliance and Material Weakness

Maintenance of Accounting System

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

The Society utilized the Quickbooks accounting system for financial purposes. The Treasurer posted daily receipts to the accounting system in batches rather than by individual receipts. Documentation was maintained by individual receipts rather than by batches; therefore deterring the identification of individual transactions. The Society utilized receipt books; however receipts were not always issued in sequence and did not identify which receipts were used when posting transactions to the system and/or agreed to deposits.

In addition, the Society issued a check in 2013 without proper supporting documentation such as an invoice/contract. The Society did maintain the check stub and Board approval in the minutes. Additionally in 2014, the accounting system showed two check numbers differently than the actual check numbers cleared on the bank statement.

Furthermore, the Society collected cash for admission into the fair for 2013 and 2014. Admission revenue was a significant account as it represented over 18% and 14% of operating receipts in 2013 and 2014, respectively. In 2014, the Society did not complete or maintain adequate supporting documentation to support the admissions revenue receipts posted to the accounting system and financial statement.

The Society should implement policies and procedures to improve financial accountability and reporting. These procedures should include the following:

- Issuing pre-numbered receipts in sequential order
- Identifying individual receipts in relation to amounts deposited and posted to the system
- Maintaining receipt support in an organized manner to support transactions
- Posting accurate check numbers to the accounting system
- Retaining adequate documentation to support receipts and expenditures

FINDING NUMBER 2014-003

Material Weakness

Admission Revenues

The Society's main revenue source for operating is Admission Revenue. In 2013, the Society documented beginning and ending ticket numbers for gate admissions and maintained other documentation to support season, exhibitor, grandstand, and other ticket sales; however, the Society did not complete ticket inventories, ticket sale reconciliations, or track complimentary and/or voided tickets.

In 2014, the Society did not complete or maintain sufficient audit evidence to support admission revenues for gate, season, exhibitor, grandstand or other ticket sales.

**FINDING NUMBER 2014-003
(Continued)**

The lack of adequate record keeping for admissions revenue could lead to undetected errors or irregularities within the normal course of business.

The Secretary and/or Treasurer should implement procedures to adequately track and reconcile admission revenue to help prevent loss of funds and improve financial reporting. These procedures should include the following:

- Maintain inventory of tickets purchased and on-hand
- Document use of tickets, including complimentary and voided tickets
- Reconcile ticket sales with cash collected and deposited
- Investigate discrepancies between sales and deposits

Official's Response:

We acknowledge findings 2014-001 thru 2014-003 and have taken steps to correct/eliminate these problems in the future.

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Dave Yost • Auditor of State

LOGAN COUNTY AGRICULTURAL SOCIETY

LOGAN 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
AUGUST 20, 2015**