

OTTAWA COUNTY AGRICULTURAL SOCIETY

OTTAWA COUNTY, OHIO

AGREED UPON PROCEDURES

For the Years Ended November 30, 2017 and 2016





Dave Yost • Auditor of State

Board of Trustees
Ottawa County Agricultural Society
7870 West State Route 163
Oak Harbor, Ohio 43449-0028

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Ottawa County Agricultural Society, prepared by Charles E. Harris & Associates, Inc., for the period December 1, 2015 through November 31, 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 Ottawa 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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**OTTAWA COUNTY AGRICULTURAL SOCIETY
OTTAWA 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

Ottawa County Agricultural Society
Ottawa County
7870 West State Route 163
Oak Harbor, Ohio 43449-0028

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Ottawa 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 and Investments

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 per the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. 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 institutions. 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 and January bank statements. 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 inspected investments held at November 30, 2017 and November 30, 2016 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. 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 five receipts from the County Auditor's Vendor Inquiry 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/Grandstand Receipts

We haphazardly selected one day of admission/grandstand cash receipts from the year ended November 30 2017 and one day of admission/grandstand 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/cash register tapes, etc.). The amounts did not agree.

For July 22, 2017, the amount recorded in the receipts ledger for July 22, 2017 was \$8,776.

- a. The ticket sales recapitulation reported 1,709 tickets sold on that date.
- b. The admission price per ticket was \$5.00.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$8,545 for July 22, 2017, which is less than the amount recorded by \$231.

For July 23, 2016, the amount recorded in the receipts ledger for July 23, 2016 was \$7,950.

- a. The ticket sales recapitulation reported 1,438 tickets sold on that date.
- b. The admission price per ticket was \$5.00.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$7,190 for July 23, 2016, which is less than the amount recorded by \$760.

The Society should perform a daily reconciliation of actual admission/grandstand ticket sale proceeds and estimated receipts (number of tickets sold multiplied by authorized admission price) in order to determine the accuracy of reported receipts. Any variances noted should be investigated and adequately explained.

Additionally, no ticket recapitulation sheets were maintained for grandstand admissions. The summary reports only reported the total amount collected and deposited for the event. There was no accounting for the total number of tickets sold and there was no documentation of beginning and ending ticket numbers. Therefore, the number of grandstand tickets sold could not be recalculated. The Society should retain ticket recapitulation sheets with beginning and ending tickets for grandstand admissions in order to substantiate the reported number of tickets sold.

However, because we did not test all admission/grandstand receipts, our report provides no assurance regarding whether or not other similar errors occurred.

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.

Sustaining and Entry (Purse) Receipts and Disbursements

We obtained copies of race schedules approved by the Board of Directors. We haphazardly selected one race day from the year ended November 30 2017 and one race day from the year ended November 30, 2016 and performed the following procedures:

- a. Traced authorized race dates to the General Ledger postings and determined whether there are purse receipt postings for each authorized race day. The General Ledger reported wagering receipts for all authorized dates.
- b. Traced authorized race dates to the General Ledger postings and determined whether there were purse disbursement postings for each authorized race day. The General Ledger reported wagering disbursements for all authorized dates.

Over-The-Counter Cash Receipts (Donations and Sponsorships)

We haphazardly selected 10 over-the-counter cash receipts from the year ended November 30, 2017 and 10 over-the-counter cash receipts from the year ended 2016 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. Inspected the General Ledger 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 loan outstanding as of November 30, 2015. This amount agreed to the Society's December 1, 2015 balances.

Issue	Principal outstanding as of November 30, 2015:
County Loan	\$42,400

- 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. There were no new debt issuances, nor any debt payment activity during 2017 or 2016. We did note that the entire balance of the County Loan was forgiven in full during 2016.

Non-Payroll Cash Disbursements

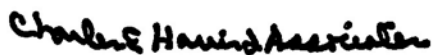
1. We haphazardly selected ten disbursements from the General Ledger for the year ended November 30, 2017 and ten from the year ended November 30, 2016 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and 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 whether 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. Financial information for both fiscal years was filed on April 6, 2018 which was not within the allotted timeframe.

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.



Charles E. Harris & Associates, Inc.

May 24, 2018



Dave Yost • Auditor of State

OTTAWA COUNTY AGRICULTURAL SOCIETY

OTTAWA 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