



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson County Agricultural Society
Jefferson County
153 Starkey Boulevard
Wintersville, Ohio 43953

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Jefferson 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 General Ledger. The amounts agreed.
4. We confirmed the November 30, 2018 bank account balances with the Society's financial institution. We found no exceptions.
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 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. There were no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2018 and 2017. We also selected all receipts from the County Auditor's Detail Vendor Expenditure Report from 2018 and all from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Ledger. The amounts agreed.
 - b. We inspected the Receipt Ledger to determine whether these receipts were allocated to the proper account code. We found no exceptions.
 - c. We inspected the Receipt Ledger 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 Receipt Ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts did not agree.

For August 18, 2018, the amount recorded in the receipts ledger for August 18, 2018 was \$28,790.

- a. The ticket sales recapitulation reported 2,901 tickets sold on that date.
- b. The admission price per ticket was \$10.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$29,010 for August 18, 2018 which exceeds the amount recorded by \$220.

For August 17, 2017, the amount recorded in the receipts ledger for August 17, 2017 was \$26,000.

- a. The ticket sales recapitulation reported 2,511 tickets sold on that date.
- b. The admission price per ticket was \$10.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$25,110 for August 17, 2017, which is less than the amount recorded by \$890.

Amounts do not agree based on the timing of the deposit. Cash from the gate is collected and prepared for deposit prior to the end of the night as someone has to travel into town to make the deposit. As a result, money is still collected after the deposit is made. The amount of the daily deposit is the amount recorded in the receipts ledger.

Also, when comparing the total amount of Gate Sales for the year to the General Ledger, we found a variance of \$650 during 2017. Per inquiry with Deb Hukill, this is due to the timing of deposit, and also that sometimes some cash is kept as start-up money for the next day. This is accounted for in the advance line item in the ledger.

Rental Receipts

We selected a sample (agreed upon) of 10 rental cash receipts from the year ended November 30, 2018 and 10 rental 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 Receipt Ledger. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Ledger to determine whether the receipt was recorded in the proper year. 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 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. Inspected the Receipt Ledger to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

- 1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of November 30, 2016.
- 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. There were no new debt issuances, nor any debt payment activity during 2018 or 2017.

Payroll Cash Disbursements

- 1. We selected one payroll check for the employee from 2018 and one payroll check for the employee 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 (timecard, legislatively or statutorily-approved rate or salary). 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:

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, 2019	November 20, 2018	\$273	\$1,676
State income taxes	January 15, 2019	November 20, 2018	\$25	\$175

The Society has withheld federal payroll taxes, Medicare, and Social Security taxes covering the fiscal year as required by 26 USC Section 3402 and 26 USC Section 3102(a) and State income taxes as required by Ohio Rev. Code § 5747.06. However, the Treasurer remits withholdings annually as opposed to quarterly as required. Additionally we noted the Society overpaid their federal payroll taxes by \$174 in 2018. The Auditor of State will notify the IRS and Ohio Department of Taxation of this matter.

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the Expenditure Report for the year ended November 30, 2018 and 10 from the year ended 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 Expenditure 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.

Other 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 years ended November 30, 2018 and 2017 in the Hinkle system. There were no exceptions.
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:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.We found the Society has not established a credit card policy.
 - b. We selected 3 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 the Society has not established a credit card policy.

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.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, prominent "K" and "F".

Keith Faber
Auditor of State

Columbus, Ohio

June 3, 2019

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OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON COUNTY AGRICULTURAL SOCIETY

JEFFERSON 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 20, 2019**