



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Delaware County Agricultural Society
Delaware County
236 Pennsylvania Avenue
Delaware, OH 43015

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Delaware County Agricultural Society (the Society), on the receipts, disbursements and balances recorded in the Society's cash basis accounting records for the years ended November 30, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Society. The Society is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended November 30, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Society. 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 recalculated the November 30, 2016 and November 30, 2015 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2014 beginning fund balances recorded to the November 30, 2014 balances in the prior year audited fund balances. We found no exceptions. We also agreed the December 1, 2015 beginning fund balances recorded to the November 30, 2015 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the totals of the November 30, 2016 and 2015 fund cash balance reported in the Balance Sheet. The amounts agreed.
4. We confirmed the November 30, 2016 and 2015 account balances with First Commonwealth Bank. We found no exceptions. For the November 30, 2016 and 2015 PNC Bank account balances, we observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances from each financial institution to the amounts appearing on the November 30, 2016 and 2015 bank reconciliations without exception.

Cash (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2016 bank reconciliation:
 - a. We traced each debit to the subsequent December and January bank statements. There were no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to November 30. There were no exceptions.

Intergovernmental Cash Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2016 and 2015. We also haphazardly selected five receipts from the County Auditor's Expenditure Detail Report from 2016 and five from 2015.
 - a. We compared the amount from the above reports to the amount recorded in the General Ledger. The amounts agreed.
 - b. We inspected the General Ledger to determine whether these receipts were allocated to the proper account code(s). We found no exceptions.
 - c. We inspected the General Ledger to determine 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, 2016 and one day of admission/grandstand cash receipts from the year ended November 30, 2015 recorded in the receipts ledger and agreed the receipt amounts to the supporting documentation (deposit ticket, recapitulation sheet, cash register tape, Sales Tally Description Report). The amounts agreed.

Pari-mutuel Wagering Commission Receipts and Disbursements

We obtained copies of race schedules approved by the Board of Directors. We haphazardly selected one race day from the year ended November 30, 2016 and one race day from the year ended November 30, 2015 and performed the following steps:

- a. Traced Pari-mutuel wagering Commission receipts to the cash receipt ledger postings. The amounts agreed.
- b. Traced disbursement to ledger postings for totalizer service and pari-mutuel state tax disbursement and agreed amounts to the Sales Tally Description Report. We found no exceptions.

The Society contracts with Amtote to provide pari-mutuel wagering services. In 2015, Amtote identified a cash collection shortage in the amount of \$2,295. In relation to this shortage, we performed the following steps:

- Examined the cash collection reconciliation that originally identified the cash shortage on September 24, 2015. We noted the identified cash collection shortage of \$2,295 was handwritten on the system generated report provided by Amtote. We were unable to recalculate the identified shortage based on provided information.
- Traced the pari-mutuel wagering receipt to the liability report and to the cash receipt posting. The amounts agreed.
- Inquired with management to determine whether an insurance claim was submitted for reimbursement. We found that an insurance claim was not filed because the deductible was higher than the loss.

Sustaining and Entry (Purse) Receipts and Disbursements

We obtained copies of race schedules approved by the Board of Directors. We haphazardly selected one race day from the year ended November, 30 2016 and one race day from the year ended November 30, 2015 and performed the following steps:

- a. Traced authorized race dates to the Cash Receipts Ledger postings and determined whether there are purse receipt postings for each authorized race day. The Cash Receipts Ledger reported wagering receipts for all authorized dates.
- b. Traced authorized race dates to the cash disbursement ledger postings and determined whether there were purse disbursement postings for each authorized race day. The cash Disbursements Ledger reported wagering 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, 2016 and 10 over-the-counter cash receipts from the year ended 2015 recorded in the duplicate Cash Receipts Book and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger, bank statements and supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger to determine the receipt was posted to the proper fund(s), and was recorded in the proper year. We found no exceptions

Debt

- 1. From the prior audit documentation, we observed the following loans outstanding as of November 30, 2014. These amounts agreed to the Societies December 1, 2014 balances on the amortization summary we used in step 3.

Issue	Principal outstanding as of November 30, 2014:
Grandstand Improvements Refinance	\$220,000

- 2. We inquired of management, and inspected the receipt and expenditure records for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt noted agreed to the summary we used in step 3.
- 3. We obtained a summary of debt service payments owed during 2016 and 2015 and agreed these payments from the general 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 found no exceptions.
- 4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General Ledger. The amounts agreed. [2017 OCS Ch. 1, Appendix A, Part C, Section 3]
- 5. We inquired of management, inspected the Receipt Ledger, and the prior audit report to determine whether the Society had a loan or credit agreement outstanding from a prior year as permitted by Ohio Rev. Code Section 1711.13(B). We recalculated 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. [2017 OCS Ch. 1, Appendix A, Part C, Section 3]

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 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 compared and ensured the following information in the employees' personnel file and 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 inspected the last remittance of tax and retirement withholdings for the year ended November 30, 2016 to confirm 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 2016. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	11/23/2016	11/18/2016	\$3,949.78	\$3,949.78
State income taxes	12/15/2016	12/7/2016	\$831.73	\$831.73
School income tax	12/15/2016	12/7/2016	\$45.90	\$45.90
City income tax	12/15/2016	12/7/2016	\$592.24	\$592.24

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Register:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Society's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. From the Expenditure Report, we re-footed checks recorded as disbursements for *equipment and grounds maintenance* for 2016. We found no exceptions.
2. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2016 and ten from the year ended 2015 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.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires GAAP basis reporting entities to file their financial information in the HINKLE system within 150 days after the close of the fiscal year. We confirmed the Society filed their complete financial statements, as defined by AOS Bulletin 2016-007, for the years ended November 30, 2016 and 2015 in the Hinkle System. No exceptions were found for the year ended November 30, 2016. Financial information for the year ended November 30, 2015 was filed on April 29, 2016, which is one day past the deadline of April 28, 2016. [2017 OCS 1 – 17]

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*. We were not engaged to, and did not conduct an examination, or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Society's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is for the use of the Society to assist in evaluating its receipts, disbursements and balances recorded in their accounting records for the years ended November 30, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose



Dave Yost
Auditor of State

Columbus, Ohio

August 10, 2017

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DELAWARE COUNTY AGRICULTURAL SOCIETY

DELAWARE 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 5, 2017