



Dave Yost • Auditor of State





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

Adams County Agricultural Society  
Adams County  
P.O. Box 548  
West Union, Ohio 45693

We have performed the procedures enumerated below, with which the Board of Directors and the management of Adams County Agricultural Society, Adams 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; however, the Society did not maintain documentation supporting the individual transactions included as reconciling items.
2. We agreed the December 1, 2010 beginning fund balances recorded to the November 30, 2010 balances in the documentation 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. We found no exceptions.
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 Report of Adams County Agricultural Society. The amounts agreed.
4. We confirmed the November 30, 2012 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, 2012 bank reconciliation without exception.
5. We inquired with the Fiscal Officer regarding the reconciliation detail for month-end reconciliations conducted during the fiscal year and at year-end. The Fiscal Officer indicated that she did not print and maintain these reconciliations, and that she could not retrieve them from the accounting system. Since no reconciliation detail reports (which list reconciling items) were maintained, we could not test the reconciling items of reconciliations performed during the year. We recommend that the reconciliation detail reports be printed monthly and maintained on file.

**Intergovernmental and Other Confirmable Cash Receipts**

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2012 and 2011. We selected the only intergovernmental receipt from the County Auditor's Vendor Audit Trail Report for both 2012 and 2011.
  - a. We compared the amount from the DTL/confirmations to the amount recorded in the Receipt Ledger. 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 2012 and one day of admission/grandstand cash receipts from the year ended November 30, 2011 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.

**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 Receipt Ledger. We found no exceptions.
- b. Amount charged complied with rates in force during the period. An approved rate schedule was not maintained; therefore this test could not be performed. We recommend that an approved rate schedule is maintained every year and that all contracts are completed and can easily be traced to the approved rate schedule for accuracy.
- c. Receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior agreed-upon procedures documentation, we noted the following loans outstanding as of November 30, 2010. These amounts agreed to the Societies December 1, 2010 balances on the summary we used in step 3, except for the Mortgage Loan was actually \$9,826 for a difference of \$38.

Issue	Principal outstanding as of November 30, 2010:
USDA Mortgage Loan	\$89,021
Mortgage Loan	\$9,864
Tractor Loan	\$3,012
Annual Operating Line of Credit	\$14,500

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 2012 or 2011 or debt payment activity during 2012 or 2011. All debt noted agreed to the summary we used in step 3. The Society incorrectly paid \$32 more than was due on the Mortgage Loan. Also, the Society did not record proceeds for the Vogel Loan in the amount of \$12,000. This loan was used to partially finance the purchase of property. The proceeds of the loan may have been transferred directly to the bank or property owner for the purchase of the property.
3. We obtained a summary of debt service payments owed during 2012 and 2011 and agreed these payments from the expenditure ledger to the related debt amortization schedules. We compared the date the debt service payments were due to the date the Society made the payments. The Society incorrectly paid \$32 more than was due on the Mortgage Loan. The 2010 line of credit was due to be paid off on June 1, 2011, however the Society did not pay this line off. The Society refinanced the 2010 line of credit plus interest into the 2011 line of credit, which included an additional amount of \$14,690.65. The 2011 line of credit was due to be paid off on May 31, 2012, however the Society did not pay this line off. The Society refinanced the 2011 line of credit remaining balance plus interest into the commercial loan, which included an additional amount of \$13,788.76. The commercial loan is due to be paid off on June 1, 2018.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. The Society did not record proceeds for the Vogel Loan in the amount of \$12,000. This loan was used to partially finance the purchase of property. The proceeds of the loan may have been transferred directly to the bank or property owner for the purchase of the property.
5. We inquired of management, scanned the receipt ledger, and scanned the prior audit report and determined that the Society had loan or credit agreements outstanding from a prior year and had new loans in 2011 and 2012 as permitted by Ohio Rev. Code Section 1711.13(B). Contrary to Ohio Rev. Code Section 1711.13(B), the Society's total net indebtedness from loans and credit did exceed twenty-five percent of its annual revenues in both 2011 and 2012.

#### **Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Expenditure 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 Expenditure Ledger 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

Columbus, Ohio

October 16, 2013



# Dave Yost • Auditor of State

**ADAMS COUNTY AGRICULTURAL SOCIETY**

**ADAMS 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  
NOVEMBER 7, 2013**