



Dave Yost • Auditor of State





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

Agricultural Society  
Ottawa County  
7870 West State Route 163  
Oak Harbor, Ohio 43449-0028

We have performed the procedures enumerated below, with which the Board of Directors (the Board) and the management of the Agricultural Society, Ottawa 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, 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, 2014 beginning fund balance recorded to the November 30, 2014 balance. We found no exceptions. We also agreed the December 1, 2013 beginning fund balance recorded to the November 30, 2013 balance in the prior year audited statement. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2015 and November 30, 2014 fund cash balance reported in the General Ledger Report. The amounts agreed for the year ended November 30, 2014. For the year ended November 30, 2015 there was an unexplained \$29 variance between the reconciled balances and the fund cash balance reported in the General Ledger Report. The presence of unexplained variances hinders the reconciliation process and could allow for discrepancies to be concealed. The Treasurer should investigate and resolve any variances noted during the reconciliation process in order to ensure the reported fund balance is accurate and all transactions that should have been recorded have been entered to the Society's financial records.
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.

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

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.
6. We selected all reconciling credits (such as deposits in transit) from the November 30, 2015 bank reconciliation:
  - a. We traced the credits to the subsequent December bank statement or other support on hand. We found no exceptions.
  - b. We agreed the credit amounts to the General Ledger. Each credit was recorded as a November receipt for the same amount recorded in the reconciliation.
7. 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.

### **Admission/Grandstand Receipts**

We haphazardly selected one day of admission/grandstand cash receipts from the year ended November 30 2015 and one day of admission/grandstand cash receipts from the year ended November 30, 2014 recorded in the General Ledger Report and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc).

For July 24, 2015, the amount recorded in the General Ledger for July 24, 2015 admission receipts was \$12,105.

- a. The ticket sales recapitulation reported 2,180 tickets sold on that date.
- b. The admission price per ticket was \$5.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$10,900 for July 24, 2015, which is \$1,205 less than the amount recorded in the General Ledger.

For July 19, 2014, the amount recorded in the General Ledger for July 19, 2014 grandstand receipts was \$13,712.

- a. The ticket sales recapitulation reported 1,343 tickets sold on that date.
- b. The admission price per ticket was \$10.

### **Admission/Grandstand Receipts (Continued)**

- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$13,430 for July 19, 2014, which is \$282 less than the amount recorded in the General Ledger.

The Society should perform a daily reconciliation of actual admission/grandstand ticket sale proceeds and estimated receipts (number of tickets sold multiplied by authorized admission price) in order to determine the accuracy of reported receipts. Any variances noted should be investigated and adequately explained.

Additionally, the ticket recapitulation sheets for grandstand admissions reported only a total number of tickets sold and did not have beginning and ending ticket numbers documented. Therefore, the number of grandstand tickets sold as reported by the Society could not be recalculated. The Society should retain beginning and ending tickets for grandstand admissions in order to substantiate the reported number of tickets sold.

However, because we did not test all admission/grandstand receipts, our report provides no assurance regarding whether or not other similar errors occurred.

### **Rental Receipts**

We haphazardly selected 10 rental cash receipts from the year ended November 30, 2015 and 10 rental cash receipts from the year ended November 30, 2014 recorded in the General Ledger and determined whether the:

- a. Amount charged complied with rates in force during the period. We found no exceptions.
- b. Receipt was recorded in the proper year. We found no exceptions.

### **Sustaining and Entry (Purse) Receipts and Disbursements**

We obtained copies of race schedules approved by the Board of Directors. We selected one race day from the year ended November 30 2015 and one race day from the year ended November 30, 2014 and performed the following steps:

- a. Traced authorized race dates to the General Ledger postings and determined whether there are purse receipt postings for the authorized race day. The General Ledger reported purse receipts for all authorized dates.
- b. Traced authorized race dates to the General Ledger postings and determined whether there were purse disbursement postings for each authorized race day. The General Ledger reported purse disbursements for all authorized dates.

### **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 November 30, 2014 recorded in the General Ledger and determined whether the:

**Over-The-Counter Cash Receipts (Continued)**

- a. Amount charged complied with rates in force during the period. We found the following exceptions:

For July 24, 2015, the amount recorded in the General Ledger for July 24, 2015 beer sales receipts was \$3,158.

1. The ticket sales recapitulation reported 1,234 tickets sold on that date.
2. The price per ticket was \$2.50.
3. Therefore the recapitulation sheet multiplied by the ticket price supports beer sales receipts of \$3,085 for July 24, 2015, which is \$73 less than the amount recorded in the General Ledger.

For July 19, 2014, the amount recorded in the General Ledger for July 19, 2014 beer sales receipts was \$4,292.

1. The ticket sales recapitulation reported 1,699 tickets sold on that date.
2. The price per ticket was \$2.50.
3. Therefore the recapitulation sheet multiplied by the ticket price supports beer sales receipts of \$4,248 for July 19, 2014, which is \$44 less than the amount recorded in the General Ledger.

The Society should perform a daily reconciliation of actual beer ticket sale proceeds and estimated receipts (number of tickets sold multiplied by authorized ticket price) in order to determine the accuracy of reported receipts. Any variances noted should be investigated and adequately explained.

However, because we did not test all beer sale receipts, our report provides no assurance regarding whether or not other similar errors occurred.

- b. Receipt 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.

Issue	Principal outstanding as of November 30, 2013:
County Loan	\$42,400

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. We noted no significant new debt issuances, nor any significant debt payment activity during 2015 or 2014.

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

We haphazardly selected 10 disbursements from the Expenditure Report for the year ended November 30, 2015 and 10 from the year ended November 30, 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 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, the Board of Directors, 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

October 24, 2016

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OTTAWA COUNTY AGRICULTURAL SOCIETY

OTTAWA 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 22, 2016