



**DARKE COUNTY AGRICULTURAL SOCIETY  
DARKE COUNTY**

**AGREED UPON PROCEDURES**

**FOR THE YEARS ENDED NOVEMBER 30, 2018 AND 2017**



# OHIO AUDITOR OF STATE KEITH FABER



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

Darke County Agricultural Society  
Darke County  
800 Sweitzer Street  
Greenville, Ohio 45331

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of Darke 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 and Investments

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. The amounts did not agree as follows. We also agreed the December 1, 2017 beginning fund balances recorded to the November 30, 2017 balances. The amounts did not agree as follows.
  - a. The fund balance at November 30, 2016, for the General Fund checking account was \$(8,238.76). The amount for this account at December 1, 2016, was \$3,320.59.
  - b. The fund balance at November 30, 2017, for the General Fund checking account was \$41,500.66. The amount for this account at December 1, 2017, was \$(98,272.27).
  - c. The fund balance at November 30, 2017, for the Spille CD account was \$1,500. The amount for this account at December 1, 2017, was \$0.
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. The amounts did not agree as noted below:
  - a. The reconciled bank balance at November 30, 2018, for the Capital Improvement account was \$123,660.47. The amount for this account per the Balance Sheet was \$123,649.76, a difference of \$10.71.
  - b. The reconciled bank balance at November 30, 2017, for the General Fund checking account was \$59,552.66. The amount for this account per the Balance Sheet was \$41,500.66, a difference of \$18,052.

4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the November 30, 2018 bank reconciliation without exception.
5. We selected a sample (agree 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 and January bank statements. We noted two checks that were still outstanding. Furthermore, Check #871033 was voided in the accounting system and should not have been included with outstanding checks.
  - 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 inspected investments held at November 30, 2018 and November 30, 2017 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. 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 a sample (agreed upon) of two receipts from the County Auditor's Detail Expense Transactions Report from 2018 and two from 2017.
  - a. We compared the amount from the above report(s) to the amount recorded in the General Ledger. The amounts did not agree as follows: two receipts from the State DTL for 2017 (\$10,002.25 and \$1,317.27) were direct deposited on the Society's bank statement. However, we could not agree those amounts to the General Ledger.
  - b. We inspected the General Ledger to determine whether these receipts were allocated to the proper account codes. We found no exceptions, except for the two receipts noted above.
  - c. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions, except for the two receipts noted above.

#### **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 General Ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed.

For August 20, 2017, the amount recorded in the General ledger for August 21, 2017, was \$86,802.

- a. The ticket sales recapitulation reported 10,226 tickets and 761 vouchers sold on that date.
- b. The admission price per ticket was \$7 and admission price per voucher was \$20.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$86,802 for August 21, 2017.

For August 23, 2018, the amount recorded in the General ledger for August 24, 2018, was \$19,412.

- a. The ticket sales recapitulation reported 2,716 tickets and 20 vouchers sold on that date.
- b. The admission price per ticket was \$7 and admission price per voucher was \$20.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$19,412 for August 24, 2018.

### **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 General Ledger. The amounts agreed except as follows: the receipt amount for Receipt # 2017-2241 did not agree to the General Ledger.
- b. Agreed the rate charged with rates in force during the period. We found exceptions as follows. One receipt in 2017 (Receipt # 2017-2241 for Kissel Brothers) and one receipt in 2018 (Receipt # 2018-2218 for Carolina Helicopters) did not agree to the contracted amounts.
- c. Inspected the General Ledger to determine whether the receipt was recorded in the proper year. We found no exceptions.

### **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 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**

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 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. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. 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. The prior audit 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. All debt agreed to the summary we used in procedure 3, except as follows:
  - The Society reported line of credit receipts in the amount of \$108,500 and subsequent repayment for the year ended November 30, 2017.
  - The Society reported line of credit receipts in the amount of \$103,396 and subsequent repayment for the year ended November 30, 2018.
  - However, the Society only provided documentation to support line of credit receipts of \$25,000 and subsequent repayment of \$25,524 for the year ended November 30, 2018.
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, except as noted above.

4. 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 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 General Ledger and:
  - a. We compared the hours and pay rate, or salary recorded in the Paycheck to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
2. For any new employees selected in procedure 1 we compared the following information in the employees' personnel files 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:

<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	January 15, 2019 January 16, 2019	\$1,808.64	\$913.40 \$895.24
State income taxes	January 15, 2019	January 23, 2019	\$87.56	\$87.56

4. We selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the General Ledger:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Society's payout policy.

The amount paid was not consistent with the information recorded in a. through c. above. The Society made a termination payment during 2017. However, the Society could not provide evidence that the salary rate of \$27.98 was approved by the Board. In the minutes the Board approved a payout of 60 vacation hours. However, the employee was actually paid for 61 vacation hours. Per leave records the employee's vacation leave balance was 51 hours.

### Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the General Ledger 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 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

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, in the Hinkle system. The filing deadline for the financial statements for the year ended November 30, 2017, was January 29, 2018. However, the Society did not file until August 20, 2019.
2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list(s) of authorized users, and
  - a list of all credit card account transactions.
  - a. We selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that:
    - i. Each transaction was supported with original invoices and for a proper public purpose.  
The Society was unable to provide supporting invoices for the credit card transactions tested.

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

February 3, 2020

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# OHIO AUDITOR OF STATE KEITH FABER



**DARKE COUNTY AGRICULTURAL SOCIETY**

**DARKE 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  
FEBRUARY 18, 2020**