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Certified Public Accountants, A.C.

**HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY
Regular Audit
For the Years Ended November 30, 2016 and 2015**

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Dave Yost • Auditor of State

Board of Directors
Hancock County Agricultural Society
P O Box 148
1017 East Sandusky Street
Findlay, Ohio 45839-0148

We have reviewed the *Independent Auditor's Report* of the Hancock County Agricultural Society, Hancock County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period December 1, 2014 through November 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Hancock County Agricultural Society is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

June 16, 2017

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HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY

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INDEPENDENT AUDITOR'S REPORT

May 31, 2017

Hancock County Agricultural Society
Hancock County
P.O. Box 148
Findlay, Ohio 45839

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the **Hancock County Agricultural Society**, Hancock County, (the Society) as of and for the years ended November 30, 2016 and 2015.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting the 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 the 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 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 audit opinions.

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

As described in Note 2 of the financial statements, the Society prepared the 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements 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 these statements 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 *Opinion on Regulatory Basis of Accounting* 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 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, 2016 and 2015, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Hancock County Agricultural Society, Hancock County as of November 30, 2016 and 2015, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY**

**STATEMENTS OF RECEIPTS, DISBURSEMENTS AND
CHANGE IN FUND BALANCE (REGULATORY CASH BASIS)
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015**

	2016	2015
Operating Receipts:		
Admissions	\$ 183,924	\$ 171,918
Privilege Fees	93,239	89,779
Rentals	127,681	119,899
Racing	21,211	13,905
Livestock	411,200	457,926
Hotel/Motel Receipts	187,864	-
Capital Campaign	56,750	-
Fees	41,105	34,319
Other Operating Receipts	28,074	17,401
Total Operating Receipts	1,151,048	905,147
Operating Disbursements:		
Wages and Benefits	98,420	92,742
Utilities	53,233	58,979
Professional Services	52,268	33,346
Equipment and Grounds Maintenance	54,161	37,004
Race Purse	86,872	78,764
Senior Fair	57,110	66,200
Junior Fair	28,672	30,602
Capital Outlay	65,296	4,164
Livestock Sale	400,911	438,179
Capital Campaign	91,938	2,328
Other Operating Disbursements	249,700	207,595
Total Operating Disbursements	1,238,581	1,049,903
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(87,533)	(144,756)
Non-Operating Receipts (Disbursements):		
State Support	74,739	68,695
County Support	3,300	3,300
Donations/Contributions	118,625	110,856
Debt Service	(37,163)	(13,015)
Investment Income	2,680	515
Net Non-Operating Receipts (Disbursements)	162,181	170,351
Excess (Deficiency) of Receipts Over (Under) Disbursements	74,648	25,595
Cash Balance, Beginning of Year	468,345	442,750
Cash Balance, End of Year	\$ 542,993	\$ 468,345

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

**HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015**

Note 1 – Reporting Entity

The Hancock County Agricultural Society (the Society), Hancock County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded in 1938 to operate an annual agricultural fair. The Society sponsors the week – long Hancock County Fair during Labor Day weekend in September. During the fair, harness races are held, culminating in the running of the Western Ohio Colt Racing Association. Hancock County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 26 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Hancock County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair, harness racing during fair week and junior livestock sale. Other year round activities at the fairgrounds including facility rental, track and stall rental, and community events including craft shows, horse shows, circuses, and personal property auctions. The reporting entity does not include any other activities or entities of Hancock County, Ohio.

Note 9 summarizes the Old Mill Stream Foundation’s financial activity. The Junior Fair Board and Junior Livestock Sale Committee’s financial activity are reported in the Society’s financial statements.

The Society’s management believes these financial statements present all activities for which the Society is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Society’s financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

Basis of Accounting

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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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.

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.

The Society values Corporate Bonds at fair value and CDs and Money Markets at cost.

**HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

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.

Race Purse

North Central Ohio Colt stake races are held during the Hancock 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 Western 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 4 for additional information.

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 4 for additional information.

Note 3 – Deposits and Investments

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

**HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015
(Continued)**

Note 3 – Deposits and Investments (Continued)

	2016	2015
Demand deposits	\$ 361,275	\$ 228,789
Certificates of deposit	150,000	-
Total deposits	511,275	228,789
Corporate Bonds	-	239,556
Money Market	31,718	-
Total investments	31,718	239,556
Total deposits and investments	\$ 542,993	\$ 468,345

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

At November 30, 2016, \$153,625 of deposits were not insured or collateralized, contrary to Ohio law.

At November 30, 2015, the Society held \$239,556 in corporate bonds. Corporate bonds are not eligible investments for the Society under Ohio law.

Note 4 – 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, 2016 and 2015 was \$70,463 and \$68,695, respectively, as State Support. In 2016, this included VLT funds of \$48,000.

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.

	2016	2015
Total Amount Bet (Handle)	\$ 1,111	\$ 1,356
Less: Payoff to Bettors	893	1,085
Parimutuel Wagering Commission	2,004	2,441
Tote Service Set Up Fee	-	-
Tote Service Commission	(600)	(500)
State Tax	(25)	(34)
Society Portion	\$ 1,379	\$ 1,907

**HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015
(Continued)**

Note 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. 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 York. 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 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, 2016, 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.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016.

