



**RICHWOOD INDEPENDENT AGRICULTURAL SOCIETY  
UNION COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED NOVEMBER 30, 2019 AND 2018**



# OHIO AUDITOR OF STATE KEITH FABER



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

Richwood Independent Agricultural Society  
Union County  
1 Gill Street,  
P.O. Box 71  
Richwood, Ohio 43344

We have performed the procedures enumerated below, which were agreed to by the Board and the management of the Richwood Independent Agricultural Society, Union County, Ohio, (the Society) on the receipts, disbursements and balances recorded in the Society's cash basis accounting records for the years ended November 30, 2019 and 2018 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, 2019 and 2018 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, 2019 and November 30, 2018 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2017 beginning fund balances recorded in the Register Report to the November 30, 2017 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We noted the November 30, 2017 balance was greater than the December 1, 2017 balance by \$10,291 due to \$10,273 of the horse arena account and savings account not being included in the December 1, 2017 Register Report balance and an \$18 voided check that wasn't properly recorded in the accounting ledgers at December 1, 2017.

We agreed the December 1, 2018 beginning fund balances recorded in the Register Report to the November 30, 2018 balance reported in the financial statements filed in the Hinkle system. We noted the November 30, 2018 balance was greater than the December 1, 2018 balance by \$2,510 due to the horse arena account and the savings account not being included in the December 1, 2018 Register Report balance.

We recommend the Society include all bank account activity and balances in the accounting records. This will allow management to better monitor the Society's financial position and will ensure accurate financial reporting.

### **Cash – (Continued)**

3. We agreed the totals per the bank reconciliations to the total of the November 30, 2019 and 2018 fund cash balance reported in the Register Report and the financial statements filed by the Society in the Hinkle System. The November 30, 2019 amounts agreed. We noted the November 30, 2018 balance per the bank reconciliation was \$2,510 greater than the balance reported in the Register Report due to the horse arena account and savings account not being included in the Register Report as noted in step 2 above.
4. We confirmed the November 30, 2019 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, 2019 bank reconciliation without exception.
5. We selected all four reconciling debits (such as outstanding checks) from the November 30, 2019 bank reconciliation:
  - a. We traced each debit to the subsequent December and January bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the Register Report, to determine the debits were dated prior to November 30. There were no exceptions.

### **Admission/Grandstand Receipts**

We selected one day of admission/grandstand cash receipts from the year ended November 30, 2019 and one day of admission/grandstand cash receipts from the year ended November 30, 2018 recorded in the Itemized Categories Ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed.

### **Sustaining and Entry (Purse) Receipts and Disbursements**

We obtained copies of race schedules approved by the Board of Directors. We selected one race day from the year ended November 30, 2019 and one race day from the year ended November 30, 2018 and performed the following procedures:

- a. Traced authorized race dates to the Itemized Categories Ledger postings and determined whether there are purse receipt postings for each authorized race day. The Itemized Categories Ledger reported wagering receipts for all authorized dates.
- b. Traced authorized race dates to the Itemized Categories Ledger postings and determined whether there were purse disbursement postings for each authorized race day. The Itemized Categories Ledger reported wagering disbursements for all authorized dates.

### **Over-The-Counter Cash Receipts**

We selected 10 over-the-counter cash receipts from the year ended November 30, 2019 and 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 Itemized Categories Ledger. The amounts agreed.
- b. Inspected the Itemized Categories 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 agreed-upon procedures documentation, we observed the following note outstanding as of November 30, 2017. This amount agreed to the Society's December 1, 2017 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of November 30, 2017:
2015 Promissory Note	\$65,574

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 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of debt service payments owed during 2019 and 2018 and agreed these payments from the Itemized Categories 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.

## Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Register Report for the year ended November 30, 2019 and 10 from the year ended November 30, 2018 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 Register Report and to the names and amounts on the supporting invoices. We noted one 2019 check in which the check number did not agree to the Register Report. This issue was due to a printing error in which checks were printed out of sequence.
  - c. Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

## Sunshine Law Compliance

1. We inquired with Society management and noted the Society did not adopt a Public Records Policy. **Ohio Rev. Code § 149.43(E)(2)** requires all public offices to adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under section 109.43 of the Revised Code.
2. We inquired with Society management and determined that the Society did not have any public records requests during the engagement period.
3. We inquired with Society management and determined that the Society did not have any denied public records requests during the engagement period.
4. We inquired with Society management and determined that the Society did not have any public records requests with redactions during the engagement period.

### Sunshine Law Compliance – (Continued)

5. We inquired with Society management and noted the Society did not adopt a records retention schedule. **Ohio Rev. Code § 149.43(B)(2)** requires a public office to have available a copy of its current records retention schedule at a location readily available to the public.
6. We inquired with Society management and determined that the Society did not have any applications for record disposal submitted to the Records Commission during the engagement period.
7. We inspected the public notices for the public meetings held during the engagement period and determined the Society notified the general public and news media of when and where meetings during the engagement period are to be held. We found no exceptions.
8. We inspected the minutes of public meetings during the engagement period and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.We found no exceptions.
9. We inspected the minutes from the engagement period and determined the following:
  - a. Executive sessions were only held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.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, 2019 and 2018 in the Hinkle system. There were no exceptions.
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 inspected the established policy obtained above and determined it is:
    - i. in compliance with the HB 312 statutory requirements, and
    - ii. implemented by the Society.We found no exceptions.

**Other Compliance – (Continued)**

- b. We selected 1 credit card transaction from the credit card account for testing. For selected transaction 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.

- c. We selected 3 credit card statements from the credit card account for testing. For selected statements we inspected documentation to determine that:
- i. No unpaid beginning balance was carried forward to the current billing cycle,
  - ii. Ending statement balance was paid in full, and
  - iii. Statement contained no interest or late fees.

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, 2019 and 2018, 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

June 9, 2020

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# OHIO AUDITOR OF STATE KEITH FABER



**RICHWOOD INDEPENDENT AGRICULTURAL SOCIETY**

**UNION 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, 2020**