

**HIGHLAND COUNTY  
AGRICULTURAL SOCIETY**  
HIGHLAND COUNTY, OHIO

**AGREED-UPON PROCEDURES**

**FOR THE FISCAL YEARS ENDED  
NOVEMBER 30, 2019 AND 2018**



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
Highland County Agricultural Society  
P.O. Box 564  
Hillsboro, Ohio 45133

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Highland County Agricultural Society, prepared by Julian & Grube, Inc., for the period December 1, 2017 through November 30, 2019. 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 Highland County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

November 12, 2020

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## Independent Accountants' Report on Applying Agreed-Upon Procedures

Highland County Agricultural Society  
Highland County  
P.O. Box 564  
Hillsboro, Ohio 45133

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of the Highland 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 fiscal years ended November 30, 2019 and 2018 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 fiscal years ended November 30, 2019 and 2018 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, 2019 and November 30, 2018 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2017 beginning fund balances recorded to the November 30, 2017 balances in the prior fiscal year audited statements. We found no exceptions. We also agreed the December 1, 2018 beginning fund balances recorded to the November 30, 2018 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2019 and 2018 fund cash balance reported in the General Ledger and the financial statements filed by the Society in the Hinkle System. The amounts agreed.
4. We confirmed the November 30, 2019 bank account balance with the Society's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the November 30, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the November 30, 2019 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.
6. We selected the one reconciling credit (such as deposits in transit) from the November 30, 2019 bank reconciliation:
  - a. We traced the credit to the subsequent December bank statement. We found no exceptions.
  - b. We agreed the credit amount to the General Ledger. The credit was recorded as a November receipt for the same amount recorded in the reconciliation.

**Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a total of five receipts from the Distribution Transaction Detail Report (State DTL) and the County Auditor's Cross Reference Report from 2019 and a total of five from 2018.
  - 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 codes. We found no exceptions.
  - c. We inspected the General Ledger to determine whether the receipts were recorded in the proper fiscal year. We found no exceptions.

**Admission/Grandstand Receipts**

We selected one day of admission/grandstand cash receipts from the fiscal year ended November 30, 2019 and one day of admission/grandstand cash receipts from the fiscal year ended November 30, 2018 recorded in the General Ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed for the day we tested from 2019.

For September 3, 2018, the amount recorded in the General Ledger for September 3, 2018 was \$28,191.

- a. The ticket sales recapitulation reported 2,009 daily and 325 season tickets sold on that date.
- b. The admission price was \$10 per daily ticket and \$25 per season ticket.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$28,215 for September 3, 2018, which exceeds the amount recorded by \$24.

**Privilege Fee Receipts**

We selected 10 privilege fee cash receipts from the fiscal year ended November 30, 2019 and 10 privilege fee cash receipts from the fiscal year ended November 30, 2018 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. 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 fiscal year. We found no exceptions.

**Rental Receipts**

We selected 10 rental cash receipts from the fiscal year ended November 30, 2019 and 10 rental cash receipts from the fiscal year ended November 30, 2018 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. 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 fiscal year. We found one receipt recorded in December 2017 (fiscal year 2018) which should have been recorded in November 2017 (fiscal year 2017).

**Debt**

1. From the prior audit documentation, we observed the following loan outstanding as of November 30, 2017. This amount agreed to the Societies December 1, 2017 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of November 30, 2017:
Highland County Commissioners	\$64,000

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 2019 or 2018 or debt payment activity during 2019 or 2018. The Society did not report debt proceeds and payments on a line of credit for \$10,000 during 2018 in the Hinkle submission report, however the line of credit activity was recorded in the General Ledger and the loan payments agreed to the summary we used in procedure 3.
3. We obtained a summary of debt service payments including loan/credit agreements permitted by Ohio Rev. Code Section 1711.13 owed during 2019 and 2018 and agreed these payments from the General Ledger to the related debt amortization schedule. 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 2018, we inspected the debt legislation, noting the Society must use the proceeds for operation of the fair as needed. We inspected the General Ledger and observed the Society used the proceeds for various operational purposes.
6. We inquired of management, inspected the General Ledger and the prior audit report to determine whether the Society had a loan or credit agreement outstanding from a prior fiscal year or obtained a credit line in 2018 as permitted by Ohio Rev. Code Section 1711.13(B). While the Society did not maintain computational support, we found total net indebtedness from loans and credit did not exceed twenty-five percent of its annual revenues.

