



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Lake County Agricultural Society  
Lake County  
1301 Mentor Avenue  
Painesville Township, Ohio 44077

We have performed the procedures enumerated below on the Lake County Agricultural Society's (the Society) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended November 30, 2021 and 2020 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, 2021 and 2020 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, 2021 and 2020, 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, 2021 and November 30, 2020 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2019 beginning fund balances for each fund recorded to the November 30, 2019 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, 2020 beginning fund balances for each fund recorded to the November 30, 2020 balances. We found no exceptions.
3. We agreed the 2021 and 2020 bank reconciliation as of November 30, 2021 and 2020 to the total fund cash balances reported in the financial report and the financial statements filed by the Society in the Hinkle System. The amounts agreed.

4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the November 30, 2021 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the November 30, 2021 bank reconciliation:
  - a. We traced each debit to the subsequent December 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. We found no exceptions.
6. We traced interbank account transfers occurring in November of 2021 and 2020 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

### **Intergovernmental Cash Receipts**

We selected a total of five receipts from the County Auditor's Expenditure Ledger from 2021 and a total of five from 2020.

- a. We compared the amounts from the above named report to the amounts recorded in the General Ledger. The amounts agreed.
- b. We inspected the General Ledger to determine these receipts were allocated to the proper account code. 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 selected two days of admission/grandstand cash receipts from the year ended November 30, 2021 recorded in the General Ledger and agreed the receipt amounts to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed.

### **Rental Receipts**

We selected 10 rental cash receipts from the year ended November 30, 2021 and 10 rental cash receipts from the year ended November 30, 2020 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amounts to the amounts 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 receipts were recorded in the proper year. We found no exceptions.

### **Other Receipts**

We selected 10 other receipts from the year ended November 30, 2021 and 10 other receipts from the year ended November 30, 2020 and:

- a. Agreed the receipt amounts recorded in the General Ledger to supporting documentation. The amounts agreed.
- 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 receipts were posted to the proper fund, and were recorded in the proper year. We found no exceptions.

## Debt

1. From the prior agreed-upon procedures documentation, we observed the following note outstanding as of November 30, 2019. These amounts agreed to the Societies December 1, 2019 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of November 30, 2019:</b>
Office Mortgage Note	\$933

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 2021 or 2020 or debt payment activity during 2021 or 2020. 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 § 1711.13 owed during 2021 and 2020 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 received for 2020 from the debt documents to amounts recorded in the General Ledger. The amounts agreed.
5. For new debt the County issued on behalf of the Society during 2021 and 2020, we inspected the debt legislation indicating the Society must use the proceeds to build a new building. We inspected the expenditure ledger and observed the Society built a new building in March of 2020. We found no exceptions.
6. We inquired of management, inspected the receipt ledger, and the agreed-upon procedures report to determine whether the Society had a loan or credit agreement outstanding from a prior year as permitted by Ohio Rev. Code §1711.13(B). We recalculated the Society's computation supporting that the total annual payments for debt obligations from loans and credit did not exceed twenty-five percent of its prior three-year average of annual revenues. We found no exceptions.

## Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Payroll Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Report 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.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended November 30, 2021 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 2021.

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, 2022	December 14, 2021	\$1,467.02	\$1,467.02
State income taxes	January 15, 2022	January 4, 2022	\$399.11	\$399.11
Sales tax	January 31, 2022	December 21, 2021	\$382.66	\$382.66

We found no exceptions.

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

1. From the General Ledger, we re-footed checks recorded as disbursements for *office supplies & materials* for 2021. We found no exceptions.
2. We selected 10 disbursements from the General Ledger for the year ended November 30, 2021 and 10 from the year ended November 30, 2020 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 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 the Society did not have any completed public records requests 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 not included 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 poster 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 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 § 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, 2021 and 2020 in the Hinkle system. 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.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

April 18, 2022



# OHIO AUDITOR OF STATE KEITH FABER



**LAKE COUNTY AGRICULTURAL SOCIETY**

**LAKE 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 5/5/2022**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)