



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Darke County Agricultural Society
Darke County
800 Sweitzer Street
Greenville, Ohio 45331

We have performed the procedures enumerated below, with which the Board of Directors and the management of Darke County Agricultural Society (the Society) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2014 and 2013, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We tested the mathematical accuracy of the November 30, 2014 and November 30, 2013 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2012 beginning fund balances recorded to the November 30, 2012 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the December 1, 2013 beginning fund balances recorded to the November 30, 2013 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2014 and 2013 fund cash balance reported in the Financial Statement Summary. The amounts agreed.
4. We confirmed a November 30, 2014 bank account balance with the Society's financial institution. We observed all other year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the November 30, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2014 bank reconciliation:
 - a. We traced each debit to the subsequent December bank statement on the financial institution's website. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to November 30. We noted no exceptions.

Cash and Investments (Continued)

6. We tested investments held at November 30, 2014 and November 30, 2013 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

Other Confirmable Cash Receipts

1. We confirmed the insurance reimbursement for hail damage insurance claim amounts paid by the County Risk Sharing Authority, Inc. (CORSA) through the Darke County Auditor's Office during the year ending November 30, 2013. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper account code. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the insurance reimbursement for barn fire damage insurance claim amounts paid by the County Risk Sharing Authority, Inc. (CORSA) through the Darke County Auditor's Office during the year ending November 30, 2014. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper account code. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Admission/Grandstand Receipts

We haphazardly selected one day of general admission cash receipts from the year ended November 30, 2014 and one day of general admission cash receipts from the year ended November 30, 2013 recorded in the receipts ledger and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc). The amounts agreed.

We haphazardly selected one day of grandstand cash receipts from the year ended November 30, 2014 and one day of grandstand cash receipts from the year ended November 30, 2013 recorded in the receipts ledger and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc). The amounts agreed for the day we tested from 2014.

For March 23, 2013, the amount recorded in the receipts ledger for March 23, 2013 was \$15,612.00.

- a. The ticket sales recapitulation sheets reported 253 tickets sold at \$30 and 296 tickets sold at \$27, for a total of 549 tickets sold on that date.
- b. The admission prices per ticket were \$30 for track seats and \$27 for grandstand seats.
- c. Therefore, the number of tickets sold according to the recapitulation sheets multiplied by the admission prices supports admission receipts of \$15,582 for March 23, 2013, which is less than the amount recorded by \$30.

Admission/Grandstand Receipts (Continued)

We haphazardly selected one day of season pass cash receipts from the year ended November 30 2014 and one day of season pass cash receipts from the year ended November 30, 2013 recorded in the receipts ledger and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc). The amounts agreed for the day we tested from 2014.

For August 16, 2013, the amount recorded in the receipts ledger for August 16, 2013 was \$71,040.00.

- a. The ticket sales recapitulation sheets reported 4,711 tickets sold on August 16, 2013, with 4,571 being sold at the gates and 140 being sold at the office.
- b. The admission price per ticket was \$15.
- c. Therefore, the number of tickets sold according to the recapitulation sheets multiplied by the admission price supports admission receipts of \$70,665 for August 16, 2013, which is less than the amount recorded by \$375.

The Society should reconcile various ticket receipt collections on a daily basis to verify that the proper amount has been collected and recorded. Any discrepancies should be documented and investigated to determine the source and nature of the error.

Privilege Fee Receipts

We haphazardly selected 10 privilege fee cash receipts from the year ended November 30, 2014 and 10 privilege fee cash receipts from the year ended November 30, 2013 recorded in the Profit & Loss Detail reports and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended November 30, 2014 and 10 over-the-counter cash receipts from the year ended November 30, 2013 recorded in the Profit & Loss Detail reports and determined whether the:

- a. Receipt amount agreed to the amount recorded in the receipt ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we noted the following note outstanding as of November 30, 2012. This amount agreed to the Society's December 1, 2012 balance on the summary we used in step 3.

Issue	Principal outstanding as of November 30, 2012:
Note Payable for Capital Project	\$223,189

2. We inquired of management, and scanned the receipt and expenditure records for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2014 or 2013, or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt service payments, including loan/credit agreements permitted by Ohio Rev. Code Section 1711.13, owed during 2014 and 2013 and agreed these payments from the expenditure ledger to the related debt payment invoices. We also compared the date the debt service payments were due to the date the Society made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. The amounts agreed.
5. For new debt issued during 2013, we inspected the debt legislation, noting the Society must use the proceeds to pay for an electrical upgrade project. We scanned the expenditure ledger and noted the Society paid for an electrical upgrade project in the spring of 2013.
6. We inquired of management, scanned the receipt ledger, and scanned the prior agreed-upon procedures report and determined that the Society had a note and credit agreement outstanding from a prior year and obtained a loan in 2013 as permitted by Ohio Rev. Code Section 1711.13(B). We examined the Society's computation supporting that the total net indebtedness from loans and credit did not exceed twenty-five percent of its annual revenues. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2014 and one payroll check for five employees from 2013 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
2. For any new employees selected in step 1, we determined whether the following information in the employee's personnel file was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Retirement system participation and payroll withholding
 - d. Federal, State & Local income tax withholding authorization and withholding
 - e. Any other deduction authorizations (deferred compensation, etc.)

Payroll Cash Disbursements (Continued)

We found no exceptions related to steps a – e above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2014 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2014. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes, social security, and Medicare	December 31, 2014	November 28, 2014	\$ 2,792.20	\$ 2,792.20
State income taxes	December 15, 2014	November 30, 2014	\$ 273.67	\$ 273.67
School district income tax (Greenville CSD, Ansonia LSD, Tri-Village LSD)	December 15, 2014	November 30, 2014	\$ 132.39	\$ 132.39

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2014 and ten from the year ended November 30, 2013 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Expenditure Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Society's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Society, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
 Auditor of State
 Columbus, Ohio

April 24, 2015

This page intentionally left blank.



Dave Yost • Auditor of State

DARKE COUNTY 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
MAY 7, 2015**