

HENRY COUNTY AGRICULTURAL SOCIETY

HENRY COUNTY, OHIO

AGREED UPON PROCEDURES

For the Years Ended November 30, 2017 and 2016





Dave Yost • Auditor of State

Board of Trustees
Henry County Agricultural Society
PO Box 387
Napoleon, Ohio 43545

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Henry County Agricultural Society, prepared by Charles E. Harris & Associates, Inc., for the period December 1, 2015 through November 30, 2017. 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 Henry County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 6, 2018

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**HENRY COUNTY AGRICULTURAL SOCIETY
HENRY COUNTY
Agreed Upon Procedures
For the Years Ended November 30, 2017 and 2016**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Henry County Agricultural Society
Henry County
PO Box 387
Napoleon, Ohio 43545

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Henry 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, 2017 and 2016 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, 2017 and 2016 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, 2017 and November 30, 2016 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2015 beginning fund balances recorded to the November 30, 2015 balances as documented in the prior year Agreed-Upon Procedures working papers. The balances did not agree. A variance of \$83 was noted and is due to \$83 in checks that were issued in 2015 that were voided in 2016. This is not an exception. We also agreed the December 1, 2016 beginning fund balances recorded to the November 30, 2016 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2017 and 2016 fund cash balance reported in the General Ledger. The amounts agreed.
4. We confirmed the November 30, 2017 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, 2017 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2017 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.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2017 and 2016. We also haphazardly selected all receipts from the County Auditor's Payments Report from 2017 and all from 2016.
 - 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 haphazardly selected one day of admission cash receipts from the year ended November 30, 2017 and one day of admission cash receipts from the year ended November 30, 2016 recorded in the General Ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets). The amounts did not agree.

For August 10, 2017, the amount recorded in the General Ledger for August 10, 2017 was \$12,786.

- a. The ticket sales recapitulation reported 1,504 tickets sold on that date.
- b. The admission price per ticket was \$8.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$12,032 for August 10, 2017, which is less than the amount recorded by \$754.

For August 12, 2016, the amount recorded in the General Ledger for August 12, 2016 was \$15,584.

- a. The ticket sales recapitulation reported 1,770 tickets sold on that date.
- b. The admission price per ticket was \$8.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$14,160 for August 12, 2016, which is less than the amount recorded by \$1,424.

Rental Receipts

We haphazardly selected 10 rental cash receipts from the year ended November 30, 2017 and 10 rental cash receipts from the year ended November 30, 2016 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. From the prior agreed-upon procedures documentation, we observed the following loans outstanding as of November 30, 2015. These amounts agreed to the Society's December 1, 2015 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of November 30, 2015:
Restroom Loan	\$147,140

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 2017 or 2016 or debt payment activity during 2017 or 2016. 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 2017 and 2016 and agreed these payments from the General 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 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 2017 and 2016, we inspected the debt legislation, noting the Society must use the proceeds to build a new Ag Building. We inspected the General Ledger and observed the Society used the proceeds for the construction of a new Ag Building.
6. We inquired of management, inspected the General 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 2017 or 2016 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 exceptions both years, as the total net indebtedness from loans did exceed twenty-five percent of its annual revenues.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 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.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
2. For any new employees selected in procedure 1 we compared the following information in the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Retirement system participation and payroll withholding
 - d. Federal, State & Local income tax withholding authorization and withholding
 - e. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to procedures a – e above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended November 30, 2017 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 third withholding period of 2017 for State and Local (paid quarterly), and the November withholding period for Federal (paid monthly). 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, 2017	December 14, 2017	\$578.64	\$578.64
State income taxes	October 31, 2017	October 17, 2017	\$232.14	\$232.14
Ayersville Local School District income tax	October 31, 2017	October 17, 2017	\$30.00	\$30.00
Liberty Center Local School District income tax	October 31, 2017	October 17, 2017	\$63.38	\$63.38
Patrick Henry Local School District income tax	October 31, 2017	October 17, 2017	\$83.67	\$83.67

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Fund for the year ended November 30, 2017 and ten from the year ended November 30, 2016 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 agricultural 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, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the Society's deadline where the initial filing was filed on time but incomplete. 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, 2017 and 2016 in the Hinkle system. There were 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, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Charles E. Harris" followed by "Associates" in a smaller, less legible script.

Charles E. Harris & Associates, Inc.
April 19, 2018

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Dave Yost • Auditor of State

HENRY COUNTY AGRICULTURAL SOCIETY

HENRY 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
JUNE 19, 2018