

PREBLE COUNTY AGRICULTURAL SOCIETY

PREBLE COUNTY, OHIO

AGREED-UPON PROCEDURES

For the Years Ended November 30, 2019 and 2018





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Board of Trustees
Preble County Agricultural Society
722 South Franklin Street
Eaton, Ohio 45320

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Preble County Agricultural Society, prepared by Charles E. Harris & Associates, 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 Preble County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 8, 2020

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**PREBLE COUNTY AGRUCULTURAL SOCIETY
PREBLE COUNTY
Agreed-Upon Procedures
For the Years Ended November 30, 2019 and 2018**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Preble County Agricultural Society
Preble County
722 South Franklin Street
Eaton, Ohio 45320

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Preble 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 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 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 year audited statements. We found one exception. The audited November 30, 2017 balance was \$144,470 but the December 1, 2017 balance on the financial statements was \$140,354. We also agreed the December 1, 2018 beginning fund balances recorded to the November 30, 2018 balances. We found one exception. The audited November 30, 2018 balance was \$120,338 but the December 1, 2018 balance on the financial statements was \$140,354.
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 Report and the financial statements filed by the Society in the Hinkle System. The amounts did not agree. The General Ledger balance is \$239,391 for 2019 and \$125,471 for 2018. However, the financial statements on the Hinkle System were \$239,176 for 2019 and \$120,338 for 2018.
4. We confirmed the November 30, 2019 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, 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.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all receipts from the Distribution Transaction Detail Report (State DTL) and we selected all receipts from the County Auditor's DTLs from 2019 and 2018.
 - a. We compared the amount from the above-named reports to the amounts recorded in the General ledger Report. The amounts agreed.
 - b. We inspected the General Ledger Report to determine these receipts were allocated to the proper account code. We found no exceptions.
 - c. We inspected the General Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Admission/Grandstand Receipts

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

Privilege Fee Receipts

We selected 10 privilege fee cash receipts from the year ended November 30, 2019 and 10 privilege fee cash receipts from the 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 Report. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger Report to determine whether the receipt was recorded in the proper year. We found no exceptions.

Rental Receipts

We selected 10 rental cash receipts from the year ended November 30, 2019 and 10 rental cash receipts from the 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 Report. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger Report to determine whether the receipt was recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected 10 over-the-counter cash receipts from the year ended November 30, 2019 and 10 over-the-counter cash receipts from the 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 Report. 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 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 audit documentation, we observed the following bond and loan outstanding as of November 30, 2017. These amounts agreed to the Society's December 1, 2017 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of November 30, 2017:
Fairgrounds General Obligation Bonds	\$15,000
County Loan	52,300

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. There were no new debt issuances, nor any debt payment activity during 2019 or 2018.
3. We inquired of management, inspected the general ledger, and the prior audit report to determine whether the Society had a loan or credit agreements outstanding from a prior year 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 selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Check Register Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Check Register Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. For any new employees selected, we inspected the employees' personnel files 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 withholding.

We found no exceptions related to procedures i. – iii. above.

2. We inspected the last remittance of tax and retirement withholdings for the 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:

<i>Withholding (plus employer share, where applicable)</i>	<i>Date Due</i>	<i>Date Paid</i>	<i>Amount Due</i>	<i>Amount Paid</i>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	December 11, 2019	\$ 1,797.34	\$ 1,797.34
State income taxes	January 15, 2020	December 11, 2019	\$ 144.42	\$ 144.42
School District taxes	January 15, 2020	December 11, 2019	\$ 117.25	\$ 117.25
Local income tax	January 31, 2020	January 8, 2020	\$ 364.51	\$ 364.51

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Check Register Report for the year ended November 30, 2019 and 10 from the year ended November 30, 2018 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 Register Report 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 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 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 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.

7. We inquired with Society management and determined that the Society did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
8. We observed that the Society's poster describing their Public Records Policy was displayed conspicuously in all branches of the Society as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
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 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.
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. The 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 the Auditor of State established policy within the allotted timeframe for the years ended November 30, 2019 and 2018 in the Hinkle System. We found no exceptions.
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.

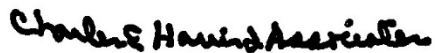
- a. We inspected the established policy obtained above and determined it is:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.We found no exceptions.

- 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 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.



Charles E. Harris & Associates, Inc.
July 8, 2020

OHIO AUDITOR OF STATE KEITH FABER



PREBLE COUNTY AGRICULTURAL SOCIETY

PREBLE 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 9/22/2020

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This report is a matter of public record and is available online at
www.ohioauditor.gov