

SANDUSKY COUNTY AGRICULTURAL SOCIETY

SANDUSKY COUNTY, OHIO

AGREED UPON PROCEDURES

For the Years Ended November 30, 2018 and 2017



OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of the Board
Sandusky County Agricultural Society
712 North Street, Suite 101
Freemont, Ohio 43420-1158

We have reviewed the *Accountants Report on Applying Agreed-Upon Procedures* of the Sandusky County Agricultural Society, Sandusky County, prepared by Charles E. Harris & Associates, Inc., for the period December 1, 2016 through November 30, 2018. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Sandusky County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 13, 2019

This page intentionally left blank.

**SANDUSKY COUNTY AGRICULTURAL SOCIETY
SANDUSKY COUNTY
Agreed Upon Procedures
For the Years Ended November 30, 2018 and 2017**

TABLE OF CONTENTS

| <u>Title</u> | <u>Page</u> |
|--|--------------------|
| Independent Accountants' Report on Applying Agreed-Upon Procedures | 1 |

This page intentionally left blank.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Sandusky County Agricultural Society
Sandusky County
712 North Street, Suite 101
Fremont, Ohio 43420

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Sandusky County Agricultural Society (the Society) and the Auditor of State, 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 audited statements. 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 on the Balance Sheet. The amounts did not agree. For 2018, the bank reconciliation reported an amount \$21 higher than the Balance Sheet. For 2017, the bank reconciliation reported an amount \$78 lower than the Balance Sheet.
4. We observed the year-end bank balances on the financial institution's website for three bank accounts and we confirmed one bank account. The balances agreed. We also agreed the confirmed/observed balances to the amounts appearing in the November 30, 2018 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly 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.

6. We selected all reconciling credits (such as deposits in transit) haphazardly from the November 30, 2018 bank reconciliation:
 - a. We traced each credit to the subsequent December bank statement. We found no exceptions. However, two deposits in transit never cleared. One deposit in transit was the result of a duplicate revenue posting and was subsequently voided. The second deposit in transit was lost and a new check was subsequently reissued by the donor.
 - b. We agreed the credit amounts to the General Ledger. Each credit was recorded as a November receipt for the same amount recorded in the reconciliation.
7. We traced interbank account transfers occurring in November of 2018 to the accounting records and bank reconciliations to determine if they were properly recorded. We found no exceptions.

Intergovernmental Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2018 and 2017. We also haphazardly selected five receipts from the County Auditor's Accounts Payable Invoice Report from 2018 and five from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the General Ledger. The amounts agreed.
 - b. We inspected the General Ledger to determine whether these receipts were allocated to the proper account codes. We found no exceptions.
 - c. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Admission Receipts

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

Privilege Fee Receipts

We haphazardly selected 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 General Ledger. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger to determine whether the 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, 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 General Ledger. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger to determine whether the receipt was recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts (Donations)

We haphazardly selected 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 General Ledger. The amounts agreed.
- b. Inspected the General Ledger to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following line of credit 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.

| Issue | Principal outstanding as of November 30, 2016: |
|----------------|---|
| Line of Credit | \$80,000 |

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 including loan/credit agreements permitted by Ohio Rev. Code Section 1711.13 owed during 2018 and 2017 and agreed these payments from the General Ledger 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 agreed the amount of debt proceeds from the debt documents to amounts recorded in the General Ledger. The amounts agreed.
5. For new debt issued during 2018 and 2017, we inspected the debt legislation, noting the Society must use the proceeds to provide capital to subsidize operations throughout the year. We inspected the General Ledger and observed the Society used these proceeds to subsidize operations. As of November 30, 2018, the Society owed \$30,000 on their Line of Credit.
6. We inquired of management, inspected the receipt ledger, and the prior audit report to determine whether the Society had a loan or credit agreement 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 the line of credit did not exceed twenty-five percent of its annual revenues. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly 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 (timecard, legislatively or statutorily-approved rate or salary). We found one instance where an employee was paid at a lower rate than was legislatively approved. We brought this to management's attention, and they added this amount to a subsequent payment to this employee. Because we did not compare all timecards, 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 register. We found no exceptions.

2. For any new employees selected in procedure 1 we compared the following information in the employees' personnel files and minute records 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, State & Local income tax withholding authorization and withholding
 - e. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to procedures a – e above.

3. 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 | December 17, 2018 | \$1,970.62 | \$1,970.62 |
| State income taxes | January 15, 2019 | December 19, 2018 | \$172.46 | \$172.46 |
| City of Fremont income tax | December 31, 2018 | December 20, 2018 | \$148.08 | \$148.08 |
| Fremont City School District income tax | December 31, 2018 | December 19, 2018 | \$110.81 | \$110.81 |
| Lakota Local School District income tax | December 31, 2018 | December 19, 2018 | \$7.26 | \$7.26 |

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger for the year ended November 30, 2018 and ten 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 General 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.

Other Compliance

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. The 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 whether the Society filed their complete financial statements, as defined by AOS Bulletin 2015-007 and the Auditor of State established policy within the allotted timeframe for the years ended November 30, 2018 and 2017 in the Hinkle system. The financial information was filed on January 31, 2018 for 2017, which was not within the allotted timeframe. Financial information for 2018 was filed on time.

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.



Charles E. Harris & Associates, Inc.
April 26, 2019

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



SANDUSKY COUNTY AGRICULTURAL SOCIETY

SANDUSKY 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 25, 2019**