



OHIO AUDITOR OF STATE
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Delaware County Agricultural Society
Delaware County
236 Pennsylvania Ave
Delaware, Ohio 43015

We have performed the procedures enumerated below on the Delaware County Agricultural Society's (the Society) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended November 30, 2020 and 2019 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, 2020 and 2019 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Society.

The Board of Trustees and the management of the Society have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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, 2020 and 2019, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash

1. We recalculated the November 30, 2020 and November 30, 2019 bank reconciliations. A reconciliation over one of the Society's bank accounts was not provided for 2019. We found no other exceptions.
2. We agreed the December 1, 2018 beginning fund balances recorded to the November 30, 2018 balances in the prior year audited statements. We found no exceptions. We also agreed the December 1, 2019 beginning fund balances recorded to the November 30, 2019 balances. We found no exceptions.

3. We agreed the totals per the bank reconciliations to the total of the November 30, 2020 and 2019 fund cash balance reported in the Quickbooks ledgers and the financial statements filed by the Society in the Hinkle System. We identified a variance between the 2020 reconciliations and the Quickbooks ledgers in the amount of \$2,270 and a variance between the 2020 reconciliations and the filed financial statements in the amount of \$2,920. A reconciliation over one of the Society's bank accounts was not provided for 2019 resulting in a variance between the total 2019 reconciliations and the Quickbooks ledgers and financial statements of \$5,565.
4. We confirmed the November 30, 2020 bank account balances with the Society's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the November 30, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the November 30, 2020 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 check register and determined the debits were dated prior to November 30. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the November 30, 2020 bank reconciliation:
 - a. We traced the credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Quickbooks ledgers and determined it was dated prior to November 30. We found no exceptions.
7. We traced interbank account transfers occurring in November of 2020 and 2019 to the bank statements and reconciliations to determine if they were properly recorded. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the Distribution Transaction Detail Report (State DTL) from 2020 and all four from 2019.
 - a. We compared the amount from the above named report to the amount recorded in the Quickbooks ledger. The amounts agreed.
 - b. We inspected the Quickbooks ledger to determine these receipts were allocated to the proper account codes. We found no exceptions.
 - c. We inspected the Quickbooks ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the total amount of lodging tax revenue paid from Delaware County during the year ending November 30, 2020 with the County Auditor's Office. We found no exceptions.
 - a. We inspected the Quickbooks ledger to determine whether these receipts were allocated to the proper account code. We found no exceptions.
 - b. We inspected the Quickbooks ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Admission/Grandstand Receipts

We selected two days of admission/grandstand cash receipts from the year ended November 30, 2019 recorded in the Quickbooks ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.).

For September 15, 2019, the amount recorded in the receipts ledger for September 15, 2019 was \$42,826.

- a. The ticket sales recapitulation reported 6,928 tickets sold on that date.
- b. The admission price per ticket was \$6.00.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$41,568 for September 15, 2019, which is under the amount recorded by \$1,258.

For September 19, 2019, the amount recorded in the receipts ledger for September 19, 2019 was \$66,710.

- a. The ticket sales recapitulation reported 1,066 and 3,066 tickets sold on that date.
- b. The admission price per ticket was \$6.00 and \$20.00, respectively.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$67,716 for September 19, 2019, which exceeds the amount recorded by \$1,006.

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, 2020 and one race day from the year ended November 30, 2019 and performed the following procedures:

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

Sponsorship Receipts

We selected 10 sponsorship receipts from the year ended November 30, 2019 and:

- a. Agreed the receipt amount recorded in the Quickbooks ledger to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Quickbooks 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 audit documentation disclosed no debt outstanding as of November 30, 2018.
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 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the debt documents we used in procedure 3.
3. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. The amounts agreed.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 from the Quickbooks ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the Quickbooks ledger to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
 We found no exceptions.

2. We inspected the last remittance of tax and retirement withholdings for the year ended November 30, 2020 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 2020. 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)	October 31, 2020	September 18, 2020	\$20,801	\$20,866
State income taxes	December 15, 2020	December 9, 2020	\$334	\$334
City of Delaware income taxes	December 15, 2020	December 9, 2020	\$235	\$235
School District income taxes	December 15, 2020	December 9, 2020	\$13	\$13

As stated above, the Society has remitted \$65 more federal payroll taxes, Medicare, and Social Security taxes than required by 26 USC Section 3402 and 26 USC Section 3102(a) as of October 31, 2020.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Quickbooks ledger for the year ended November 30, 2020 and 10 from the year ended November 30, 2019 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 Quickbooks 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.

Sunshine Law Compliance

1. We obtained and inspected the Society's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.

2. We inquired with Society management and determined that the Society did not have any completed public records requests during the engagement period, the Society did not have any denied public records requests during the engagement period, and the Society did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Society had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Society's policy manual and determined the public records policy was not included as required by Ohio Rev. Code § 149.43(E)(2).
6. We observed that the Society's poster describing their Public Records Policy was displayed conspicuously in all branches of the Society as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. 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.
8. We inquired with Society management and determined that the Society did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
9. 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 were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) 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.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) 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 § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 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, 2020. Financial information for the year ended November 30, 2019 was filed on May 29, 2020 which was not within the allotted timeframe.
2. For all credit card accounts we obtained:
 - a list(s) of authorized users, and
 - a list of all credit card account transactions.
 - a. We selected 1 credit card transaction from each credit card account 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.
We found no exceptions.
 - b. We selected 3 credit card statements from each 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.For two out of the 3 credit card statements selected, unpaid beginning balances were carried forward to the current billing cycle.

Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
 - a. PD Paycoff Trucking– Pat Paykoff was board member during the engagement period.
 - b. All Win Electric – Pat Allen was board member during the engagement period.
 - c. Little Brown Jug Society – Board members are also Board members at Little Brown Jug Society.
We found no exceptions.
2. We obtained supporting evidence for the Related Party Transactions noted in procedure 1. We found no exceptions.

We were engaged by the Society to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination, or review engagement, 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.

We are required to be independent of the Society and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

November 1, 2022

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OHIO AUDITOR OF STATE KEITH FABER



DELAWARE COUNTY AGRICULTURAL SOCIETY

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/22/2022

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This report is a matter of public record and is available online at
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