



Dave Yost • Auditor of State

CLINTON COUNTY AGRICULTURAL SOCIETY
CLINTON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Clinton County Agricultural Society
Clinton County
6406 State Route 73 South
Wilmington, Ohio 45177

To the Board of Directors:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements 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 these financial statements 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 statements are 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 statements 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 audit opinion.

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

As described in Note 1 of the financial statements, the Society prepared these financial statements 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, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 statements referred to above do 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, 2012 and 2011, or changes in financial position thereof for the years then ended.

Basis for Additional Opinion Qualification

Admission receipts are reported at \$140,625, and \$212,121 for the years ended November 30, 2012 and 2011, respectively, which are 42 percent of total operating receipts for the year ended November 30, 2012, and 57 percent of total operating receipts for the year ended November 30, 2011. Privilege Fee receipts are reported at \$63,608 and \$25,023 for the years ended November 30, 2012 and 2011 respectively, which is 19 percent of total operating receipts for the year ended November 30, 2012, and 7 percent of total operating receipts for the year ended November 30, 2011. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as admission and privilege fee 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 statements referred to above present fairly, in all material respects, the cash balances of the Clinton County Agricultural Society, Clinton County as of November 30, 2012 and 2011, 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 February 19, 2014, 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

February 19, 2014

**CLINTON COUNTY AGRICULTURAL SOCIETY
CLINTON COUNTY**

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

	<u>2012</u>	<u>2011</u>
Operating Receipts:		
Admissions	\$140,625	\$212,121
Privilege Fees	63,608	25,023
Rentals	92,445	102,416
Other Operating Receipts	<u>37,299</u>	<u>30,964</u>
 Total Operating Receipts	 <u>333,977</u>	 <u>370,524</u>
Operating Disbursements:		
Utilities	51,918	68,388
Professional Services	49,355	52,142
Equipment and Grounds Maintenance	85,040	107,252
Race Purse	21,789	27,030
Senior Fair	57,507	84,477
Junior Fair	5,540	11,873
Capital Outlay	39,394	11,348
Other Operating Disbursements	<u>73,298</u>	<u>66,979</u>
 Total Operating Disbursements	 <u>383,841</u>	 <u>429,489</u>
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 <u>(49,864)</u>	 <u>(58,965)</u>
Non-Operating Receipts (Disbursements):		
State Support	18,729	33,314
County Support	250	-
Donations/Contributions	50,535	19,409
Investment Income	74	276
Debt Service	<u>(39,351)</u>	<u>(30,395)</u>
 Net Non-Operating Receipts (Disbursements)	 <u>30,237</u>	 <u>22,604</u>
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 <u>(19,627)</u>	 <u>(36,361)</u>
 Cash Balance, Beginning of Year	 <u>99,620</u>	 <u>135,981</u>
 Cash Balance, End of Year	 <u><u>\$79,993</u></u>	 <u><u>\$99,620</u></u>

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

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**CLINTON COUNTY AGRICULTURAL SOCIETY
CLINTON 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 Clinton County Agricultural Society, Clinton County, Ohio (the Society), as a body corporate and politic. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1837 to operate an annual agricultural fair. The Society sponsors the week-long Clinton County Fair during July. During the fair, harness races are held. Clinton County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 15 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Clinton 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. The reporting entity does not include any other activities or entities of Clinton County, Ohio.

Notes 7 and 8, 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

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.

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.

**CLINTON COUNTY AGRICULTURAL SOCIETY
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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.

F. Race Purse

Stake races are held during the Clinton 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 Clinton County Harness Horseman's 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.

G. 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.

2. DEPOSITS

The Society maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at November 30, 2012 and 2011 was as follows:

**CLINTON COUNTY AGRICULTURAL SOCIETY
CLINTON COUNTY**

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

2. DEPOSITS (CONTINUED)

	2012	2011
Demand deposits	\$18,007	\$23,745
Certificates of deposit	20,311	45,071
Other time deposits (savings and NOW accounts)	41,675	30,804
Total deposits	79,993	99,620

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 \$21,475 and \$33,314, 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)	\$ 3,213	\$ 5,495
Less: Payoff to Bettors	(2,571)	(4,384)
Parimutuel Wagering Commission	642	1,111
Tote Service Set Up Fee	(500)	(500)
Tote Service Commission	0	
State Tax	(82)	(150)
Society Portion	\$ 60	\$ 461

4. DEBT AGREEMENT – PAYMENTS TO THE COUNTY

In 2008, the Society's bond anticipation note was reissued as bonds in the amount of \$515,000 at variable interest payable to Clinton County. As of November 30, 2012, the Society was in arrears \$56,166 to the County's obligation. The County Commissioners met with the Society Officials in October 2013 to discuss the financial obligations of the Society to the County. The County will bill the Society twice a year for the debt payments following the amortization schedule, and they will also bill the Society \$1,000 every month until the outstanding liability of \$56,166 is paid.

