



OHIO AUDITOR OF STATE
KEITH FABER



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the Medina County Agricultural Society's (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 and Investments

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 balances in the prior year audited statements. We found a difference of \$3,685, due to the Junior Fair board account of \$3,168 being missing from the fund balance total on December 1, 2018 and an additional difference of \$517. We also agreed the December 1, 2019 beginning fund balances for each fund recorded to the November 30, 2019 balances. We found a difference of \$269, due to the entity including payroll liabilities in the cash balance.
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 Balance Sheet report and the financial statements filed by the Society in the Hinkle System. The amounts did not agree to what was filed in the Hinkle System. The November 30, 2019 filed report ending cash balance was listed as -\$87,469 due to a clerical error, when it should have been \$567,516. The November 30, 2020 filed report ending cash balance was listed as \$429,199, when it should have been \$438,770 for a difference of \$9,571.

4. We confirmed the November 30, 2020 bank account balances held with Farmers Savings Bank through the Ohio Pooled Collateral System, and we confirmed the November 30, 2020 bank account balances held with Westfield Bank by observing 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, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (outstanding checks) from the November 30, 2020 bank reconciliation:
 - a. We traced each debit to the subsequent December bank statements. We found no exceptions.
 - b. We traced the amounts and dates to the check register and determined the debits were dated prior to November 30. There were no exceptions.
6. We inspected investments held at November 30, 2020 and November 30, 2019 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code §§ 135.13 or 135.14. There were no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

We selected all receipts for 2019 and 2020 from the Distribution Transaction Detail Report (State DTL) and from the confirmation ledger obtained from the County Auditor.

- a. We compared the amount from the above named reports to the amount recorded in the General Ledger. The amounts agreed.
- b. We inspected the General Ledger to determine these receipts were allocated to the proper account code. 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 selected two days of admission/grandstand cash receipts from the year ended November 30, 2019 recorded in the General Ledger and agreed the receipt amount to the supporting documentation. The amounts agreed.

Privilege Fee Receipts

We selected 10 privilege fee cash receipts from the year ended November 30, 2019 recorded in the General Ledger and:

- a. Agreed the cash receipt amount and supporting documentation 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.

Rental Receipts

We selected 10 rental cash receipts from the year ended November 30, 2019 and 10 rental cash receipts from the year ended November 30, 2020 recorded in the General Ledger and:

- a. Agreed the cash receipt amount and supporting documentation 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.

Junior Livestock Auction

We selected three livestock auction sales. For each sale, we:

- a. Agreed the sale amount recorded in the cash receipts book to:
 - i. The auction bid records.
 - ii. Bank deposit from the sale
 - iii. The seller's invoice
 - iv. The amount on the check written to the seller.

We found no exceptions.

- b. Also agreed the auction bid records to:
 - i. The buyer's invoice amount
 - ii. Bank deposit for the purchase.

We found no exceptions.

Debt

- 1. From the prior audit, we observed the following loan 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:
Office Building Mortgage	\$316,133

- 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 including mortgage debt and loan/credit agreements permitted by Ohio Rev. Code § 1711.13 owed during 2020 and 2019 and agreed these payments from the General Ledger to the related loan documents. 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 Receipt Ledger. The amounts agreed.
- 5. We inquired of management, inspected the receipt ledger, and the prior audit report to determine whether the Society had loan or credit agreement outstanding from a prior year as permitted by Ohio Rev. Code §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 2020 and one payroll check for five employees from 2019 from the General Ledger and:
 - a. We compared the hours and pay rate, or salary recorded on the paystub to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personnel files for the Federal & State 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:

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 31, 2021	December 2, 2020	\$2,637.36	\$2,637.36
State income taxes	January 15, 2021	December 2, 2020	\$231.94	\$231.94
Local income taxes	December 15, 2020	December 2, 2020	\$136.44	\$136.44

Non-Payroll Cash Disbursements

- We selected 10 disbursements from the General Ledger for the year ended November 30, 2020 and 10 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 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.

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. The Society did not have any denied public records requests 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 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).
5. 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).
6. 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).
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).
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 Entity 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. 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.
3. 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.

Related Party Transactions

1. We inquired with CFO Linda Bertram and identified the following Related Party Transactions:
 - a. Bauman & Sons Oil LLC (Owned by Robert Bauman, Board of Directors)
 - b. Mapleton Vet Clinic (Owned by John Bryk, the Society's Fair Vet and Board of Directors)We found no exceptions.
2. We confirmed the transactions by review of the board minutes and noted the parties involved abstained from voting on contracts or payments. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions noted in procedure 1. 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

October 28, 2021

OHIO AUDITOR OF STATE KEITH FABER



MEDINA COUNTY AGRICULTURAL SOCIETY

MEDINA 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 11/16/2021

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This report is a matter of public record and is available online at
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