



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Highland County Agricultural Society
Highland County
P.O. Box 564
Hillsboro, Ohio 45133

We have performed the procedures enumerated below, with which the Board of Directors and the management of Highland 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, 2013 and 2012, 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, 2013 and November 30, 2012 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2011 beginning fund balances recorded to the November 30, 2011 balances in the prior year audited statements. We found no exceptions. We also agreed the December 1, 2012 beginning fund balances recorded to the November 30, 2012 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2013 and 2012 fund cash balance reported in the general ledger balance report. The amounts agreed.
4. We confirmed the November 30, 2013 bank account balances with the Society's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the November 30, 2013 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2013 bank reconciliation:
 - a. We traced each debit to the subsequent December bank statements. 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 selected all reconciling credits (such as deposits in transit) haphazardly from the November 30, 2013 bank reconciliation:
 - a. We traced each credit to the subsequent December bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Check Ledger. Each credit was recorded as a November receipt for the same amount recorded in the reconciliation.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2013 and 2012.
 - a. We compared the amount from the above report to the amount recorded in the Receipt Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper account code(s). 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 2013 and one day of admission/grandstand cash receipts from the year ended November 30, 2012 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, 2013 and 10 privilege fee cash receipts from the year ended November 30, 2012 recorded in the duplicate cash receipts book 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.

Rental Receipts

We haphazardly selected 10 rental cash receipts from the year ended November 30, 2013 and 10 rental cash receipts from the year ended November 30, 2012 recorded in the duplicate cash receipts book 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.

Debt

1. From the prior audit documentation, we noted the following note outstanding as of November 30, 2011. These amounts agreed to the Societies December 1, 2012 balances on the summary we used in step 3.

Issue	Principal outstanding as of November 30, 2011:
Note Payable for County Bond	\$64,000

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 2013 or 2012, or debt payment activity during 2013 or 2012. Highland County issued a \$152,000 bond in 2005 to purchase 12 acres of property. Under the terms of a 2005 agreement, the Society paid to Highland County amounts to retire principal and interest commitments related to the debt; Highland County then used the proceeds of those payments to make the bond principal and interest payments to the bank. The Society made extra payments to the County in an attempt to retire the debt before the scheduled retirement in 2025; however, the current bond agreement does not allow for early retirement of principal, so the County held the extra payments until the due date. The County Auditor explained to the Society during a board meeting that due to the extra payments held by the County, the Society will not have to make any debt related payments to the County 2014. Due to these prepayments to the county, the Society's 2013-2012 financial statements do not reflect any debt related payments.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 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 employees' personnel files and minute record 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.)

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, 2013 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 2013. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes, social security, & Medicare	January 31, 2014	January 23, 2014	\$2,105.89	\$2,105.89
State income taxes	January 31, 2014	January 23, 2014	\$153.24	\$153.24
Local income tax (& School)	January 31, 2014	January 23, 2014	\$141.16 School: \$78.83	\$141.16 School: \$78.83

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2013 and ten from the year ended 2012 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 "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

(DATE)

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HIGHLAND COUNTY AGRICULTURAL SOCIETY

HIGHLAND 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 24, 2014