



Dave Yost • Auditor of State





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

Clark County Agricultural Society  
Clark County  
4401 South Charleston Pike  
Springfield, Ohio 45502

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Clark 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, 2014 and 2013, 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, 2014 and November 30, 2013 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2012 beginning fund balances recorded to the November 30, 2012 balances in the prior year audited statements. We found no exceptions. We also agreed the December 1, 2013 beginning fund balances recorded to the November 30, 2013 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2014 and 2013 fund cash balance reported in the Comparative Statement of Cash Receipts and Disbursements. The amount agreed for the year-ended November 30, 2014. The year-ended November 30, 2013 bank reconciliation had the following two errors: 1) A bank account balance of \$8,391 was not included on the November 30, 2013 bank reconciliation. 2) Based on the bank account balances and the reconciling items, the total fund cash balance at November 30, 2013 should have been \$97,299; however, the Society's Comparative Statement of Cash Receipts and Disbursements reported a total fund cash balance at November 30, 2013 of \$70,418, a variance of \$26,881. These errors were corrected during the year-ended November 30, 2014. The Society should verify that the monthly bank reconciliation is completed correctly and all bank accounts are listed on the reconciliation. The Society's Board of Directors should also review the bank reconciliation on a monthly basis to verify that they are completed properly. Failure to verify that the monthly bank reconciliation is being completed properly could lead to undetected errors and irregularities.

### **Cash (Continued)**

4. We confirmed the November 30, 2014 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, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2014 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.
6. We selected all three reconciling credits (such as deposits in transit) haphazardly from the November 30, 2014 bank reconciliation:
  - a. We traced each credit to the July 2014 bank statement.
  - b. We agreed the credit amounts to the Profit and Loss Detail Report. Each credit was recorded as a receipt for the same amount recorded in the reconciliation.

The Society was incorrectly carrying three July 2014 receipts as reconciling deposits on the November 30, 2014 reconciliation. These items were deposited and recorded by the Society during the year-ended November 30, 2014 and should not be included on the year-end bank reconciliation as an "uncleared transaction." The Society should remove any cleared items from the accounting system/bank reconciliation in a timely manner. The Society and its Board of Directors should also monitor the bank reconciliation process on a monthly basis. Any long-outstanding items should be reviewed periodically to determine if such items are actually outstanding. Failure to monitor the bank reconciliation process could lead to undetected errors and irregularities.

### **Intergovernmental and Other Confirmable Cash Receipts**

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2014 and 2013. We also selected five receipts from the County Auditor's Vendor Expense Report from 2014 and five from 2013.
  - a. We compared the amount from the above reports to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper account code. 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 2014 and one day of admission/grandstand cash receipts from the year ended November 30, 2013 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, 2014 and 10 privilege fee cash receipts from the year ended November 30, 2013 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Profit and Loss Detail 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, 2014 and 10 rental cash receipts from the year ended November 30, 2013 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Profit and Loss Detail 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. From the prior audit documentation, we noted the following loan and memorandum of understanding (MOU) outstanding as of November 30, 2012. These amounts agreed to the Society's December 1, 2013 balances on the summary we used in step 3.

Issue	Principal outstanding as of November 30, 2012:
Equipment Loan	\$12,824
Memorandum of Understanding (MOU) #1	\$80,000

- 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 2014 or 2013 or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.
- 3. We obtained a summary of debt service payments (including mortgage debt and loan/credit agreements permitted by Ohio Rev. Code Section 1711.13) owed during 2014 and 2013 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. The Society did not make payment as scheduled in two separate MOUs entered into with the Clark County Commissioners. For MOU #1 identified above, the Society was required to pay \$20,000 to Clark County during 2014. This payment was not made by the Society. Additionally, the Society had entered into a separate MOU with the Clark County Commissioners that required individual payments of \$30,000 during 2013 and 2014 to be made by the Society to Clark County. No payments were made on this MOU by the Society during 2013 or 2014. Failure to make required payments in a timely manner could result in a limitation of the Society's credit worthiness, which could make it difficult to obtain debt financing in the future. This could also impair the Society's relationship with the Clark County Commissioners. The Society should contact the Clark County Commissioners and arrange to make these required payments (and any current year payments) as soon as possible. If it is now the intent of the Clark County Commissioners to eliminate or delay the repayment requirement, the Society should enter into amended MOUs with the Clark County Commissioners that describes the new conditions of the agreements.

**Debt (Continued)**

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Profit and Loss Detail Report. The amounts agreed.
5. For new debt issued during 2014 and 2013, we inspected the debt legislation, noting the Society must use the proceeds to construct a storage building and complete electrical upgrades for the fairgrounds. We scanned the Profit and Loss Detail Report and noted the Society paid for the construction of a new storage building and paid for electrical upgrades throughout 2013.
6. We inquired of management, scanned the Profit and Loss Detail Report, and scanned the prior audit report and determined that the Society had loan or credit agreements outstanding from a prior year 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 2014 and one payroll check for five employees from 2013 from the Payroll Report Detail and we compared the hours and pay rate, or salary recorded in the Payroll Report Detail 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 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, 2014 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 2014. 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, 2015	December 2, 2014	\$1,230	\$1,230
State income taxes	January 15, 2015	December 24, 2014	\$713	\$713

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

1. We haphazardly selected ten disbursements from the Transaction List by Vendor Detail Report for the year ended November 30, 2014 and ten from the year ended 2013 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 Transaction List by Vendor Detail 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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

August 21, 2015

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# Dave Yost • Auditor of State

**CLARK COUNTY AGRICULTURAL SOCIETY**

**CLARK 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  
SEPTEMBER 8, 2015**