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**MEDINA COUNTY AGRICULTURAL SOCIETY
MEDINA COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Medina County Agricultural Society
Medina County
710 West Smith Road
Medina, Ohio 44256

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Medina County Agricultural Society, Medina County, Ohio, (the Society) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2014 and 2013, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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 tested the mathematical accuracy of the November 30, 2014 and November 30, 2013 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2013 beginning fund balances recorded to the November 30, 2013 balances in the prior year audited statements. We found no exceptions. We also agreed the December 1, 2014 beginning fund balances recorded to the November 30, 2014 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2014 and 2013 fund cash balance reported on the Balance Sheet. The amounts agreed.
4. We confirmed the November 30, 2014 bank account and investment balances with the Society's financial institutions. We found no exceptions. We also 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, 2014 bank reconciliation without exception.

Cash and Investments (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2014 bank reconciliation:
 - a. We traced each debit to the subsequent December and January statements. 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. We noted no exceptions.
6. We selected all two reconciling credits (such as deposits in transit) haphazardly from the November 30, 2014 bank reconciliation:
 - a. We traced each credit to the subsequent December bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Deposit Detail Report. Each credit was recorded as a November receipt for the same amount recorded in the reconciliation.
7. We tested investments held at November 30, 2014 and November 30, 2013 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. We noted no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2014 and 2013.
 - a. We compared the amount from the above report to the amount recorded in the Detail Deposit Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper account codes. We noted one receipt in 2014 and one receipt in 2013 in the amounts of \$1,300 and \$700, respectively, that were posted to a Miscellaneous account code rather than to a State Support account code. We found no other exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Admission/Grandstand Receipts

We haphazardly selected one day of admission/grandstand cash receipts from the year ended November 30 2014 and one day of admission/grandstand cash receipts from the year ended November 30, 2013 recorded in the general ledger and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc). The grandstand receipt amounts agreed; however, the gate admission receipt amounts did not agree as noted below:

2014 Fair

For August 2, 2014, the amount recorded in the receipts ledger for gate admission receipts was \$50,202. However, based on the number of tickets sold (as documented on the "Till Record" report) multiplied by the applicable admission prices, a total of \$50,570 should have been collected resulting in a shortage of \$368. We noted the Society identified a total net overage of \$1,315 for the 2014 Medina County Fair. We noted the shortage of \$368 for August 2, 2014 was included in this net total.

Admission/Grandstand Receipts (Continued)

The Society contracted its 2014 Medina County Fair gate admission sale collections and deposits to Tenable Protective Services, Inc., an independent security company. No explanation was documented regarding the \$1,315 overage by the security company. However, we determined the Society keeps all excess amounts received.

2013 Fair

For August 1, 2013, the amount recorded in the receipts ledger for gate admission receipts was \$55,923. However, based on the number of tickets sold (as documented on the "Till Record" report) multiplied by the applicable admission prices, a total of \$56,502 should have been collected resulting in a shortage of \$579. We noted the Society identified a total net shortage of \$2,979 for the 2013 Medina County Fair. We noted the shortage of \$579 for August 1, 2013 was included in this net total.

The Society contracted its 2013 Medina County Fair gate admission sale collections and deposits to Tenable Protective Services, Inc., an independent security company. No explanation was documented regarding the \$2,979 shortage by the security company. However, we noted a credit in the amount of \$2,979 on the invoice from Tenable Protective Services, Inc. Therefore, the Society recouped this shortage by deducting the \$2,979 from the amount paid to Tenable Security Services Inc. for their services related to the 2013 fair. As such, no Finding for Recovery related to this amount is necessary.

Privilege Fee Receipts

We haphazardly selected 10 privilege fee cash receipts from the year ended November 30, 2014 and 10 privilege fee cash receipts from the year ended November 30, 2013 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the General Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. 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, 2014 and 10 rental cash receipts from the year ended November 30, 2013 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the General Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of November 30, 2012.
2. We inquired of management, and scanned the receipt and expenditure records for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt service payments owed during 2014 and agreed these payments from the General Ledger to the related loan documentation. We also compared the date the debt service payments were due to the date the Society made the payments. We found no exceptions.

Debt (Continued)

4. We reviewed the General Ledger noting the Society did not post the proceeds of the loan or the related capital outlay expenditure. The Society should post all revenue and related expenditures paid on its behalf in their financial records.
5. For new debt issued on behalf of the Society during 2014, we inspected the debt legislation, noting the Society must use the proceeds to purchase a tractor. As noted in step 4 above, the Society did not record the capital outlay expenditure in their accounting records. We reviewed the copy of the bank check paid directly to the vendor on behalf of the Society noting the Society purchased a tractor in June of 2014.
6. We inquired of management, scanned the general ledger, and scanned the prior audit report and determined that the Society obtained a loan in 2014 as permitted by Ohio Rev. Code Section 1711.13(B). We examined the Society's computation supporting that the total net indebtedness from the loan and 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 2014 and one payroll check for five employees from 2013 from the General Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the General Ledger 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 General Ledger. We found no exceptions.
2. For any new employees selected in step 1 we determined whether 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

We found no exceptions related to steps a – d above.

Payroll Cash Disbursements (Continued)

3. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2014 to determine whether 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 2014. We noted the following:

Withholding (plus employer share, where applicable)	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Due</u>	<u>Amount Paid</u>
Federal income taxes, social security, & Medicare	December 31, 2014	November 28, 2014	\$1,601.86	\$1,601.86
State income taxes	December 15, 2014	November 26, 2014	\$237.50	\$237.50
Local income tax	December 20, 2014	November 28, 2014	\$136.56	\$136.56
School District Income Tax	December 15, 2014	November 26, 2014	\$23.67	\$23.67

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger for the year ended November 30, 2014 and ten from the year ended 2013 and determined whether:
- The disbursements were for a proper public purpose. We found no exceptions.
 - 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.
 - Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Society's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Society, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

September 18, 2015

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MEDINA COUNTY AGRICULTURAL SOCIETY

MEDINA 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
OCTOBER 6, 2015**