



**HARTFORD INDEPENDENT AGRICULTURAL SOCIETY
LICKING COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED NOVEMBER 30, 2012-2011



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Hartford Independent Agricultural Society
Licking County
14028 Fairground Road
PO Box 317
Croton, Ohio 43013-0317

We have performed the procedures enumerated below, with which the Board of Directors and the management of Hartford Independent Agricultural Society, Licking 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 and Investments

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, 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, 2012 and 2011 fund cash balance reported in the Financial Report. The amounts agreed.
4. We confirmed the November 30, 2012 bank account balances with the Society's financial institutions. We found no exceptions. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the November 30, 2012 bank reconciliation without exception.
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 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.

Cash and Investments (Continued)

6. We tested interbank account transfers occurring in November of 2012 and 2011 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. We tested investments held at November 30, 2012 and November 30, 2011 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 Cash Receipts

1. 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 reports 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 privilege contract and determined whether the:

- a. Receipt amount agreed to the amount recorded in the receipt ledger 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 rental contract 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.

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 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 did not agree to the summary we used in step 3. We noted that the Society did not record a loan for two digital reader signs for \$41,106 in 2011 in the Profit and Loss Detail report. We recommend all debt proceeds be recorded with a corresponding expenditure for capital outlay when debt is issued and the vendor is paid directly by the financial institution.
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 schedule. We also compared the date the debt service payments were due to the date the Society made the payments. We noted that principal payments were made in accordance with the debt agreement. However, additional principal of \$1,000 and interest payments made on behalf of the Society by Heartland bank were not recorded. We recommend that the additional principal and interest payments made on behalf of the Society by Heartland bank be recorded as a donation and the expenditure as principal and interest.
4. We attempted to agree the amount of debt proceeds from the debt documents to amounts recorded in the receipt ledger. The amounts did not agree as the Society did not record loan proceeds for two digital reader signs for \$41,106 during 2011. We recommend all debt proceeds be recorded with a corresponding expenditure for capital outlay when debt is issued and the vendor is paid directly by the financial institution.
5. For new debt issued during 2012 and 2011, we inspected the debt legislation, noting the Society must use the proceeds to purchase two digital reader signs. We scanned the expenditure ledger and noted no entries to indicate the Society purchased the signs. However, we observed the digital signs at the fairgrounds that the loan was intended for. We recommend all debt proceeds be recorded with a corresponding expenditure for capital outlay when debt is issued and the vendor is paid directly by the financial institution.
6. We inquired of management, scanned the Profit and Loss Detail report, and scanned the prior agreed upon procedures report and determined that the Society obtained a loan in 2011 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 no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 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, 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	January 31, 2013	January 14, 2013	\$1,888.87	\$1,888.87
State income taxes	January 15, 2013	January 11, 2013	\$169.50	\$169.50
School District income tax	January 15, 2013	January 11, 2013	\$13.61	\$13.61

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the expenditure ledger 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

September 19, 2013

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HARTFORD INDEPENDENT AGRICULTURAL SOCIETY

LICKING 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 3, 2013**