



Dave Yost • Auditor of State

**AGRICULTURAL SOCIETY
GUERNSEY COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Agricultural Society
Guernsey County
P.O. Box 208
Old Washington, Ohio 43768

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Agricultural Society, Guernsey 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, 2012 and 2011, 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

1. We tested the mathematical accuracy of the November 30, 2012 and November 30, 2011 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2010 beginning fund balances recorded to the November 30, 2010 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the December 1, 2011 beginning fund balances recorded to the November 30, 2011 balances. The December 1, 2011 beginning fund balance recorded in the 2012 Annual Financial Report was \$93,229.39. The November 30, 2011 ending fund balance recorded in the 2011 Annual Financial Report was \$92,152.50, resulting in a difference of \$1,076.89. This variance was the result of the Society using the bank balance instead of the cash balance for the December 1, 2011 beginning fund balance.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2012 and 2011 fund cash balance reported in the Annual Financial Reports. The 2011 amounts agreed. The 2012 Annual Financial Report balance exceeded the balance indicated on the bank reconciliation by \$7,264.86 due to the Society not accounting for outstanding checks on the 2012 Annual Financial Report.
4. We confirmed the November 30, 2012 bank account balance with the Society's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the November 30, 2012 bank reconciliation without exception.

Cash (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2012 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.

Intergovernmental Cash Receipts

We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2012 and 2011.

- a. We compared the amount from the above report to the amount recorded in the Itemized Categories Report. The amounts agreed.
- b. We determined whether these receipts were allocated to the proper account code(s). During 2012, the Society recorded Horse Racing Tax Refunds and Distributions of \$33.67 as Other Race Receipts instead of State Support Receipts. During 2011, the Society recorded Horse Racing Tax Refunds and Distributions of \$27.28 as Other Support Receipts instead of State Support Receipts. We recommend the Society record all monies received from the State as State Support Receipts.
- c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Admission Receipts

We haphazardly selected one day of admission cash receipts from the year ended November 30, 2012 and one day of admission cash receipts from the year ended November 30, 2011 recorded in the Itemized Categories Report and determined whether the receipt amount agreed to the supporting documentation (Bates Bros. Amusement Co. Daily Report). The amounts agreed.

Privilege Fee Receipts

We haphazardly selected 10 privilege fee cash receipts from the year ended November 30, 2012 and 10 privilege fee cash receipts from the year ended November 30, 2011 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Itemized Categories 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, 2012 and 10 rental cash receipts from the year ended November 30, 2011 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Itemized Categories 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. The prior agreed-upon procedures documentation disclosed no debt outstanding as of November 30, 2010.
2. We inquired of management, and scanned the Itemized Categories Report for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. We noted no new debt issuances or any debt payment activity during 2012 or 2011.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all employees from 2012 and one payroll check for all employees from 2011 from the Itemized Categories Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Itemized Categories Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Itemized Categories Report. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2012 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 2012. We noted the following:

| Withholding (plus employer share, where applicable) | Date Due | Date Paid | Amount Due | Amount Paid |
|--|---------------------|----------------------|-----------------------|------------------------|
| Federal income taxes, social security, & Medicare | 1/31/13 | 1/8/13 | \$1,139.63 | \$1,139.63 |
| State income taxes | 1/31/13 | 1/8/13 | \$123.30 | \$123.30 |

Although the total amount remitted for Federal income taxes, Social Security and Medicare agreed to the amount due, we noted the Society withheld Social Security at the incorrect rate. This resulted in the employee's paying \$123.30 more towards Social Security than their required share for the remittance. Also, one employee did not have Medicare withheld. This resulted in the Society paying \$18.85 for the employee's share. We recommend the Society withhold Social Security and Medicare at the correct rates.

Non-Payroll Cash Disbursements

1. From the Itemized Categories Report, we re-footed checks recorded as disbursements for water for 2012. We found no exceptions.
2. We haphazardly selected ten disbursements from the Itemized Categories Report for the year ended November 30, 2012 and ten from the year ended 2011 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 Itemized Categories 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.

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

June 10, 2013



Dave Yost • Auditor of State

AGRICULTURAL SOCIETY

GUERNSEY 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
JULY 9, 2013**