



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Conference Center, Suite 154  
6000 Frank Ave. NW  
North Canton, OH 44720  
EastRegion@ohioauditor.gov  
(800) 443-9272

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Portage County Agricultural Society  
Portage County  
4215 Fairground Road  
Atwater, Ohio 44201

We have performed the procedures enumerated below on the Portage 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.

This report only describes exceptions exceeding \$10.

### 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 balances recorded to the November 30, 2018 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the December 1, 2019 beginning fund balances recorded to the November 30, 2019 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the totals of the November 30, 2020 and 2019 fund cash balances reported in the account reconciliations 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 institutions. 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 each debit to the subsequent December and January 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.

### **Admission/Grandstand Receipts**

We selected two days of admission/grandstand cash receipts from the year ended November 30, 2019 recorded in the Detailed Revenue Ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed.

### **Privilege Fee Receipts**

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

- a. Agreed the receipt amount to the amount recorded in the Detailed Revenue Ledger. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the Detailed Revenue 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, 2020 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Detailed Revenue Ledger. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the Detailed Revenue Ledger to determine whether the receipt was recorded in the proper year. We found no exceptions.

### **Other Receipts**

We selected 10 other receipts from the year ended November 30, 2020 and 10 other receipts from the year ended November 30, 2019 and:

- a. Agreed the receipt amount recorded in the Detailed Revenue Ledger/Trial Balance to supporting documentation. The amounts agreed.
- b. Where applicable, confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Detailed Revenue Ledger/Trial Balance to determine the receipt was posted to the proper funds, and 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, 2018.

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 Section 1711.13 owed during 2020 and 2019 and agreed these payments from the General Journal 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 no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General Journal. The amounts agreed.
5. For new debt issued during 2020 and 2019, we inspected the debt legislation, noting the Society must use the proceeds for the construction of a livestock complex and for payroll protection program. We inspected the expenditure ledger and observed the Society used proceeds to construct the livestock complex during 2020 and 2019 with unspent balance of \$11,754 at November 30, 2020. In addition, payroll protection program proceeds were used for personnel costs in 2020 and were fully spent at November 30, 2020.
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 2020 and 2019 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 2020 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).
    - i. We inspected the employees' personnel files for the Retirement system, 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, for employees not enrolled in pension system)	December 31, 2020	December 14, 2020	\$361.22	\$361.22
State income taxes	December 15, 2020	December 11, 2020	\$29.01	\$29.01

### **Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the Check Register 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, except \$127.44 which were not for a proper public purpose since they were for sales tax, for email and online services not used by the Society during the audit period, and a television streaming service. However, because we did not inspect all non-payroll transactions, our report provides no assurance regarding whether or not other similar errors occurred.
  - 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 Detailed Expenditure Ledger and to the names and amounts on the supporting invoices. We found a total of \$88.51 in transactions with no original supporting invoices. However, because we did not inspect all non-payroll transactions, our report provides no assurance regarding whether or not other similar errors occurred.
  - c. Based on the nature of the expenditure, the account coding is reasonable. We found no 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 found no exceptions.
2. We inquired with Society management and determined that:
  - a. The Society did not have any completed public records requests during the engagement period.
  - b. The Society did not have any denied public records requests during the engagement period.
  - c. 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 inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Society's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We observed that the Society's poster describing their Public Records Policy was displayed conspicuously in all branches of the Society as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
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 Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We noted for two executive sessions held during December 2019 and June 2020 that there was no roll call vote to enter into the executive session nor any disclosure as to the general purpose of subject matter required by the Ohio Revised Code.

#### 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 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. 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 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.

As noted in the Non-Payroll Cash Disbursements testing #1a and #1b, respectively, we found a total of \$127.44 of disbursements which were not for a proper public purpose since they were for sales tax, for email and online services not used by the Society during the audit period, and a television streaming service, and we noted a total of \$88.51 in transactions with no original supporting invoices. However, because we did not inspect all credit card transactions, our report provides no assurance regarding whether or not other similar errors occurred other than exceptions noted in expanded credit card testing below.

- 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 that the Society paid a total of \$82.55 in interest and late fees associated with two billing statements tested. However, because we did not inspect all credit card statements, our report provides no assurance regarding whether or not other similar errors occurred.

- d. For expanded credit card testing, we selected all Chase credit card transactions and all other credit card transactions from August 2019 and February 2020 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 noted a total of \$4,688.39 in transactions with no original supporting invoices. In addition, we noted a total of \$1,253.43 of disbursements which were not for a proper public purpose since they were for sales tax, credit card late fees and interest, for email and online services not used by the Society during the audit period, and a television streaming service. However, because we did not inspect all other credit card transactions, our report provides no assurance regarding whether or not other similar errors occurred.

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

July 27, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**PORTAGE COUNTY AGRICULTURAL SOCIETY**

**PORTAGE 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 8/24/2021**

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)