



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

Geauga County Agricultural Society  
Geauga County  
P.O. Box 402  
14373 North Cheshire Street  
Burton, Ohio 44021

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Geauga 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, 2018 and 2017 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, 2018 and 2017 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, 2018 and November 30, 2017 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2016 beginning fund balances recorded to the November 30, 2016 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the December 1, 2017 beginning fund balances recorded to the November 30, 2017 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2018 and 2017 fund cash balance reported in the Balance Sheet Reports. The amount for the year ended November 30, 2018 varied by \$2,545 due to subsequent corrections to posting errors in the Society's accounting system. The amount for the year ended November 30, 2017 agreed.
4. We observed the November 30, 2018 bank balances on the financial institutions' website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the November 30, 2018 bank reconciliation without exception.

### **Cash (Continued)**

5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the November 30, 2018 bank reconciliation:
  - a. We traced each debit to the subsequent December or April bank statements. 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. There were no exceptions.
  
6. We selected a sample (agreed upon) of five reconciling credits (such as deposits in transit) from the November 30, 2018 bank reconciliation:
  - a. We traced each credit to the subsequent December or January bank statements. We found no exceptions.
  - b. We agreed the credit amounts to the Transaction List by Date Report. Each credit was recorded as a November receipt for the same amount recorded in the reconciliation.

### **Intergovernmental and Other Confirmable Cash Receipts**

We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2018 and 2017. We also selected a sample (agreed upon) of five receipts from the County Auditor's Accounts Payable by G/L Distribution Report from 2018 and five from 2017.

- a. We compared the amount from the above report to the amount recorded in the Transaction List by Date Report. The amounts agreed.
- b. We inspected the Transaction List by Date Report to determine whether these receipts were allocated to the proper account codes. We found no exceptions.
- c. We inspected the Transaction List by Date Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Admission/Grandstand Receipts**

We selected one day of admission/grandstand cash receipts from the year ended November 30, 2018 and one day of admission/grandstand cash receipts from the year ended November 30, 2017 recorded in the Transaction List by Date Report and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed.

### **Privilege Fee Receipts**

We selected a sample (agreed upon) of 10 privilege fee cash receipts from the year ended November 30, 2018 and 10 privilege fee cash receipts from the year ended November 30, 2017 recorded in the duplicate cash receipts book and:

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

### Junior Livestock Auction

We selected a sample (agreed upon) of 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 buyer's invoice amount
  - ii. Bank deposit for the purchase.

We found no exceptions.

### Over-The-Counter Cash Receipts

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the year ended November 30, 2018 and 10 over-the-counter cash receipts from the year ended November 30, 2017 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Transaction List by Date Report. The amounts agreed.
- b. Inspected the Transaction List by Date Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans outstanding as of November 30, 2016. These amounts agreed to the Society's December 1, 2017 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of November 30, 2016:</b>
Construction Loan	\$150,000
Phone System Loan	5,000

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 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of debt service payments owed during 2018 and 2017 and agreed these payments from the Transaction List by Date Report to the related debt amortization schedules. 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 inquired of management, inspected the receipt ledger, and the prior agreed-upon procedures report to determine whether the Society had loan or credit agreements 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.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Payroll Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timesheet or timecard). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  
2. We inspected the last remittance of tax and retirement withholdings for the year ended November 30, 2018 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 2018. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2019	December 19, 2018	\$2,847	\$2,847
State income taxes	October 31, 2018	September 30, 2018	1,569	1,569
Local income tax	January 31, 2019	January 15, 2019	126	126

**Non-Payroll Cash Disbursements**

1. From the Transaction List by Date Report, we re-footed checks recorded as disbursements for equipment and grounds maintenance for 2018. We found no exceptions.
  
2. We selected a sample (agreed upon) of 10 disbursements from the Transaction List by Date Report for the year ended November 30, 2018 and 10 from the year ended November 30, 2017 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 Transaction List by Date 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.

**Compliance**

1. Ohio Rev. Code Section 117.38 requires Societies to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Society filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the year ended November 30, 2018. Financial information for the year ended November 30, 2017 was filed on January 31, 2018, which was not within the allotted timeframe.

**Compliance (Continued)**

2. For all credit card accounts we obtained:
    - copies of existing internal control policies,
    - a list of authorized users, and
    - a list of all credit card account transactions.
  - a. We inspected the established policy obtained above and determined it is implemented by the Board of Directors. However, it is not in compliance with all HB 312 statutory requirements.
  - b. We selected five credit card transactions for testing. For selected transactions we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose.
- 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 to provide assistance in the evaluation of the Society's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

May 29, 2019

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OHIO AUDITOR OF STATE  
**KEITH FABER**



**GEAUGA COUNTY AGRICULTURAL SOCIETY**

**GEAUGA 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 11, 2019**