#### **Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Payroll Summary and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found two instances in 2018 and four in 2019 where we were unable to confirm the salary and pay rates were approved by the Society, however it was noted those salaries and pay rates were consistently paid throughout the fiscal year, when applicable, and similar to prior fiscal years.
  - b. For any new employees selected, we inspected the employees' personnel files and minute record for the following information and compared it with the information used to compute gross and net pay related to this check:
    - i. Name
    - ii. Authorized salary or pay rate
    - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholdingWe were unable to confirm the authorized pay rate for one employee.

2. We inspected the last remittance of tax and retirement withholdings for the fiscal year ended November 30, 2019 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 2019. 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)	January 31, 2020	December 16, 2019	\$1,906	\$1,906
State income taxes	January 31, 2020	January 11, 2020	\$196	\$196
Local income tax	January 31, 2020	January 11, 2020	\$187	\$187
School district income tax	January 31, 2020	January 11, 2020	\$84	\$84

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

1. We selected 10 disbursements from the General Ledger for the fiscal year ended November 30, 2019 and 10 from the fiscal year ended November 30, 2018 and determined whether:
  - a. The disbursements were for a proper public purpose. We found one disbursement from 2019 in which the Society purchased alcohol which was approved by the Board to be resold during the fair at their beer garden event. However, the Society's constitution and bylaws did not specifically permit the expenditure as required by Ohio Attorney General Opinion No. 2013-023 and Auditor of State Bulletin 2014-002.
  - 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 one check from 2018 in which the number on the check that cleared the bank and the number of the check in the General Ledger did not agree.
  - c. Based on the nature of the expenditure, the account coding is reasonable. We found one disbursement from 2019 which was coded to Supplies and Materials instead of Contractual Services.

#### **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 selected the one public records request from the engagement period and inspected the request to determine the Society was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
3. We inquired with Society management and determined that the Society did not have any denied public records requests during the engagement period.
4. We inquired with Society management and determined that the Society did not have any public records requests with redactions during the engagement period.
5. 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.



6. We could not inspect written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2) as there was no written evidence.
7. 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.
8. We inquired with Society management and determined a poster describing their Public Records Policy was not displayed conspicuously in all branches of the Society as required by Ohio Rev. Code § 149.43(E)(2).
9. 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.
10. 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).
11. We inspected the public notices for the public meetings held during the engagement period to determine whether 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 the Society did not notify the news media as required.
12. 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.
13. 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 found no exceptions.

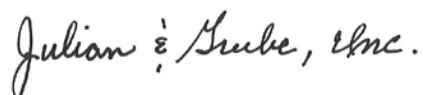
#### **Other Compliance**

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 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 fiscal years ended November 30, 2019 and 2018 in the Hinkle system. Financial information was filed on September 10, 2020 and August 27, 2019, respectively, which was not within the allotted timeframe. Further, the cash basis filing type was selected within the Hinkle System for the fiscal year ended November 30, 2019, which was inconsistent with the regulatory basis financial statements filed.

2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list 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 the credit card policy did not meet the following aspects of HB 312 and Ohio Rev. Code Section 1711.131(A):
  - i. The types of expenses for which a credit card account may be used;
  - ii. The procedures for acquisition, use, and management of a credit card account and presentation instruments related to the account including cards and checks;
  - iii. The procedure for submitting itemized receipts to the treasurer or the treasurer's designee;
  - iv. The procedure for credit card issuance, credit card reissuance, credit card cancellation, and the process for reporting lost or stolen credit cards;
  - v. The society's credit card account's maximum credit limit or limits; and,
  - vi. The accounts or omissions by an officer or employee that qualify as misuse of a credit card account.
- 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.

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 fiscal years ended November 30, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Julian & Grube, Inc.  
October 20, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**HIGHLAND COUNTY AGRICULTURAL SOCIETY**

**HIGHLAND 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 12/1/2020**

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)