



**MARION COUNTY AGRICULTURAL SOCIETY
MARION COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED NOVEMBER 30, 2016 AND 2015



Dave Yost • Auditor of State



Dave Yost • Auditor of State

Marion County Agricultural Society
Marion County
220 E. Fairground Street
Marion, OH 43302

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Marion County Agricultural Society, Marion County, Ohio (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 and Investments

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 statements. 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 total of the November 30, 2016 and 2015 fund cash balance reported in the Trial Balance Report. The amounts agreed.
4. We confirmed the November 30, 2016 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, 2016 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2016 bank reconciliation:
 - a. We traced one reconciling debit to the subsequent February bank statements. We noted the remaining four reconciling debits were still outstanding as of February 28, 2017.
 - 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 Receipts

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 History by Vendor Report from 2016 and five from 2015.

- a. We compared the amount from the above reports to the amount recorded in the Transaction Detail by Account Report. The amounts agreed.
- b. We inspected the Transaction Detail by Account Report to determine whether these receipts were allocated to the proper account code(s). We found no exceptions.
- c. We inspected the Transaction Detail by Account Report 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 Transaction Detail by Account Report and agreed the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc).

For June 29, 2015, the amount recorded in the Transaction Detail by Account Report for June 29, 2015 was \$4,804.

- a. The ticket sales recapitulation reported 680 tickets sold on that date.
- b. The admission price per ticket was \$7.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$4,760 for June 29, 2015, which is less than the amount recorded by \$44.

For July 7, 2016, the amount recorded in the Transaction Detail by Account Report for July 7, 2016 was \$17,058.

- a. The ticket sales recapitulation reported 2,127 tickets sold on that date.
- b. The admission price per ticket was \$8.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$17,016 for July 7, 2016, which is less than the amount recorded by \$42.

We noted management did not consistently review shortages and overages during 2016 and 2015. Management should review daily shortages and overages for each gate and take appropriate action as needed.

Rental Receipts

We haphazardly selected 10 rental cash receipts from the year ended November 30, 2016 and 10 rental cash receipts from the year ended November 30, 2015 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Transaction Detail by Account Report. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the Transaction Detail by Account Report to determine whether the receipt was recorded in the proper year. We found no exceptions.

Junior Livestock Auction

We haphazardly 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 sum of the buyer's invoice amount plus the amount the third-party bidder agreed to pay, as documented on the Sales Invoice and Processor Sales Invoice.

- ii. Bank deposit for the purchase

We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following note outstanding as of November 30, 2014. This amount agreed to the Society's December 1, 2014 balances on the summary we used in step 3.

Issue	Principal outstanding as of November 30, 2014:
2014 Promissory Note	\$50,000

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 Transaction Detail by Account Report 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.

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 Summary to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found two instances in 2016 and one instance in 2015 where documentation to support the employees' pay rate was not maintained. Because we did not test all pay rates, our report provides no assurance whether or not other similar errors occurred.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Payroll Summary. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. For any new employees selected in step 1, we compared the following information in the employees' personnel file 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, except the authorized pay rate, state and local tax withholding authorizations, and retirement system enrollment form were not maintained for one employee. However, the Payroll Summary did disclose state, local, and retirement withholdings for this employee. Because we did not test all personnel files, our report provides no assurance whether or not other similar errors occurred. The Society should maintain all documentation to support wages paid and deductions withheld.

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 noted 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)	January 31, 2017	December 14, 2016	\$2,931.36	\$2,931.36
State income taxes	December 15, 2016	December 14, 2016	\$260.30	\$260.30
Local income tax	January 31, 2017	January 27, 2017	\$630.37	\$630.37

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the General Ledger 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.

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 cash-basis 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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

May 18, 2017

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MARION COUNTY AGRICULTURAL SOCIETY

MARION 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, 2017**