



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Richland Agricultural Society  
Richland County  
750 N. Home Road  
Mansfield, Ohio 44906

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Richland Agricultural Society, Richland County, Ohio, (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 balance recorded to the November 30, 2012 balance in the prior year audited statements. We noted a variance of \$28,239, which equals an investment bank account balance that is not recorded on the Society's accounting ledgers. We also agreed the December 1, 2013 beginning fund balances recorded to the November 30, 2013 balances. We noted a variance of \$35,803, which equals an investment bank account balance that is not recorded on the Society's accounting ledgers.

We recommend the Society include all cash and investment account activity and balances in their accounting records and financial statements. This will allow management to better monitor the Society's financial position and will ensure accurate financial reporting.

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 Annual Report. The November 30, 2013 balances agreed. We noted a variance of \$1,020 between the November 30, 2014 bank reconciliation balance (\$35,200) and the Annual Report balance (\$36,220).

We recommend the Society ensure the Annual Report is prepared to accurately reflect activity from the Quickbooks accounting system, including receipts, disbursements, and reconciled cash balance.

### **Cash and Investments (Continued)**

4. We observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balance to the amount appearing in the November 30, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (outstanding checks) haphazardly from the November 30, 2014 bank reconciliation:
  - a. We traced each debit to the subsequent December bank statement. 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.
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.

### **Intergovernmental Cash Receipts**

1. We selected all receipts from the Distribution Transaction Detail Report (State DTL) for 2014 and 2013. We also selected all receipts from the County Auditor's Vendor History reports from 2014 and 2013.
  - a. We compared the amount from the above reports to the amount recorded in the Profit & Loss Detail report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper account codes. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Admission/Grandstand Receipts**

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

### **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 duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Profit & Loss Detail report. 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.

### Rental Receipts

We haphazardly selected 10 rental cash receipts from the year ended November 30, 2014 and 10 rental cash receipts from the year ended November 30, 2013 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Profit & Loss Detail report. 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.

### Debt

1. From the prior audit documentation, we noted the following loan 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.

<b>Issue</b>	<b>Principal outstanding as of November 30, 2012:</b>
County Loan	\$287,500

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 paid during 2014 and 2013. We noted the County Loan payments did not agree to the existing written amortization schedule. The Society and Richland County have verbally agreed to a modified payment schedule.

We recommend the Society execute a written agreement with Richland County which outlines the verbally agreed-upon payment schedule.

### Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all employees from 2014 and one payroll check for all employees from 2013 from the Payroll Transactions by Payee report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Transactions by Payee report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
2. 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:

**Payroll Cash Disbursements (Continued)**

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes, social security, & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2015	December 7, 2014	\$2,004.34	\$2,004.34
State income taxes	January 15, 2015	December 7, 2014	\$466.85	\$466.85
Mansfield City income tax	November 30, 2014	November 25, 2014	\$158.30	\$158.30

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Profit & Loss Detail report for the year ended November 30, 2014 and ten from the year ended 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 Profit & Loss Detail 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

June 9, 2015



# Dave Yost • Auditor of State

**RICHLAND COUNTY AGRICULTURAL SOCIETY**

**RICHLAND 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 25, 2015**