**CLINTON COUNTY AGRICULTURAL SOCIETY
CLINTON COUNTY**

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

5. RISK MANAGEMENT

The Clinton County Commissioners provide general insurance coverage for all the buildings on the Clinton County Fairgrounds pursuant to Ohio Revised Code §1711.24. A private company provides general liability and vehicle insurance, with limits of \$2,000,000. The Society's Treasurer and Secretary are bonded with coverage of \$150,000 for each position.

6. RELATED PARTY TRANSACTIONS

The Society paid \$3,721 in 2012 and \$5,866 to a company that is co-owned by a Board Member for plumbing services

The Society paid \$12,430 to the husband of a Board Member for grounds and maintenance services.

7. CLINTON COUNTY 4-H COMMITTEE

The Clinton County 4-H Committee, 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 Clinton County Fair. The Society disbursed \$5,540 and \$11,873 directly to the Junior Fair Board in 2012 and 2011 respectively to support Junior Fair activities. 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 are as follows:

	2012	2011
Beginning Cash Balance	68,383	53,913
Receipts	113,825	84,108
Disbursements	(102,011)	(69,638)
Ending Cash Balance	\$ 80,197	\$ 68,383

8. 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 Clinton County's auction. A commission of two and one-half percent (2.5%) for cattle plus ten dollars (\$10.00) per head, and five percent (5%) for goats, lambs, and hogs is assessed on the auction price to cover auction costs. The Junior Livestock Committee retains this money. The total auction amount for the years ended November 30, 2012 and 2011 was \$375,356 and \$304,000, and the Junior Livestock Sale Committee received \$18,180 and \$20,341, respectively. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the years ended November 30, 2012 and 2011 is included in the 4-H Council financial activity in Note 7.



Dave Yost • Auditor of State

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

Clinton County Agricultural Society
Clinton County
6406 State Route 73 South
Wilmington, Ohio 45177

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 statements of the Clinton County Agricultural Society, Clinton County, (the Society) as of and for the year ended November 30, 2012 and 2011, and the related notes to the financial statements; and have issued our report thereon dated February 19, 2014, wherein we noted the Society followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits. We also modified our opinion for 2012 and 2011 because we were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as admission and privilege fee receipts.

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 opinion on the financial statements, 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2012-001 through 2012-004 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 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, 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2012-001.

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

February 19, 2014

**CLINTON COUNTY AGRICULTURAL SOCIETY
CLINTON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2012-001

NONCOMPLIANCE AND MATERIAL WEAKNESS

Ohio Administrative Code § 117-2-02 (A) states “all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.”

The Society did not maintain an accurate record of all moneys received. The accounting records of the Society contained posting errors, and lacked correct classifications of receipts and expenditures. As a result, those records which were maintained by the Board were not an accurate reflection of all monies received and expended. All of these conditions exhibit a lack of control over the recording and reporting of Society’s financial activity and did result in inaccurate and untimely accounting records.

We identified the following conditions which resulted in proposed audit adjustments:

- In 2012, \$1,950 in Camping Site Rentals were posted to Privilege Fees;
- In 2012 and 2011, the Society posted the net amount of collections for the 4-H Auction and Fair Operations, understating receipts and disbursements by \$11,232 and \$11,868 respectively;
- In 2012 and 2011, the Society posted Grounds Maintenance and Professional Fees to Salaries and Wages totaling \$27,729 & \$24,042 respectively;
- In 2012 and 2011, the Society posted Advances In and Advances Out totaling \$30,200 and \$27,700 respectively. The Society only has one fund; therefore, it cannot advance money. The transaction was for the use of start-up money for the fair;
- In 2012, no supporting documentation was maintained for admissions to the Demolition Derby;
- In 2011, \$10,540 in Privilege Fee receipts was posted to the Rental Receipts.

We identified the following conditions related to disbursements procedures and accounting records:

- Four percent of the checks were not signed by two authorized signatories;
- 20 percent (10 of 51) of the expenditures selected for testing did not have supporting documentation attached. We were able to perform alternative procedures to assure the expenditures were for a proper public purpose, with the exception of one expenditure in the amount of \$69 for a premium paid to fair participant;
- One of the expenditures tested did not utilize tax exempt status;
- Eight percent (4 of 51) of expenditures tested were not charged to the correct line item.

**FINDING NUMBER 2012-001
(Continued)**

Audit adjustments and reclassifications were made to the Society's financial statements and accounting records to properly account for the above errors.

Failure to accurately post and report transactions could result in material errors in the Society's financial statements and reduces the Society's ability to make sound decisions which affect the overall available cash position of the Society. We recommend board members review the chart of accounts to assure that items are being posted to the proper account codes and funds.

