



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' 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, Guernsey County, Ohio (the Society), receipts, disbursements and balances recorded in the cash basis accounting records for the years ended November 30, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021, 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, 2022 and November 30, 2021 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2020 beginning fund balance recorded to the November 30, 2020 balance in the documentation in the prior year Agreed-Upon Procedures working papers. We found a \$42 variance when comparing the November 30, 2020 balance in the prior year Agreed-Upon Procedures working papers to the beginning balance recorded in the Society's QuickBooks General Ledger. We also agreed the December 1, 2021 beginning fund balance recorded to the November 30, 2021 balance. We found no exceptions.

Cash (Continued)

3. We agreed the 2022 and 2021 bank reconciliation as of November 30, 2022 and 2021 to the total fund cash balance reported in the QuickBooks 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, 2022 was \$532,13 and was in agreement with the cash balance reported in the QuickBooks General Ledger, however the cash balance reported on the financial statements filed by the Society in the Hinkle System was \$547,417. We found no other exceptions.
4. We confirmed the November 30, 2022 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, 2022 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the November 30, 2022 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. We found no exceptions.
6. We traced interbank account transfers occurring in November of 2022 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 Auditor Cross Reference Report by Vendor Number from 2022 and a total of five from 2021.
 - a. We compared the amount from the above named reports to the amount recorded in the QuickBooks General Ledger. The amounts agreed.
 - b. We inspected the QuickBooks General Ledger to determine these receipts were allocated to the proper account codes. We noted one receipt from the State DTL was not allocated to the proper account code. We also noted one receipt from the Guernsey County Auditor Cross Reference Report by Vendor Number was not allocated to the proper account code. However, because we did not test all receipts, our report provides no assurance on whether or not other similar errors occurred.
 - c. We inspected the QuickBooks General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the individual amounts paid from the Ohio Harness Horseman's Association during the years ending November 30, 2022 and 2021 with the Executive Director of the Ohio Harness Horseman's Association. We found no exceptions.
 - a. We inspected the QuickBooks General Ledger to determine whether these receipts were allocated to the proper account codes. We found 2022 receipts were improperly allocated to State Support rather than Unrestricted Support. We found 2021 receipts were improperly allocated to Restricted support rather than Unrestricted Support.
 - b. We inspected the QuickBooks 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 Robert Gray Family Trust during the year ending November 30, 2022 to supporting documentation provided by the Society. We found no exceptions.
 - a. We inspected the QuickBooks General Ledger to determine whether the receipts was allocated to the proper account code. We found no exceptions.
 - b. We inspected the QuickBooks General Ledger to determine whether the receipt was recorded in the proper year. We found no exceptions.

Admission Receipts

We selected two days of admission/grandstand cash receipts from the year ended November 30, 2022 and two days of admission/grandstand cash receipts from the year ended November 30, 2021 recorded in the QuickBooks General Ledger and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed for one day selected for 2021 to an excel spreadsheet maintained by the Society, which was not sufficient evidence to support admission receipts.

For September 17, 2021, the amount recorded in the QuickBooks General Ledger for September 17, 2021 was \$44,111.

- a. The excel spreadsheet summary reported 4,420 tickets sold on that date.
- b. The admission price per ticket was \$10.
- c. Therefore, the excel spreadsheet summary multiplied by the admission price supports admission receipts of \$44,200 for September 17, 2021, which exceeds the amount recorded by \$89.

Additionally, the Society failed to maintain supporting documentation (ticket recapitulation sheets/cash register tapes, etc.) for admission receipts for the year ended November 30, 2022. Therefore, we were unable to perform procedures over those receipts.

Rental Receipts

We selected 10 rental cash receipts from the year ended November 30, 2022 and 10 rental cash receipts from the year ended November 30, 2021 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the QuickBooks General Ledger. We noted two receipts in 2022 and one receipt in 2021 in which supporting documentation (i.e. rental agreement) was not maintained. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
- b. Agreed the rate charged with rates in force during the period. We noted two receipts in 2022 and one receipt in 2021 in which supporting documentation (i.e. rental agreement) was not maintained, therefore we were unable to determine if the rate received was in agreement with the rate in force or agreed-upon during the period. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
- 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 selected one race day from the year ended November 30, 2022 and one race day from the year ended November 30, 2021 and performed the following procedures:

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

Other Receipts

We selected 10 other receipts from the year ended November 30, 2022 and 10 other receipts from the year ended November 30, 2021 and:

- a. Agreed the receipt amount recorded in the QuickBooks General Ledger to supporting documentation. The Society was unable to provide supporting documentation for 10 other receipts selected for the year ended November 30, 2022 and 10 other receipts selected for the year ended November 30, 2021. However, because we did not inspect all other receipts, our report provides no assurance regarding whether or not other similar errors occurred.
- b. Confirmed the amounts charged complied with rates in force during the period. The Society was unable to provide supporting documentation for 10 other receipts selected for the year ended November 30, 2022 and 10 other receipts selected for the year ended November 30, 2021. Therefore, we were unable to determine if the amounts received were in agreement with the rates in force or agreed-upon during the period. However, because we did not inspect all other receipts, our report provides no assurance regarding whether or not other similar errors occurred.
- c. Inspected the QuickBooks General Ledger to determine the receipt was posted to the proper fund, and was recorded in the proper year. The Society was unable to provide supporting documentation for 10 other receipts selected for the year ended November 30, 2022 and 10 other receipts selected for the year ended November 30, 2021. Therefore, we were unable to determine if the receipt was posted to the proper fund and was recorded in the proper year during the period. However, because we did not inspect all other receipts, our report provides no assurance regarding whether or not other similar errors occurred.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of November 30, 2020.
2. There were no new debt issuances, nor any debt payment activity during 2022 or 2021.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the QuickBooks General Ledger for the year ended November 30, 2022 and 10 from the year ended November 30, 2021 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 QuickBooks 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
 - a. The Society did not have any completed public records requests during the engagement period.
 - b. The Society did not have any denied public records requests during the engagement period.
 - c. The Society did not have any public records requests with redactions 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 to determine 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.

Sunshine Law Compliance (Continued)

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, 2022 and 2021 in the Hinkle system. For the year ending November 30, 2022, financial information was filed on May 30, 2023 which was not within the allotted timeframe. Additionally, the Society incorrectly selected the GAAP filing type for the years ending November 30, 2022 and 2021, however should have selected the Regulatory filing type, as the Society is not required and did not file Generally Accepted Accounting Principles (GAAP).

Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
 - a. The Bears Den Restaurant (owned by Board member Randy Raber) was paid \$1,041 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 identified 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.

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

November 15, 2024

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 12/3/2024

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