

**WARREN COUNTY
AGRICULTURAL SOCIETY**
WARREN COUNTY, OHIO

AGREED-UPON PROCEDURES

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

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
Warren County Agricultural Society
P.O. Box 58
Lebanon, Ohio 45036

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Warren County Agricultural Society, prepared by Julian & Grube, Inc., for the period December 1, 2017 through November 120, 2019. 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 Warren County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

November 12, 2020

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Independent Accountants' Report on Applying Agreed-Upon Procedures

Warren County Agricultural Society
Warren County
P.O. Box 58
Lebanon, Ohio 45036

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of the Warren 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 fiscal 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 fiscal 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 to the documentation in the prior fiscal year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the December 1, 2018 beginning fund balances recorded to the November 30, 2018 balances. We found no exceptions.
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 General Ledger and the financial statements filed by the Society in the Hinkle System. The ending cash balance on the 2019 Hinkle report of \$259,799 was overstated by \$39,596 compared to the Society's system fund balance. The 2018 Hinkle report did not show the November 30, 2018 year end fund cash balance therefore overstating the cash balance by \$9,874.
4. We confirmed the November 30, 2019 bank account balance with the Society's financial institution. We found no exceptions. We also agreed the confirmed balance to the amounts appearing in the November 30, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the November 30, 2019 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 the five reconciling credits (such as deposits in transit) from the November 30, 2019 bank reconciliation:
 - a. We did not trace any of the credits to the subsequent bank statements. We noted the reconciling credits were not actually outstanding as of November 30, 2019, but were reconciling discrepancies within QuickBooks. These discrepancies were corrected in October 2020 in the Society's system.
 - b. We agreed the credit amounts to the General Ledger. Each credit was recorded as a receipt for the same amount recorded in the reconciliation. However, the Society mistakenly recorded the reconciling credits selected and subsequently voided these transactions because they did not represent actual activity.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the Distribution Transaction Detail Report (State DTL) and the County Auditor's Fund Accounting Transaction Report from 2019 and a total of five from 2018.
 - a. We compared the amount from the above named reports to the amount recorded in the General Ledger. We found one exception in 2018, in which we were unable to determine where the receipt of a \$15 transaction was recorded in the General Ledger.
 - b. We inspected the General Ledger to determine these receipts were allocated to the proper account codes. We found one exception in 2018, in which a receipt in the amount of \$15 should have been recorded as Track Maintenance – State Support; however, we were unable to determine where the receipt was recorded in the General Ledger.
 - c. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found one exception in 2018, in which we were unable to determine where the receipt of a \$15 transaction was recorded in the General Ledger.
2. We confirmed the \$400,000 from the State of Ohio for the Chamber Grant during the year ending November 30, 2019 with Ohio Checkbook. We found no exceptions.
 - a. We inspected the General Ledger to determine whether this receipt was allocated to the proper account code. We found no exceptions.
 - b. We inspected the General Ledger to determine whether the receipt was recorded in the proper year. We found no exceptions.

Admission/Grandstand Receipts

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

For July 16, 2019, the amount recorded in the receipts ledger for July 16, 2019 was \$20,588.

- a. The ticket sales recapitulation reported 2,060 tickets sold on that date.
- b. The admission price per ticket was \$10.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$20,600 for July 16, 2019, which exceeds the amount recorded by \$12.

Rental Receipts

We selected 10 rental cash receipts from the fiscal year ended November 30, 2019 and 10 rental cash receipts from the fiscal year ended November 30, 2018 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. 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 fiscal year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected 10 over-the-counter cash receipts from the fiscal year ended November 30, 2019 and 10 over-the-counter cash receipts from the fiscal year ended November 30, 2018 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. We found no exceptions.
- c. Inspected the General Ledger to determine the receipt was posted to the proper funds, and was recorded in the proper fiscal year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of November 30, 2017.
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. There were no new debt issuances, nor any debt payment activity during 2019 or 2018.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Payroll Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal 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 payroll register. We found no exceptions.
 - c. For any new employees selected, we inspected the employees' personnel files and board minutes to the information used to compute gross and net pay related to this check:
 - i. Name
 - ii. Authorized salary or pay rate
 - iii. Federal, State & Local income tax withholding authorization and withholding

We found no exceptions related to procedures i. – iii. above.

2. We inspected the last remittance of tax and retirement withholdings for the fiscal year ended November 30, 2019 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 2019. 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)	January 15, 2020	January 14, 2020	\$ 2,233	\$ 2,233
State income taxes	January 15, 2020	January 13, 2020	\$ 203	\$ 203
City income tax	December 15, 2019	December 5, 2019	\$ 133	\$ 133
School District Income Tax	December 15, 2019	December 12, 2019	\$ 37	\$ 37

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Check Detail Report for the fiscal year ended November 30, 2019 and 10 from the fiscal 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 Check Detail Report 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 inquired with Society management and determined that the Society did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).
2. We inquired with Society management and determined that the Society did not have any completed 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.
5. 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.
6. We inquired with Society management and determined that the Society did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Society management and determined that the Society did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
8. We inquired with Society management and determined that the Society did not have a public records policy during the engagement period therefore it could not be displayed in all the branches of the Society as required by Ohio Rev. Code § 149.43(E)(2).
9. 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.
10. 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).
11. 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.

12. 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.

13. 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 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 fiscal years ended November 30, 2019 and 2018 in the Hinkle system. There were no exceptions.

2. For all credit card accounts, we obtained a list of all credit card account transactions. The Society did not establish a credit card policy.
 - 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. The statement for the month of July, 2019 contained a \$39 late fee and interest of \$79.We found no exceptions related to procedures i. and ii. above.

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.

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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.

Julian & Grube, Inc.

Julian & Grube, Inc.
October 28, 2020

OHIO AUDITOR OF STATE KEITH FABER



WARREN COUNTY AGRICULTURAL SOCIETY

WARREN 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 12/1/2020

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This report is a matter of public record and is available online at
www.ohioauditor.gov