



Dave Yost • Auditor of State





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

Columbiana County Agricultural Society  
Columbiana County  
P.O. Box 356  
Lisbon, Ohio 44432

We have performed the procedures enumerated below, with which the Board of Directors and the management of Columbiana 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, 2015 and 2014, 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, 2015 and November 30, 2014 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2013 beginning fund balances recorded to the November 30, 2013 balances in the prior year released report. We found no exceptions. We also agreed the December 1, 2014 beginning fund balances recorded to the November 30, 2014 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2015 and 2014 fund cash balance reported in the Comparative Statement of Cash Receipts and Disbursements. The amounts agreed.
4. We confirmed the November 30, 2015 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, 2015 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2015 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.

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

6. We tested investments held at November 30, 2015 and November 30, 2014 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 and Other Confirmable Cash Receipts**

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2015 and 2014.
  - 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 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 and grandstand cash receipts from the year ended November 30 2015 and one day of admission and grandstand cash receipts from the year ended November 30, 2014 recorded in the receipts ledger and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc). For the day's receipt tested in 2015 and 2014, the amount posted to the accounting system was higher by \$51 and \$59, respectively, than the amount recorded in the ticket spreadsheet. For grandstand receipts tested in 2015 and 2014, the Society did not prepare recapitulation sheets, thus, we were unable to recalculate amounts posted to the accounting system. The Society should resolve or provide explanations for any overages and should prepare recapitulation sheets for each event that agrees to the amounts deposited and posted to the accounting system.

### **Rental Receipts**

We haphazardly selected 10 rental cash receipts from the year ended November 30, 2015 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.

### Junior Livestock Auction

1. We selected three livestock auction sales. For each sale, we:
  - a. Agreed the sale amount recorded in the cash receipts book to:
    - i. The auction bid records.
    - ii. Bank deposit from the sale
    - iii. The seller's invoice
    - iv. The amount on the check written to the seller.We found no exceptions.
  - b. Also agreed the auction bid records to:
    - i. The buyer's invoice amount
    - ii. Bank deposit for the purchaseWe found no exceptions.

### Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended November 30, 2015 and 10 over-the-counter cash receipts from the year ended 2014 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. Receipt was posted to the proper fund, and 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, 2013. These amounts agreed to the Society's December 1, 2013 balances on the summary we used in step 3.

<b>Issue</b>	<b>Principal outstanding as of November 30, 2013:</b>
Commercial Building Loan	\$48,513

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 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt service payments owed during 2015 and 2014 and agreed these payments from the expenditure ledger to the related debt amortization schedules. We also compared the date the debt service payments were due to the date the Society made the payments. We noted the commercial building loan was transferred to a different bank which did not provide a breakout of principal and interest for each payment, thus all payments were posted to principal. In addition, two payments made on the line of credit in 2015 and four in 2014 did not have a bank invoice supporting the amount paid and posted to the accounting system. Finally, a payment totaling \$44 on the line of credit in 2015 was posted to interest as opposed to principal. The Society should prepare a debt schedule annually and include beginning and ending balances along with any proceeds and payments made. The Society should also post principal and interest payments accordingly.

**Debt – (Continued)**

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. The amounts agreed.
5. For new debt issued during 2015 and 2014, we inspected the debt legislation, noting the Society must use the proceeds to construct a new grandstand. We scanned the expenditure ledger and noted the Society constructed a new grandstand.
6. We inquired of management, scanned the receipt ledger, and scanned the prior audit report and determined that the Society had a loan outstanding from a prior year and obtained credit lines in 2015 as permitted by Ohio Rev. Code Section 1711.13(B). We examined the Society's computation supporting that the total net indebtedness from loans and credit did not exceed twenty-five percent of its annual revenues. We found the Society did not perform this calculation and the Society's outstanding indebtedness as of November 30, 2015 was \$532,625 while twenty-five percent of its 2015 annual revenues was \$336,364. The Society had more indebtedness than permitted by Ohio Rev. Code Section 1711.13(B).

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 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.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2015 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 2015. We noted the following:

<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	January 31, 2016	January 15, 2016	\$339	\$339
State income taxes	January 15, 2016	January 23, 2016	41	41
Local income tax	January 31, 2016	January 27, 2016	85	85
School District income tax	January 31, 2016	January 23, 2016	20	20

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

1. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2015 and ten from the year ended 2014 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 an instance where a check was made payable to cash and subsequently provided to members of the Junior Fair Kids Club which had disbanded.
  - 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

July 1, 2016

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**COLUMBIANA COUNTY AGRICULTURAL SOCIETY**

**COLUMBIANA 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 19, 2016**