



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Guernsey County Agricultural Society
Guernsey County
P.O. Box 208
Old Washington, Ohio 43768

We have performed the procedures enumerated below on the Guernsey 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 Directors 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

1. We recalculated the November 30, 2020 and November 30, 2019 bank reconciliations. We found the November 30, 2019 outstanding check listing improperly included a voided check and improperly excluded an outstanding check totaling \$91.03. We found no other exceptions.
2. We agreed the December 1, 2018 beginning cash balance recorded to the November 30, 2018 balance in the prior year audited statements. We found that when comparing the November 30, 2018 cash balance in the prior year audited statements to the December 1, 2018 beginning cash balance in financial statements filed by the Society the Hinkle System, there were no exceptions. However, when comparing the November 30, 2018 cash balance in the prior year audited statements to the December 1, 2018 beginning cash balance in the Society's QuickBooks General Ledger report, there is a variance of \$578.

Cash (Continued)

We also agreed the December 1, 2019 beginning cash balance recorded to the November 30, 2019 balance. We found that when comparing the November 30, 2019 cash balance in the financial statements filed by the Society in the Hinkle System to the December 1, 2019 beginning cash balance in financial statements filed by the Society the Hinkle System and the Society's QuickBooks General Ledger there is a variance of \$662. However, when comparing the November 30, 2019 cash balance in the Society's QuickBooks General Ledger to the December 1, 2018 beginning cash balance in the Society's QuickBooks General Ledger, there were no exceptions.

3. We agreed the totals per the bank reconciliations to the total of the November 30, 2020 and 2019 cash balance reported in the General Ledger and the financial statements filed by the Society in the Hinkle System. We found the total cash balance per the bank reconciliation for November 30, 2019 was \$316,073, however the cash balance reported in the QuickBooks General Ledger was \$315,924 and the cash balance reported on the financial statements filed by the Society in the Hinkle System was \$315,262. We found no other exceptions.
4. We confirmed the November 30, 2020 bank account balances with the Society's financial institution. We found no exceptions. 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 all reconciling debits (such as outstanding checks) from the November 30, 2020 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 and determined the debits were dated prior to November 30. There were no exceptions.
6. We traced interbank account transfers occurring in November of 2019 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the Distribution Transaction Detail Report (State DTL) and the Guernsey County Cross Reference Report from 2020 and a total of five from 2019.
 - 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 the Society improperly posted Coronavirus Relief Funds of \$50,000 from the Department of Agriculture to Contributions and Donations rather than State Support. We found no other exceptions. However, because we did not inspect all receipts, our report provides no assurance on whether or not other similar errors occurred.
 - c. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the total amount paid of \$64,800 for each year from The Ohio Harness and Horseman's Association during the years ending November 30, 2020 and November 30, 2019 with the Association. We found no exceptions.
 - a. We inspected the General Ledger to determine whether these receipts were allocated to the proper account code. We found the Society posted these receipts as State Support rather than Unrestricted Support.
 - b. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts (Continued)

3. We confirmed the total amount paid from The Ohio Department of Agriculture during the year ending November 30, 2020 through the Ohio Online Checkbook. We found no exceptions.
 - a. We inspected the General Ledger to determine whether these receipts were allocated to the proper account code. We found no exceptions.
 - b. 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 (ticket recapitulation sheets/cash register tapes, etc.). The amounts did not agree for one of the days we tested.

For September 12, 2019, the amount recorded in the receipts ledger for September 12, 2019 was \$21,145.

- a. The ticket sales recapitulation reported 2,084 tickets sold on that date.
- b. The admission price per ticket was \$10.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$20,840 for September 12, 2019, which is less than the amount recorded by \$305.

Rental Receipts

We selected 10 rental cash receipts from the year ended November 30, 2020 and 10 rental 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 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.

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 General Ledger to supporting documentation. We found the Society re-deposited cash that was originally withdrawn to use as change for gate admissions totaling \$11,971, however the original amount withdrawn was \$12,000, resulting in a difference of \$29. We found no other exceptions.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger to determine the receipt was posted to the proper fund and was recorded in the proper year. We found one receipt of \$11,971 for re-deposit of change was posted as Other Support, therefore overstating receipts. We also found one receipt of \$856 posted as Donations and Contributions rather than Utilities. We found no other exceptions. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.

Debt

1. The prior audit 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. There were no new debt issuances, nor any debt payment activity during 2020 or 2019.

Payroll Cash Disbursements

1. We selected one payroll check for each employee from 2020 and one payroll check for each employee from 2019 from the Paychex Payroll Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Paychex Payroll Report to supporting documentation (timecard, legislatively approved rate).
 - i. We inspected the employees' personnel files for the Federal and State tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found one instance where an employee was paid for one hour more than the hours recorded on his timecard, resulting in an overpayment of \$12. We also found the Secretary's pay rate was not formally approved by the Board. Because we did not compare all timesheets and pay rates, our report provides no assurance whether or not other similar errors occurred.

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)	November 30, 2020	October 30, 2020	\$46	\$46
State income taxes	November 30, 2020	October 30, 2020	\$1	\$1

Non-Payroll Cash Disbursements

We selected 10 disbursements from the General Leger 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.
3. We inquired with Society management and determined that the Society did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
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). We found the Society was unable to provide documentation to show the Society adopted a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings.
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

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 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, 2020 and 2019 in the Hinkle system. There were no exceptions.

Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
 - a. Board member Randy Raber (owner of the Bears Den restaurant) was paid \$2,474 for catering services.
2. We confirmed the transactions with their respective check images and supporting documentation in voucher packets.
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

January 14, 2022

OHIO AUDITOR OF STATE KEITH FABER



GUERNSEY COUNTY AGRICULTURAL SOCIETY

GUERNSEY 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 1/27/2022

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