



Dave Yost • Auditor of State



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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, which were agreed to by the Board of Directors and the management of the Medina County Agricultural Society, Medina 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, 2016 and 2015 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, 2016 and 2015 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, 2016 and November 30, 2015 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2014 beginning fund balances recorded to the November 30, 2014 balances in the documentation in the prior year *Agreed-Upon Procedures* working papers. We found no exceptions. We also agreed the December 1, 2015 beginning fund balances recorded to the November 30, 2015 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2016 and November 30, 2015 fund cash balances reported on the Balance Sheet. The amounts for November 30, 2016 agreed. The amounts for November 30, 2015 did not agree due to a \$116 payment made on November 16, 2015 which was not posted in the accounting records until December 3, 2015 and was not included on the November 30, 2015 bank reconciliation as a reconciling item.
4. We confirmed the November 30, 2016 bank account balances with the Society's financial institutions. We found no exceptions. 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, 2016 bank reconciliation without exception.

Cash and Investments (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2016 bank reconciliation:
 - a. We traced four of the debits to the subsequent December and January bank statements and noted one debit was still included on the January 2017 bank reconciliation as a reconciling debit. There were 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 inspected investments held at November 30, 2016 and November 30, 2015 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 Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2016 and 2015.
 - a. We compared the amount from the above report to the amount recorded in the Deposit Detail Report. 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/Grandstand Receipts

We haphazardly selected one day of admission cash receipts and one week of grandstand cash receipts from the year ended November 30 2016 and one day of admission cash receipts and one week of grandstand cash receipts from the year ended November 30, 2015 recorded in the general ledger and agreed the receipt amount 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:

2015 Fair

For August 8, 2015, the amount recorded in the receipts ledger for gate admission receipts was \$72,344. However, based on the number of tickets sold (as documented on the "Till Record" report) multiplied by the applicable admission prices, a total of \$72,606 should have been collected resulting in a shortage of \$262. We noted the Society identified a total net shortage of \$535 for the 2015 Medina County Fair. We noted the shortage of \$262 for August 8, 2015 was included in this net total.

The Society contracted its 2015 Medina County Fair gate admission sale collections and deposits to Tenable Protective Services, Inc., an independent security company. No explanation was documented regarding the \$535 shortage by the security company. However, we noted a credit in the amount of \$535 on the invoice from Tenable Protective Services, Inc. Therefore, the Society recouped this shortage by deducting the \$535 from the amount paid to Tenable Security Services Inc. for their services related to the 2015 fair. As such, no Finding for Recovery related to this amount is necessary.

Admission/Grandstand Receipts (Continued)

2016 Fair

For August 3, 2016, the amount recorded in the receipts ledger for gate admission receipts was \$59,736. However, based on the number of tickets sold (as documented on the "Till Record" report) multiplied by the applicable admission prices, a total of \$60,306 should have been collected resulting in a shortage of \$570. We noted the Society identified a total net shortage of \$1,804 for the 2016 Medina County Fair. We noted the shortage of \$570 for August 3, 2016 was included in this net total.

The Society contracted its 2016 Medina County Fair gate admission sale collections and deposits to Tenable Protective Services, Inc., an independent security company. No explanation was documented regarding the \$1,804 shortage by the security company. However, we noted a credit in the amount of \$1,804 on the invoice from Tenable Protective Services, Inc. Therefore, the Society recouped this shortage by deducting the \$1,804 from the amount paid to Tenable Security Services Inc. for their services related to the 2016 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, 2016 and 10 privilege fee cash receipts from the year ended November 30, 2015 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. Compared the rates charged with rates in force during the period. We found no exceptions.
- c. Confirmed 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, 2016 and 10 rental cash receipts from the year ended November 30, 2015 recorded in the duplicate cash receipts book and determined whether the:

- 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 haphazardly selected 10 over-the-counter cash receipts from the year ended November 30, 2016 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. The Society did not maintain adequate documentation for two of ten over the counter receipts to allow confirmation that the amounts charged complied with rates in force during the fiscal year. We found no other exceptions.
- c. Inspected the receipt ledger to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loan outstanding as of November 30, 2014. These amounts agreed to the Society's December 1, 2014 balances on the summary we used in step 3.

<u>Issue</u>	<u>Principal outstanding as of November 30, 2014:</u>
2014 Tractor Loan	\$17,294

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 2016 or 2015 or debt payment activity during 2016 or 2015. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt service payments including mortgage debt and loan/credit agreements permitted by Ohio Rev. Code Section 1711.13 owed during 2016 and 2015 and agreed these payments from the General Ledger to the related debt amortization schedules. We also compared the date the debt service payments were due to the date the Society made the payments. We noted one payment due on November 11, 2015 and paid on November 12, 2015 resulting in a \$25 late payment charge. We found no other exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General Ledger. The amounts did not agree. In 2016 and 2015, the Society did not record \$16,158 and \$3,500, respectively, in debt proceeds.
5. For new debt issued during 2016 and 2015, we inspected the debt legislation, noting the Society must use the proceeds to construct a building on the fairgrounds. We inspected the General Ledger and observed the copies of the bank checks and loan debit disbursements paid directly to the vendor on behalf of the Society noting the construction of the building on the fairgrounds was completed in 2016.
6. We inquired of management, inspected the General Ledger and the prior agreed-upon procedures report to determine whether the Society had a loan outstanding from a prior year or obtained a loan in 2015 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 haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the General Ledger and:
 - a. We compared the hours and pay rate, or salary recorded on the payroll check 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.

Payroll Cash Disbursements (Continued)

2. For any new employees selected in step 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 steps a – e above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended November 30, 2016 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 2016. 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 & Medicare, and social security	December 31, 2016	November 28, 2016	\$1,691.60	\$1,691.60
State income taxes	December 15, 2016	November 28, 2016	\$278.99	\$278.99
Local income tax	December 20, 2016	November 28, 2016	\$146.77	\$146.77
School District income tax	December 15, 2016	November 28, 2016	\$83.20	\$83.20

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger for the year ended November 30, 2016 and ten from the year ended 2015 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 each public office, other than a state agency, to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the Society filed their complete financial statements, as defined by AOS Bulletin 2016-007, within the allotted timeframe for the years ended December 31, 2016 and 2015 in the Hinkle System. No exceptions noted for fiscal year 2016. Financial statements for fiscal year 2015 did not include the notes to the financial statements as required.

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 for the use of the Society to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

July 10, 2017



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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
JULY 25, 2017**