Failure to accurately post and report transactions and prepare the accounting records, 1) reduces the accountability over Society funds, 2) reduces the Board's ability to monitor financial activity and make informed financial decisions, and 3) increases the risk that errors, theft or fraud could occur and not be detected in a timely manner. We recommend the Society implement the following controls.

- All checks should be signed by two authorized signatories;
- Supporting documentation should be attached to each expenditure matching amount paid to amount owed;
- The Society is a tax exempt entity, and should use its tax exempt status when making purchases;
- The Board of Director's should monitor the expenditure ledger for proper posting to line item;
- The Board of Directors should review the chart of accounts to assure that items are being posted to the proper account codes and funds.

Officials' Response:

We did not receive a response from officials to the finding above.

FINDING NUMBER 2012-002

MATERIAL WEAKNESS

The Society entered into a debt agreement dated June 9, 2003 and March 30, 2005 with Clinton County. This debt agreement requires the Society to pay annual principal and interest to the County for the County's assumption of the Society's debt.

The Society did not make all of its scheduled payments towards its debt to Clinton County in Fiscal Years 2012 and 2011. The Society was in arrears of \$56,166 at the end of fiscal year 2012. The Society does not have a system in place to make sure that its debt payments are made timely. Failure to make timely debt payments can lead to penalties and service charges.

We recommend that the Society use a calendar or develop a "Tickler" file of outstanding debt and the dates that payments for principal and interest are due. In November 2013, the Society renegotiated with the County to pay \$1,000 a month for missed payments.

Officials' Response:

We did not receive a response from officials to the finding above.

FINDING NUMBER 2012-003

MATERIAL WEAKNESS - ADMISSIONS

The Auditor of State's Uniform System of Accounting for Agricultural Society, November 2002 revision, outlines the procedures an agricultural society should take when accounting for fair admissions. The Society maintained ticket tally sheets for admission receipts; however, we noted the following conditions over the recording of admission revenue:

- Detailed documentation was not maintained to support and reconcile admission revenues being deposited in the Society's deposit and recorded in the Society's general ledger.
- The duplicate receipts issued for gate receipts and season tickets were not always traceable from a duplicate receipt to the bank deposits; and we were unable to trace admission receipts to proper postings in the accounting system.
- The Society did not maintain supporting documentation for the Demolition Derby for 2012.
- Season passes were sold at the entry gates to the fair; however, when receipts were posted to the system, there was no breakdown of what receipts were for season passes or daily entrance into the fair.

As a result we were unable to satisfy ourselves as to the completeness of admission revenues by other auditing procedures.

Failure to accurately collect, record and maintain annual fair admissions records could cause receipts and fund balances to be misappropriated. In order to strengthen internal controls over the annual fair admissions receipt process and ensure all receipts are properly deposited, we recommend the Society use due care when processing gate and season pass receipts. Supporting documentation should be maintained. The amount received should be reconciled to the amount collected and deposited.

Officials' Response:

We did not receive a response from officials to the finding above.

FINDING NUMBER 2012-004

MATERIAL WEAKNESS – PRIVILEGE FEES

The privilege fee revenue line item is comprised of rental monies received for concession space merchant building space and outside space during fair week. Supporting documentation for these receipts are contracts. The renter completes a contract that contains date, business, number of spaces needed, number of passes needs and the total amount due. The renter and a Society member should sign the contract. The contract is marked paid upon receipt of the rental fee and method of payment is documented.

The Society has not established internal control procedures over privilege fee receipts. The following conditions were noted:

- Contracts were not always signed by the payee;
- Contracts were not always properly marked with the source of payment, amount of payment, collection date and amount still outstanding;

**FINDING NUMBER 2012-004
(Continued)**

- Supporting Documentation was not maintained for all privilege fee receipts. The Society did not provide contracts to support 12% of the 2012 Privilege Fee receipts, and 48% of the 2011 Privilege Fee receipts.

As a result, the Society did not provide sufficient documentation supporting privilege fee receipts. Failure to maintain appropriate accounting records may adversely affect the decisions of management and could result in uncollected funds, inaccurate financial reports and/or loss or theft of funds.

Without this documentation, we were unable to satisfy ourselves as to the completeness of admission revenues by other auditing procedures.

To improve accountability over privilege fee receipts:

- Each privilege fee receipt should have a signed contract by the renter/vendor and an appropriate member of the Society's management;
- All contracts should be dated, completed prior to the event and document the amount and type of payment received;
- The Society should maintain these contracts and file them with the Society's financial records.

Officials' Response:

We did not receive a response from officials to the finding above.

**CLINTON COUNTY AGRICULTURAL SOCIETY
CLINTON 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	Establish internal control procedures and maintain documentation for Admission Receipts	No	Reissued as Finding # 2012-003
2010-002	Debt – Not following amortization schedule	No	Reissued as Finding # 2012-002

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Dave Yost • Auditor of State

CLINTON COUNTY AGRICULTURAL SOCIETY

CLINTON 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
MARCH 13, 2014**