



Mary Taylor, CPA
Auditor of State

**AGRICULTURAL SOCIETY
DARKE COUNTY**

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Mary Taylor, CPA
Auditor of State

Agricultural Society
Darke County
800 Sweitzer Street
Greenville, Ohio 45331

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to 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 statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 5, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Agricultural Society
Darke County
800 Sweitzer Street
Greenville, Ohio 45331

To the Board of Directors:

We have audited the accompanying financial statements of the Agricultural Society, Darke County, (the Society) as of and for the years ended November 30, 2008 and 2007. 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, 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, 2008 and 2007 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 May 5, 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Agricultural Society, Darke County, as of November 30, 2008 and 2007, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 May 5, 2009, 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 5, 2009

**DARKE COUNTY AGRICULTURAL SOCIETY
DARKE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEARS ENDED NOVEMBER 30, 2008 AND 2007**

	2008	2007
Operating Receipts:		
Admissions	\$786,304	\$634,879
Privilege Fees	335,274	325,881
Rentals	280,646	276,860
Sustaining and Entry Fees	68,345	60,600
Parimutuel Wagering Commission	29,102	26,710
Fees	35,220	36,338
Other Operating Receipts	12,683	11,883
Total Operating Receipts	1,547,574	1,373,151
 Operating Disbursements:		
Wages and Benefits	200,784	205,170
Utilities	188,034	176,587
Professional Services	216,925	194,302
Equipment and Grounds Maintenance	251,813	274,599
Race Purse	152,127	147,995
Senior Fair	599,912	565,664
Junior Fair	33,589	52,014
Capital Outlay	415,576	8,880
Other Operating Disbursements	177,622	168,869
Total Operating Disbursements	2,236,382	1,794,080
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(688,808)	(420,929)
 Non-Operating Receipts (Disbursements):		
State Support	26,148	29,193
County Support	2,000	4,000
Debt Proceeds	453,921	
Restricted Support	530,947	444,870
Unrestricted Support	813	1,928
Investment Income	9,956	10,278
Debt Service	(35,839)	(36,948)
Net Non-Operating Receipts (Disbursements)	987,946	453,321
 Excess (Deficiency) of Receipts Over (Under) Disbursements	299,138	32,392
 Cash Balance, Beginning of Year	246,570	214,178
 Cash Balance, End of Year	\$545,708	\$246,570

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

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**AGRICULTURAL SOCIETY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2008 AND 2007**

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 Agricultural Society, Darke County, (the Society) as a body corporate and politic. The Society is an independent agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded on November 24, 1852 to operate an annual agricultural fair. The Society sponsors the nine day-long Great Darke County Fair during August. During the fair, harness races are held, culminating in the running of the speed races. Darke County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of eleven directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Darke 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, harness racing during fair week. Other year round activities at the fairgrounds including facility rental, track and stall rental, and community events including trade shows and horse shows. The reporting entity does not include any other activities or entities of Darke 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.

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's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds are recorded at share values the mutual fund reports.

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.

**AGRICULTURAL SOCIETY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Support

Restricted support includes amounts that donors restrict for specific uses. These include money for sponsorships and promotions. The receipts for Junior Livestock Sale are also classified as restricted support.

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 Darke 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 Ohio Colt Racing 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.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The Society's basis of accounting does not report these amounts as liabilities.

**AGRICULTURAL SOCIETY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2008 AND 2007
(Continued)**

2. DEPOSITS AND INVESTMENTS

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$153,151	\$ 58,240
Certificates of deposit	224,114	188,330
Money Market	168,443	
Total deposits	<u>\$545,708</u>	<u>\$246,570</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

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, 2008 and 2007 was \$26,148 and \$29,193, 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.

	<u>2008</u>	<u>2007</u>
Total Amount Bet (Handle)	\$140,423	\$ 129,233
Less: Payoff to Bettors	(111,321)	(102,523)
Parimutuel Wagering Commission	29,102	26,710
Tote Service Commission	(13,102)	(12,050)
State Tax	(4,381)	(3,974)
Society Portion	<u>\$ 11,619</u>	<u>\$ 10,686</u>

**AGRICULTURAL SOCIETY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2008 AND 2007
(Continued)**

4. DEBT

Debt outstanding at November 2008 was as follows:

	Principal	Interest Rate
Note Payable for Capital Project	\$453,921	3.66%

On April 9, 2008, the Society obtained a loan from Farmers State Bank in the amount of \$453,921. The loan bears an interest rate of 3.66% and is due to the Farmers State Bank. The loan will mature on September 30, 2016. Proceeds were used to construct restrooms at the fairgrounds.

Amortization of the above debt is scheduled as follows:

Year ending November 30:	Principal	Interest	Total
2009	\$ 43,067	\$24,533	\$ 67,600
2010	52,563	15,037	67,600
2011	54,487	13,113	67,600
2012	56,450	11,150	67,600
2013	58,547	9,053	67,600
2014 - 2016	188,807	13,993	202,800
Total	\$453,921	\$86,879	\$540,800

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. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

**AGRICULTURAL SOCIETY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2008 AND 2007
(Continued)**

5. RISK MANAGEMENT

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2007 and 2006 (the latest information available):

	2007	2006
Assets	\$37,560,071	\$36,123,194
Liabilities	(17,340,825)	(16,738,904)
Net Assets	\$20,219,246	\$19,384,290

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Society's share of these unpaid claims collectible in future years is approximately \$9,236. This payable includes the subsequent year's contribution due if the Government terminates participation, as described in the last paragraph below.

