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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Loudonville Independent Agricultural Society
Ashland County
P.O. Box 289
Loudonville, Ohio 44842

We have performed the procedures enumerated below, with which the Board of Directors and the management of Loudonville Independent Agricultural Society, Ashland 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 audited statements. We found no exceptions. We also agreed the December 1, 2011 beginning fund balances recorded to the November 30, 2011 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 accounting records. The amounts agreed.
4. We confirmed the November 30, 2012 bank account balances with the Society's financial institution. We found no exceptions. 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 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 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

We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2012 and 2011. We also selected all the receipts from the County Auditor's Vendor Disbursement Report from 2012 and 2011.

- a. We compared the amount from the above reports to the amount recorded in the Account QuickReport. 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.

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 duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Account QuickReport. 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.

Other Cash Receipts

We haphazardly selected 10 other cash receipts from the year ended November 30, 2012 and 10 other cash receipts from the year ended November 30, 2011 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Account QuickReport. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper fund and was recorded in the proper year. We found no exceptions.

Donations/Contributions Cash Receipts

We haphazardly selected 10 donation/contribution cash receipts from the year ended November 30, 2012 and 10 donation/contribution cash receipts from the year ended November 30, 2011 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Account QuickReport. The amounts agreed.
- b. Receipt was posted to the proper fund and was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of November 30, 2010.
2. We inquired of management, and scanned the Account QuickReport 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 agreed to the summary we used in step 3.
3. We obtained a summary of debt service payments owed during 2012 and 2011 and agreed these payments from the Account QuickReport 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 did not agree the amount of debt proceeds from the debt documents to amounts recorded in the Account QuickReport as the proceeds, nor corresponding capital outlay payment, were posted to the Society's records. The Society should ensure all transactions made on their behalf are recorded on the Society's books.
5. For new debt issued during 2011, we inspected the debt legislation, noting the Society must use the proceeds to purchase a building. We noted the Society purchased a building on December 14, 2010.

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 Account QuickReport and:
 - a. We compared the hours and pay rate, or salary recorded on the 2012 and 2011 Fair Employees spreadsheet to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed the gross amount to the Account QuickReport and the net amount to the check stub. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the check stub 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 & Local income tax withholding authorization and withholding

We found no exceptions related to steps a – d 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)	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Due</u>	<u>Amount Paid</u>
Federal income taxes, social security, & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2013	November 30, 2012	\$629.10	\$629.10
Local income taxes	January 31, 2013	November 30, 2012	82.79	82.79
School District income tax	January 31, 2013	November 30, 2012	55.10	55.10

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Account QuickReport for the year ended November 30, 2012 and ten from the year ended November 30, 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 Account QuickReport 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

May 17, 2013



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LOUDONVILLE INDEPENDENT AGRICULTURAL SOCIETY

ASHLAND 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
JUNE 6, 2013**