



**RICHWOOD INDEPENDENT AGRICULTURAL SOCIETY
UNION COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED NOVEMBER 30, 2017 AND 2016



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Richwood Independent Agricultural Society
Union County
1 Gill Street
P.O. Box 71
Richwood, Ohio 43344

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Richwood Independent Agricultural Society (the Society), on the receipts, disbursements and balances recorded in the Society's cash basis accounting records for the years ended November 30, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Society. The Society is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended November 30, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Society. 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

1. We recalculated the November 30, 2017 and November 30, 2016 bank reconciliations. We noted the November 30, 2017 reconciliation did not include the horse arena project or savings account bank accounts. Additionally, the November 30, 2017 bank balance was greater than the book balance by \$18 due to check number 1873 being re-issued as check number 2003, but never being voided in the accounting system. We also noted the November 30, 2016 reconciliation did not include the log cabin project, grant fund, building and grounds account, and savings account bank accounts.
2. We agreed the December 1, 2015 beginning fund balances recorded to the November 30, 2015 balances in the prior year audited statements. We noted the November 30, 2015 balance was greater than the December 1, 2015 balance by \$2,423 due to the log cabin, building and grounds account, premium account, and savings account bank accounts not being included in the December 1, 2015 balance. We also agreed the December 1, 2016 beginning fund balances recorded to the November 30, 2016 balances. We noted the November 30, 2016 balance was less than the December 1, 2016 balance by \$175 due to two voided checks totaling \$175 in 2017.

Cash (Continued)

3. We agreed the totals per the bank reconciliations to the total of the November 30, 2017 and 2016 fund cash balance reported in the Register Reports. We noted the November 30, 2017 reconciliation did not include the horse arena project or savings account bank accounts. Additionally, the November 30, 2017 bank balance was greater than the book balance by \$18 due to check number 1873 being re-issued as check number 2003, but never being voided in the accounting system. We also noted the November 30, 2016 reconciliation did not include the log cabin project, grant fund, building and grounds account, and savings account bank accounts.
4. We confirmed the November 30, 2017 bank account balances with the Society's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the November 30, 2017 bank reconciliation. We noted the November 30, 2017 reconciliation did not include the horse arena project or savings account bank accounts.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent December 2017 through April 2018 bank statements. We noted that check number 1819 dated 10/14/17 in the amount of \$27 had not cleared the bank as of 04/30/18. However, because we did not inspect all reconciling debits, our report provides no assurance regarding whether or not similar instances occurred.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to November 30. There were no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2017 and 2016. We also haphazardly selected five receipts from the Union County Vendor History Report from 2017 and five from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the Register Report. We noted payments from the Ohio Department of Agriculture on 10/26/16 (\$78) and 10/18/17 (\$74) were neither deposited by the Society nor posted to the Society's accounting system. These payments were voided by the Ohio Office of Budget and Management due to age. However, because we did not test all intergovernmental receipts, our report provides no assurance regarding whether or not similar errors occurred.
 - b. We inspected the Register Report to determine whether these receipts were allocated to the proper account codes. We noted a payment from the Ohio Department of Agriculture on 04/29/16 (\$10,463) which was posted entirely to account code 1540 rather than being allocated to account codes 2110, 2130, and 2140. However, because we did not test all intergovernmental receipts, our report provides no assurance regarding whether or not similar errors occurred.
 - c. We inspected the Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts (Continued)

2. We confirmed the amounts paid from the Ohio Racing Commission during the years ending November, 30, 2017 and 2016 with the Ohio Racing Commission.
 - a. We inspected the Register Report to determine whether these receipts were allocated to the proper account code. We noted \$60,600 received in 2017 was posted entirely to account code 1590 rather than being allocated to account codes 2110 and 2140. We also noted the \$60,000 received in 2016 was posted entirely to account code 1540 rather than being allocated to account codes 2110 and 2140.
 - b. We inspected the Register Report to determine 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, 2017 and one day of admission/grandstand cash receipts from the year ended November 30, 2016 recorded in the Account Transaction Ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended November 30, 2017 and 10 over-the-counter cash receipts from the year ended 2016 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Register Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We noted that for receipt number 17783 dated 10/10/16 in the amount of \$380, documentation was not obtained/maintained by the Society to support the number of season passes that were sold by Plotner Hardware. We also noted that for receipt number 18904 dated 09/04/17 in the amount of \$660, documentation was not obtained/maintained by the Society to support the number of entries in the Tough Truck competition. Ohio Rev. Code §149.351 provides that all records are the property of the public office concerned and shall not be removed, destroyed mutilated, transferred, or otherwise damaged or disposed of except as provided by law. Because we did not inspect all receipts our report provides no assurance regarding whether or not other similar exceptions occurred.
- c. Inspected the Register Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following note outstanding as of November 30, 2015. This amount agreed to the Society's December 1, 2015 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of November 30, 2015:
2015 Promissory Note	\$79,554

2. We inquired of management, and inspected the receipt and expenditure records for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.

Debt (Continued)

3. We obtained a summary of debt service payments owed during 2017 and 2016 and agreed these payments from the Register Report to the related debt amortization schedule. We also compared the date the debt service payments were due to the date the Society made the payments. We noted that in 2017, the Society made \$12,715 in principal and interest payments on the promissory note, of which, \$5,113 was in addition to what was required for the period per the amortization schedule.

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Register Report for the year ended November 30, 2017 and ten from the year ended 2016 and determined whether:

- a. The disbursements were for a proper public purpose. We noted warrant number 35109 dated 05/12/16 for a \$50 VISA Gift Card for the Spring meeting in 2016. We also noted warrant number 35557 dated 07/10/17 for a \$40 purchase of flowers. The Society neither had a public purpose policy that covered these purchases nor were these purchases pre-approved by the Board. However, because we did not inspect all non-payroll disbursements, our report provides no assurance regarding whether or not similar purchases were made.
- 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 Register Report and to the names and amounts on the supporting invoices. We noted one instance where the check number on the returned, cancelled check (#35467) was different than what was posted in the Register Report (35463). However, because we did not inspect all checks, our report provides no assurance regarding whether or not similar errors occurred.
- c. Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

Other Compliance

Ohio Rev. Code Section 117.38 requires societies to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed-upon procedure engagements, subsequent to the Society's deadline where the initial filing was filed on time but incomplete. We confirmed the Society filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended November 30, 2017 and 2016 in the Hinkle system. There were no exceptions.

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

This report is to provide assistance in the evaluation of the Society's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

September 18, 2018

This page intentionally left blank.



Dave Yost • Auditor of State

RICHWOOD INDEPENDENT AGRICULTURAL SOCIETY

UNION 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
OCTOBER 11, 2018**