



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Columbiana County Agricultural Society
Columbiana County
P.O. Box 356,
Lisbon, Ohio 44432

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Columbiana County Agricultural Society (the Society), 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 to 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 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 traced interbank account transfers occurring in November of 2017 and 2016 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. We inspected investments held at 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 selected all the receipt from the County Auditor's Cross Reference Report from 2017 and the receipt from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the Profit and Loss Detail report. The amounts agreed.
 - b. We inspected the Profit and Loss Detail Report to determine whether these receipts were allocated to the proper account codes. We found one exception in 2016 of a \$16 Ohio racing tax distribution on the DTL being posted to 12-4095 other wages. The Society should post receipts to the proper account codes.
 - c. We inspected the Profit and Loss Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the \$61,400 and \$60,000 amounts paid from the Ohio Harness Horsemen's Association during the years ending November 30, 2017 and November 30, 2016 respectively, with the Ohio Harness Horsemen's Association Project Coordinator. We found no exceptions.
 - a. We inspected the Profit and Loss Detail Report to determine whether these receipts were allocated to the proper account codes. We found no exceptions.
 - b. We inspected the Profit and Loss Detail Report 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 Profit and Loss Detail Report and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). Amounts agreed for 2016. For the day's receipts tested in 2017, the amount posted to the accounting system was \$117 higher than the amount recorded in the underlying supporting documentation. For grandstand receipts tested in 2017 and 2016 the Society did not prepare recapitulation sheets, thus, we were unable to determine the number of tickets sold for each grandstand event and recalculate total sales to support amounts posted to the accounting system and deposited in to the Society's bank account. The Society should resolve or provide explanations for any overages. In addition, the Society should prepare ticket sales recapitulation reports for each grandstand event that include beginning and ending ticket numbers by ticket type, the number of tickets sold by type and the price of the ticket by type.

Junior Livestock Auction

- We haphazardly selected three livestock auction sales. For each sale, we:
- a. Agreed the sale amount recorded in the cash receipts book to:
 - i. The auction bid records.
 - ii. Bank deposit from the sale
 - iii. The seller's invoice
 - iv. The amount on the check written to the seller.
- We found no exceptions.

- b. Also agreed the auction bid records to:
 - i. The buyer's invoice amount
 - ii. Bank deposit for the purchase.We found no exceptions.

Over-The-Counter Cash Receipts

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 Profit and Loss Detail Report. The amounts agreed.
- b. Inspected the Profit and Loss Detail Report 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. These amounts agreed to the Society's December 1, 2015 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of November 30, 2015:
Grandstand Loan	\$532,625

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 and debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of debt service payments owed during 2017 and 2016 and agreed these payments from the Profit and Loss Detail Report 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 noted an exception in 2017 where a \$666 payment was improperly posted to the Interest Revenue account code rather than the Interest Payment account code. We also noted an exception in 2016 for the Grandstand Loan where \$189 of payments were posted to interest rather than principal in the accounting records. The Society should post principal and interest payments accordingly.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. The amounts agreed.
5. We inquired of management, inspected the receipt ledger and the prior agreed-upon procedures report to determine whether the Society had loan or credit agreements outstanding from a prior year and obtained a credit line in 2017 as permitted by Ohio Rev. Code Section 1711.13(B). We recalculated the Society's computation supporting that the total net indebtedness from loans and credit did not exceed twenty-five percent of its annual revenues. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Payroll Transaction Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Transaction Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). 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, 2017 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 2017. 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	January 31, 2018	November 13, 2017 December 19, 2017 January 16, 2018	\$1,028	\$1,028
State income taxes	January 15, 2018	January 27, 2018	41	41
Local income tax	January 31, 2018	January 27, 2018	86	86
Ohio School District Income Tax	January 15, 2018	January 27, 2018	6	6

We noted the State income taxes and Ohio School District income taxes were remitted after the required due date. The Society should pay all remittances by the required due date.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Check Detail Report for the year ended November 30, 2017 and ten from the year ended 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 Check Detail Report and to the names and amounts on the supporting invoices. We found an instance where the Society made a check payable to cash in the amount of \$10,000 to use as change for gate admissions. We determined the amount was disbursed and recorded in the accounting records and subsequently deposited back into the bank and recorded in the accounting records. The Society should find an alternate method to produce change for gate admissions and make checks payable to vendors.
 - 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 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 refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for November 30, 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 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. There were 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 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.



Dave Yost
Auditor of State

Columbus, Ohio

May 25, 2018

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COLUMBIANA COUNTY AGRICULTURAL SOCIETY

COLUMBIANA 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 12, 2018**