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.

Contributions to PEP	
2005	\$32,408
2006	29,668
2007	31,307

**AGRICULTURAL SOCIETY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2008 AND 2007
(Continued)**

5. RISK MANAGEMENT (Continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. 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 Darke County Fair. The Society disbursed \$33,589 and \$52,014 directly to the Junior Fair Board. 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 year ended November 30 is as follows:

	2008	2007
Beginning Cash Balance	\$2,466	\$2,160
Receipts	14,285	17,401
Disbursements	(14,735)	(17,095)
Ending Cash Balance	\$2,016	\$2,466

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 Darke County Fair's auction. There is no commission collected from the auction. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the year ended November 30 includes the following:

	2008	2007
Beginning Cash Balance	\$2,081	\$1,205
Receipts	10,153	5,298
Disbursements	(6,984)	(4,422)
Ending Cash Balance	\$5,250	\$2,081



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*

Agricultural Society
Darke County
800 Sweitzer Street
Greenville, Ohio 45331

To the Board of Directors:

We have audited the financial statements of the Agricultural Society, Darke County, (the Society) as of and for the years ended November 30, 2008 and 2007, and have issued our report thereon dated May 5, 2009, 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 expressing our opinion on the financial statements, but not to opine 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Society's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Society's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider findings 2008-001 through 2008-002 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Society's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control over Financial Reporting
(Continued)**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe finding number 2008-001 is also a material weakness.

We also noted certain internal control matters that we reported to the Society's management in a separate letter dated May 5, 2009.

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 we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Society's management in a separate letter dated May 5, 2009.

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 the management and Board of Directors. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

May 5, 2009

**AGRICULTURAL SOCIETY
DARKE COUNTY**

**SCHEDULE OF FINDINGS
NOVEMBER 30, 2008 AND 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

**Material Weakness:
Financial Statements**

The Darke County Agricultural Society obtained a loan for \$453,921 during 2008. This transaction did not appear on the financial statements prepared and presented by the Society. This omission was material to the statements, thereby making the statements materially incorrect without it. An adjustment was made to the financial statements and presented in the notes to the financial statements. In order to provide additional assurance the financial statements are materially correct, due care should be taken in their preparation. In addition, a reconciliation should be performed between the ledgers and financial statements to determine that all activity is presented on the statements.

Officials Response: In the future, the Darke County Agricultural Society will place loans in the financial statements.

FINDING NUMBER 2008-002

**Significant Deficiency:
Admission Receipts**

During the fair week, the receipt records provided for audit were incomplete and indicated the following audit exceptions:

- There were no ticket reports for either the 2008 and 2007 band spectacular and harness races provided to us; however, unsold tickets rolls were provided to us. We recalculated the amount of revenue that should have been collected from the amount of tickets purchased and the number of tickets remaining in the Society office. Without an account of the tickets sold through documentation, there was no accountability and completeness of the revenue collected. Ticket reports with the first and last tickets sold and reconciliation to the revenue collected should be performed daily to prevent errors from going undetected.
- The 2008 and 2007 tractor pull and demolition derby's privilege tickets allowed individuals to buy \$10 wristbands to sit on the infield during these two events. However, there were no records of how many wristbands were sold to verify the completeness of this revenue. We recalculated the amount of wristbands remaining with the Society from the number of wristbands that were purchased to calculate the revenue that should have been collected and posted to the ledgers. Without an accountability over the number of wristbands sold, it is difficult for the Society to determine when and if an error has occurred.

**FINDING NUMBER 2008-002
(Continued)**

- General admission receipts were not deposited intact. Ticket accountability sheets were used to determine the amount of a correct deposit based upon the ticket numbers showing as being sold. The actual deposit made for each gate was the amount reported on the ticket accountability sheet, even when the amount actually collected may have been over or under that amount. If the amount received from a gate was over the calculated amount, the overage amount was pulled out and placed in a safe until the end of the fair. If the amount received from a gate was under the calculated amount, the shortage was taken from the safe and the deposit made for the day would be corrected. At the end of the fair, the total amount of the overage was then deposited. The total amount of the overage for 2008 and 2007 was \$21,409 and \$17,855. Daily deposits should be made intact for the actual amount collected. In addition, ticket accountability sheets should be completed correctly showing the actual amount collected, rather than the amount that should have been collected.
- Several people handled cash for general admission gate revenues. When gate revenue was deposited with the cashier, no signature was obtained from the cashier or volunteer to indicate the amount of funds being deposited. Signatures should be obtained to indicate the amount deposited with and accepted by the cashier to provide for accuracy in the deposits.

The failure to issue tickets and maintain complete and accurate accountability sheets could lead to a loss of revenue for the Society as well as the inability to detect errors and omissions promptly. The Society should require that ticket accountability sheets procedures are followed and verify the accuracy by reconciling the daily collections with the number of tickets sold. The Board should review the policies and procedures over admissions to address these issues.

Officials Response: The Darke County Agricultural Society will research methods of being more efficient in this area.

**AGRICULTURAL SOCIETY
DARKE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Admission receipts were not maintained throughout for all events.	No	Repeated as 2008-002
2006-002	Rental Contracts were not prenumbered.	No	Moved to management letter.



Mary Taylor, CPA
Auditor of State

AGRICULTURAL SOCIETY

DARKE 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
JUNE 4, 2009**