

AUGLAIZE COUNTY AGRICULTURAL SOCIETY

AUGLAIZE COUNTY

**DECEMBER 1, 2016 TO NOVEMBER 30, 2018
AGREED-UPON PROCEDURES**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
Auglaize County Agricultural Society
1001 Fairview Drive
Wapakoneta, Ohio 45895

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Auglaize County Agricultural Society, prepared by Julian & Grube, Inc., for the period December 1, 2016 through November 30, 2018. 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 Auglaize County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

June 13, 2019

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Julian & Grube, Inc.
Serving Ohio Local Governments

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Auglaize County Agricultural Society
Auglaize County
1001 Fairview Drive
Wapakoneta, Ohio 45895

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of the Auglaize County Agricultural Society (hereafter referred as the "Society") and the Auditor of State, on the receipts, disbursements and balances recorded in the Society's cash basis accounting records for the fiscal years ended November 30, 2018 and 2017 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 fiscal years ended November 30, 2018 and 2017 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, 2018 and November 30, 2017 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2016 beginning fund balances recorded to the November 30, 2016 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, 2017 beginning fund balances recorded to the November 30, 2017 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2018 and 2017 fund cash balance reported in the Account QuickReport. The amounts agreed.
4. We confirmed the November 30, 2018 bank account balance with the Society's financial institution. We found no exceptions. We also agreed the confirmed balances to the amount appearing in the November 30, 2018 bank reconciliation without exception.

5. We selected all three reconciling debits (such as outstanding checks) from the November 30, 2018 bank reconciliation:
 - a. We traced each debit to the subsequent December and February 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 Cash Receipts

We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2018 and 2017. We also selected a sample (agreed upon) of five receipts from the County Vendor Detail Report from 2018 and five from 2017.

- a. We compared the amount from the above reports to the amount recorded in the Account QuickReport. The amounts agreed.
- b. We inspected the Account QuickReport to determine whether these receipts were allocated to the proper account codes. We found no exceptions.
- c. We inspected the Account QuickReport 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 fiscal year ended November, 30 2018 and one day of admission/grandstand cash receipts from the fiscal year ended November 30, 2017 recorded in the Account QuickReport and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed.

Rental Receipts

We selected a sample (agreed upon) of 10 rental cash receipts from the fiscal year ended November 30, 2018 and 10 rental cash receipts from the fiscal year ended November 30, 2017 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Account QuickReport. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.
- c. Inspected the Account QuickReport to determine whether the receipt was recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the fiscal year ended November 30, 2018 and 10 over-the-counter cash receipts from the fiscal year ended 2017 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Account QuickReport. The amounts agreed.
- b. Inspected the Account QuickReport to determine the receipt was posted to the proper fund and was recorded in the proper fiscal year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of November 30, 2016.
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 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.

3. We obtained a summary of debt service payments including loan/credit agreements permitted by Ohio Rev. Code Section 1711.13 owed during 2018 and 2017 and agreed these payments from the Account QuickReport to the related agreement. 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 the advances on the line of credit from the agreements with the financial institution to amounts recorded in the Account QuickReport. The amounts agreed.
5. The Society did not issue new debt during 2018 and 2017. However, the Society did receive several advances on a line of credit. We inspected the line of credit agreements, noting the agreements were approved by Board of Directors, and the purpose of the advances were for general operations. We inspected the expenditure ledger and observed the Society expended the advances for the general purpose of the Society.
6. 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 or obtained a loan or credit line in 2018 or 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 selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found one instance where an employee was paid for one hour less than the hours recorded on the timecard. We brought this to management's attention, and they added this amount to a subsequent payment to this employee. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred.
2. For any new employees selected in procedure 1 we compared the following information in the employees' personnel files and minute record] was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Retirement system participation and payroll withholding
 - d. Federal, State & Local income tax withholding authorization and withholding
 - e. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to procedures a – e above.

3. We inspected the last remittance of tax and retirement withholdings for the fiscal year ended November 30, 2018 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 2018. 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)	January 31, 2019	January 7, 2019	\$1,515.88	\$1,515.88
State income taxes	January 15, 2019	January 7, 2019	\$115.47	\$115.47
City of Wapakoneta	February 28, 2019	January 7, 2019	\$90.57	\$90.57
New Bremen Schools	January 15, 2019	January 2, 2019	\$31.90	\$31.90

Non-Payroll Cash Disbursements

We selected a sample (agreed upon) of 10 disbursements from the Account QuickReport for the fiscal year ended November 30, 2018 and 10 from the fiscal year ended 2017 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 Account QuickReport 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.

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 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 for the fiscal years ended November 30, 2018 and 2017 in the Hinkle system. However, financial information was filed on February 2, 2019 for the fiscal year ended November 30, 2018 which was not within the allotted timeframe. Financial information was timely filed for the fiscal year ended November 30, 2017.
2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list(s) 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. implemented by the entity.
 - b. We selected 3 credit card transactions 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. For cash withdraws made. We selected 1 cash withdraw and inspected supporting documentation to determine:
 - i. The policy explicitly allowed for cash withdraws and when related legislative or administrative action was passed.
 - ii. Appropriate and specific additional controls were implemented for cash withdraw transactions. We found the policy did not mention cash withdraws nor did the Society have additional controls in place for the withdraw.

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 fiscal years ended November 30, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Julian & Grube, Inc.
May 22, 2019

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OHIO AUDITOR OF STATE
KEITH FABER



AUGLAIZE COUNTY AGRICULTURAL SOCIETY

AUGLAIZE 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 25, 2019**