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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Pike County Agricultural Society
Pike County
311 Mill Street
Piketon, Ohio 45661

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Pike 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, 2013 and 2012, 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. Test the mathematical accuracy of the November 30, 2013 and November 30, 2012 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2011 beginning cash balance recorded to the November 30, 2011 balance in the prior year audited statements. We found no exceptions. We also agreed the December 1, 2012 beginning cash balance recorded in the Annual Financial Report to the November 30, 2012 balance recorded in the Annual Financial Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2013 and 2012 fund cash balance reported in the Pike County Agricultural Balance Sheet. The amounts agreed.
4. We confirmed the November 30, 2013 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, 2013 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2013 bank reconciliation:
 - a. We traced one debit to the subsequent December bank statement. We noted four reconciling debits were still on the outstanding check listing as of November 30, 2014.
 - b. We traced the amounts and dates to the Profit and Loss Detail Report and prior year work papers, to determine the debits were dated prior to November 30. We noted no exceptions.

Checks that have been outstanding for an extended period of time (normally more than six months to one year) should be taken off the outstanding check listing and placed in an unclaimed monies fund or reissued to the payee. Four out of five checks tested on the outstanding check list were over one year old. This could result in cumbersome reconciliations.

We recommend the Society's Fiscal Officer remove these checks from the outstanding check listing and place them in an unclaimed monies fund or reissue the checks to the payee.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all four receipts from the Distribution Transaction Detail Report (State DTL) for 2013 and all three 2012. We also selected all two receipts from the County Auditor's Appropriation History Report from 2013 and the only receipt for 2012.

- 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 codes.

We noted one 2013 State receipt for a refund of the Horse Racing tax in the amount of \$18.05 was posted to 1550 Race Tax instead of 7210 Race Tax Expenses. One 2013 State receipt for Ohio Fairs funds had \$13,133.48 posted to 2110 State Support General Operation instead of \$1,301.48 to 2110 State Support General Operation, \$5,000 to 2130 Track Maintenance and \$6,832 to 2140 Stake Racing. One 2013 State receipt for the Horseman's Development Fund had \$2,500 posted to 3290 Total Unrestricted Other Support instead of any state support account.

- 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 2013 and one day of admission/grandstand cash receipts from the year ended November 30, 2012 recorded in the Profit and Loss Detail Report and determined whether the receipt amount agreed to the supporting documentation (Record of Attendance and Receipts Report and duplicate cash receipts). The amounts agreed.

Privilege Fee Receipts

We haphazardly selected 10 privilege fee cash receipts from the year ended November 30, 2013 and 10 privilege fee cash receipts from the year ended November 30, 2012 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, 2013 and 10 rental cash receipts from the year ended November 30, 2012 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.

There were no contracts on file for 100% of the building receipts in 2012 and 2013. There were additionally no contracts on file for 100% of the storage contracts rental receipts tested in 2013.

Failure to maintain a contract resulted in the inability to determine if the proper rates were charged.

We recommend that contracts be kept on file for any building or space the Society rents to the public.

- c. Receipt was recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended November 30, 2013 and 10 over-the-counter cash receipts from the year ended 2012 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. Receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior documentation, we noted the following loans outstanding as of November 30, 2011.

Issue	Principal outstanding as of November 30, 2011:
County Loan	\$102,148
Tractor Loan	\$12,431

2. We inquired of management, and scanned the Profit and Loss Detail report for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted no new debt issuances.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2013 and ten from the year ended 2012 and determined whether:
 - a. The disbursements were for a proper public purpose. We found one disbursement that had \$204 of the Society's funds used to pay for spouses of board members to attend a conference, luncheon and dinner

Expending money on spouses of board members could potentially lead to a finding for recovery.

We recommend that the Society should review Ohio Administrative Code 901-5-09 with its legal counsel and consider whether this is a valid expenditure.
 - 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 Profit and Loss 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

January 13, 2015



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PIKE COUNTY AGRICULTURAL SOCIETY

PIKE 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
JANUARY 29, 2015**