



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Holmes County Agricultural Society  
Holmes County  
P.O. Box 376  
Millersburg, Ohio 44654

We have performed the procedures enumerated below on the Holmes County Agricultural Society's, Holmes County, Ohio, (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. We found no exceptions.
2. We agreed the December 1, 2018 beginning fund balance recorded to the November 30, 2018 balance in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the December 1, 2019 beginning fund balance to the November 30, 2019 balance. 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 Profit and Loss Detail Report and the financial statements filed by the Society in the Hinkle System. The amounts agreed.

4. We confirmed the November 30, 2020 bank account balances with the Society's financial institution. 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 two debit to the subsequent December and January bank statements. We noted three debits did not clear on the December or January bank statements.
  - b. We traced the amounts and dates to the Profit and Loss Detail Report and determined the debits were dated prior to November 30. There were no exceptions.
6. We selected the two reconciling credits (such as deposits in transit) from the November 30, 2020 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 Profit and Loss Detail Report and determined they were dated prior to November 30. We found no exceptions.

#### **Intergovernmental Receipts**

1. We selected a total of five receipts from the Distribution Transaction Detail Report (State DTL) and the County Auditor's Transaction History Report from 2020 and a total of five from 2019.
  - a. We compared the amount from the above named reports to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
  - b. We inspected the Profit and Loss Detail Report to determine these receipts were allocated to the proper account code. We found no exceptions.
  - c. We inspected the Profit and Loss Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

#### **Admission/Grandstand Receipts**

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

For Wednesday, August 7, 2019, the amount recorded in the Profit and Loss Detail Report was \$15,311.

- a. The ticket sales recapitulation reported 966 tickets sold before 3:00 pm, 1,838 tickets sold after 3:00 pm, and 88 senior citizen tickets sold on that date.
- b. The admission price per ticket was \$3 before 3:00 pm, and \$6 (\$5 senior citizen) after 3:00 pm.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$14,366 which is less than the amount recorded by \$945.

For Friday, August 9, 2019, the amount recorded in the Profit and Loss Detail Report was \$15,758.

- a. The ticket sales recapitulation reported 551 tickets sold before 3:00 pm, 2,216 tickets sold after 3:00 pm, and 133 senior citizen tickets sold on that date.
- b. The admission price per ticket was \$3 before 3:00 pm, and \$6 (\$5 senior citizen) after 3:00 pm.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$15,614 which is less than the amount recorded by \$144.

**Privilege Fee Receipts**

1. We selected ten privilege fee cash receipts from the year ended November 30, 2019 recorded in the receipt records and:
  - a. Agreed the receipt amount to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
  - b. Agreed the rate charged with rates in force during the period. We found no exceptions.
  - c. Inspected the Profit and Loss Detail Report to determine whether the receipt was recorded in the proper year. We found no exceptions.

**Rental Receipts**

1. We selected ten rental cash receipts from the year ended November 30, 2020 and ten rental cash receipts from the year ended November 30, 2019 recorded in the receipt records and:
  - a. Agreed the receipt amount to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
  - b. Agreed the rate charged with rates in force during the period. We noted the Board did not approve all rental rates for both years and rental contracts were not always maintained; therefore, we noted six receipts in 2019 and four receipts in 2020 that could not be agreed to the rates in force during the period.
  - c. Inspected the Profit and Loss Detail Report to determine whether the receipt was recorded in the proper year. We found no exceptions.

**Other Receipts**

1. We selected ten other receipts from the year ended November 30, 2020 and ten other receipts from the year ended November 30, 2019 and:
  - a. Agreed the receipt amount recorded in the Profit and Loss Detail Report to supporting documentation. The amounts agreed.
  - b. Inspected the Profit and Loss Detail Report 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 notes, loans, and lease outstanding as of November 30, 2018. These amounts agreed to the Society's December 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of November 30, 2018:
Promissory Note – Parcel Land	\$ 215,000
First Knox National Bank – Livestock Building	\$ 160,000
Paul Weaver Trust/Loan	\$ 300,000
John Deere - Equipment Lease	\$ 2,726

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 summary we used in procedure 3.
3. We obtained a summary of debt service payments owed during 2020 and 2019 and agreed these payments from the Profit and Loss 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 found not exceptions.

**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 Profit and Loss Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Profit and Loss Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
    - i. We inspected the employees' personnel files for the 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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare, and social security.	December 15, 2020	December 15, 2020	\$1,232.40	\$1,232.40
State income taxes	February 1, 2021	January 29, 2021	\$424.71	\$424.71
Local income tax	January 31, 2021	January 22, 2021	\$345.34	\$345.34

**Non-Payroll Cash Disbursements**

1. We selected ten disbursements from the Profit and Loss Detail Report for the year ended November 30, 2020 and ten 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 Profit and Loss 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 noted one 2020 administrative cost disbursement in the amount of \$4,260.15 which was misposted to the interest account code. We noted no other 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 noted the Society's public records policy was not in accordance with Ohio Rev. Code § 149.43(E)(2) and 149.43(B)(7)(c).
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 noted the Society did not maintain written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Revised Code § 149.43(E)(2).
5. We inquired with Society management and determined that the Society did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with Society management and determined that the Society did not display their public records policy in all branches of the Society as required by Ohio Rev. Code § 149.43(E)(2).
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 years ended November 30, 2020 and 2019 in the Hinkle system. There were no exceptions.

2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list(s) of authorized users, and
  - a list of all credit card account transactions.
- a. We inspected the established policy(ies) obtained above and determined it is:
  - i. in compliance with the HB 312 statutory requirements, and
  - ii. implemented by the entity.We found no exceptions.
- b. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
  - i. Use was by an authorized user within the guidelines established in the policy, and
  - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
- c. 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.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.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 10, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**HOLMES COUNTY AGRICULTURAL SOCIETY**

**HOLMES 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 11/30/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)