

STARK COUNTY AGRICULTURAL SOCIETY

STARK COUNTY, OHIO

AGREED UPON PROCEDURES

For the Years Ended November 30, 2018 and 2017





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Board of Trustees
Stark County Agricultural Society
P.O. Box 80279
Canton, Ohio 44708-0279

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Stark County Agricultural Society, prepared by Charles E. Harris & Associates, Inc., for the period December 1, 2016 through November 30, 2018. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Stark County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 30, 2019

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**STARK COUNTY AGRICULTURAL SOCIETY
STARK COUNTY
Agreed Upon Procedures
For the Years Ended November 30, 2018 and 2017**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Stark County Agricultural Society
Stark County
P.O. Box 80279
Canton, Ohio 44708-0279

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Stark County Agricultural Society (the Society) and the Auditor of State, 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

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 as documented in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the December 1, 2017 beginning fund balances recorded to the November 30, 2017 balances. We found no exceptions.
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 General Ledger. The amounts did not agree. As of November 31, 2018, the bank reconciliations reported a total of \$107,392, while the General Ledger reported a total of \$107,379, which is a \$13 variance. As of November 31, 2017, the bank reconciliations reported a total of \$59,840, while the General Ledger reported a total of \$64,865, which is a variance of \$5,025. This is discussed further in step 6b below.
4. We observed the year-end bank balances on the financial institution's websites. 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 (agreed upon) of five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2018 bank reconciliation:
 - a. We traced each debit to the subsequent December bank statement. 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. There were no exceptions.

6. We selected all reconciling credits (such as deposits in transit) haphazardly from the November 30, 2018 bank reconciliation:
 - a. We were unable to trace each credit to the subsequent bank statements, based on step b below.
 - b. We were also unable to agree the credit amounts to the General Ledger, as each credit was not recorded as a November receipt for the same amount reported in the reconciliation. Instead, the amounts included an incorrect \$6 reconciling credit from 2014 and an incorrect \$5,000 reconciling credit from 2017. These were corrected in the accounting records in 2019.
7. We traced interbank account transfers occurring in November of 2018 and 2017 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

Intergovernmental 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 five receipts from the County Auditor's Vendor Payments by Vendor Number Report from 2018 and five from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the General Ledger. 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 Receipts

We selected one day of admission cash receipts from the year ended November 30 2018 and one day of admission 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 did not agree.

For August 30, 2018, the amount recorded in the General Ledger for August 30, 2018 was \$38,227.

- a. The ticket sales recapitulation reported 5,475 tickets sold on that date.
- b. The admission price per ticket was \$7.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$38,325 for August 30, 2018, which exceeds the amount recorded by \$98.

For September 2, 2017, the amount recorded in the receipts ledger for September 2, 2017 was \$25,770.

- a. The ticket sales recapitulation reported 4,308 tickets sold on that date.
- b. The admission price per ticket was \$6.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$25,848 for September 2, 2017 which exceeds the amount recorded by \$78.

Grandstand Receipts

We selected the entire year's grandstand cash receipts from the year ended November 30 2018 and the entire year's grandstand cash receipts from the year ended November 30, 2017 recorded in the General Ledger and agreed the receipt amount to the supporting documentation (third party ticket recapitulation sheets). The amounts agreed for 2018.

For 2017, the amount recorded in the receipts ledger for all grandstand events was \$113,873.

- a. The ticket sales recapitulation reported 12,411 tickets sold for the year.
- b. The average admission price per ticket was \$9.59.
- c. Therefore, the recapitulation sheet multiplied by the average admission price supports admission receipts of \$119,021 for 2017, which exceeds the amount recorded by \$5,148.

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.
- 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 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 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.

Debt

1. The prior agreed-upon procedures 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.
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 total balance due. We also compared the date the debt service payments were due to the date the Society made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General Ledger. The amounts agreed.

5. For new debt issued during 2018 and 2017, we inspected the debt legislation, noting the Society must use the proceeds to provide change and subsidize operations throughout the year. We inspected the General Ledger and observed the Society used these proceeds to provide change and subsidize operations throughout the year.
6. We inquired of management, inspected the receipt ledger, and the prior agreed-upon procedures report to determine whether the Society had a loan or credit agreement outstanding from a prior year or obtained a loan or credit line in 2018 and 2017 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 Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
2. 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:

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)	December 31, 2018	December 17, 2018	\$1,875.85	\$1,875.85
State income taxes	December 31, 2018	December 17, 2018	\$157.47	\$157.47
City of Canton Local income tax	January 31, 2019	January 31, 2019	\$681.14	\$681.14
Northwest Local School District income tax	December 31, 2018	December 17, 2018	\$11.75	\$11.75

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of ten disbursements from the General Ledger for the year ended November 30, 2018 and ten from the year ended November 30, 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.

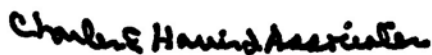
Other Compliance

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. The 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 the Auditor of State established policy within the allotted timeframe for the years ended November 30, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
 - a. copies of existing internal control policies,
 - b. a list of authorized users, and
 - c. a list of all credit card account transactions.

We selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that each transaction was supported with original invoices and for a proper public purpose. 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, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 12, 2019

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OHIO AUDITOR OF STATE KEITH FABER



STARK COUNTY AGRICULTURAL SOCIETY

STARK 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
AUGUST 13, 2019**