	<u>2016</u>
Assets	\$42,182,281
Liabilities	<u>(13,396,700)</u>
Net Position	<u>\$28,785,581</u>

At December 31, 2016, the liabilities above include approximately 12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool's membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Government's share of these unpaid claims collectible in future years is approximately \$14,000.

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.

**HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015
(Continued)**

Note 5 – Risk Management (Continued)

Contributions to PEP	
2016	2015
\$22,376	\$21,065

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.

Note 6 – Social Security

Society employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants’ gross salaries. The Society has paid all contributions required through November 30, 2016.

Note 7 – Debt

Debt outstanding at November 30, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Consolidated Loan (Fishlock/First Street)	\$ 32,258	5.40%
Buckeye Building Loan	22,243	2.00%
John Deere Tractor Lease	1,055	0.00%
Total	\$ 54,501	

On June 11, 2009, the Society consolidated two outstanding loans into one loan with Ag Credit. The original loan proceeds were used to purchase a house and lot next to the fairgrounds and upgrade electric in a property the Society owns and rents. The current loan bears an interest rate of 5.4 percent and matures on July 1, 2019.

On June 9, 2014, the Society received loan proceeds from the Old Mill Stream Foundation to add on to the Buckeye Building on the fairgrounds. The current loan bears an interest rate of 2 percent and matures on November 1, 2019.

On June 16, 2014, the Society entered into a capital lease agreement with John Deere Financial. The prior report did not properly disclose the capital lease. The amount outstanding as of November 30, 2014 was \$5,275. The lease ends on June 16, 2017 with the purchase option price of \$3,102.

**HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015
(Continued)**

Note 7 – Debt (Continued)

Amortization of the above debt is scheduled as follows:

<u>Year Ending November 30:</u>	<u>Consolidated Loan (Fishlock/First Street)</u>	<u>Buckeye Building Loan</u>	<u>John Deere Tractor Lease</u>	<u>Total</u>
2017	\$ 11,557	\$ 10,000	\$ 1,055	\$ 22,612
2018	12,197	10,000	-	22,197
2019	8,504	2,243	-	10,747
	<u>\$ 32,258</u>	<u>\$ 22,243</u>	<u>\$ 1,055</u>	<u>\$ 55,556</u>

Note 8 – Related Party Transactions

A Board member is the owner of a company from which the Society acquired electrical services during 2016 and 2015. In 2016 and 2015, the Society paid \$17,919 and \$14,274, respectively, for these acquisitions. The Board Member abstained from all decisions regarding these transactions.

Note 9 – Old Mill Stream Foundation

In FY 2005, the Old Mill Stream Foundation was created. The Old Mill Stream Foundation was organized as an entity of the Hancock County Agricultural Society but is not controlled by the Society's Board of Directors. The Foundation's Board consists of community leaders interested in the well-being or revitalization of the grounds. They decide how to allocate the funds received and assist in capital funding with the cooperation of the Fair Board. None of the funds received by the Foundation will be used to support operating expenses. Three member of the Fair Board were appointed to serve on the Foundation Board. The Foundation Board is made up of ten members. The Foundation receives private donations and is a tax exempt 501(c)(3) charitable organization.



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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**

May 31, 2017

Hancock County Agricultural Society
Hancock County
P.O. Box 148
Findlay, Ohio 45839

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 cash balances, receipts and disbursements of the **Hancock County Agricultural Society**, Hancock County, Ohio, (the Society) as of and for the years ended November 30, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated May 31, 2017, 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.

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.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2016-002 to be a material weakness.

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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 audit findings as item 2016-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated May 31, 2017.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

HANCOCK COUNTY AGRICULTURAL SOCIETY
HANCOCK COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015

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

FINDING NUMBER 2016-001

Non-Compliance

Investments

Ohio Rev. Code, Section 135.14, provides that no Treasurer or governing board shall make an investment or deposit under this section, unless there is on file with the Auditor of the State a written investment policy approved by the governing board. This section also provides that no investment shall be made unless the Treasurer or governing board has completed additional training for making the investments. No evidence was presented for audit that the Merrill Lynch Corporate Bonds held during 2015 are an allowable investment, that an investment policy was adopted and filed with the Auditor of the State, or the Treasurer or governing board completed the required investment training.

We recommend a written investment policy be filed with the Auditor of the State and the Treasurer attends the required investment training. We also recommend the Board contact their legal counsel to ensure all investments are considered proper and legal.

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

FINDING NUMBER 2016-002

Material Weakness

Posting Receipts and Disbursements

Receipts and disbursements should be posted to the proper account as established by the *Uniform System of Accounting for Agricultural Societies*.

During 2016, receipts and disbursements were not posted into accurate receipt and disbursement classifications based on the source of the receipt or nature of the disbursement. The following posting errors were noted:

- Debt payments were recorded as Capital Outlay instead of Debt Service;
- Investment Income was improperly recorded as Other Operating Receipts;
- Donations and Contributions were improperly recorded as Other Operating Receipts; and
- State Support was improperly recorded as Racing Revenue.

Not posting receipts and disbursements accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all reclassifications.

We recommend the Society refer to *Uniform System of Accounting for Agricultural Societies* for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

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

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Dave Yost • Auditor of State

HANCOCK COUNTY AGRICULTURAL SOCIETY

HANCOCK 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 29, 2017