



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Erie County Agricultural Society  
Erie County  
P.O. Box 2436  
Sandusky, Ohio 44870-2436

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of Erie County Agricultural Society, Erie County, Ohio (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

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 balance recorded to the November 30, 2015 balance in the documentation in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the December 1, 2016 beginning fund balance recorded to the November 30, 2016 balance. We found no exceptions.
3. We agreed the total per the bank reconciliations to the total of the November 30, 2017 and 2016 fund cash balance reported in the Reconciliation Summary Report. The amounts agreed.
4. We confirmed the November 30, 2017 bank account balance with the Society's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the November 30, 2017 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the November 30, 2017 bank reconciliation:
  - a. We traced two of the debits to the subsequent December bank statement. We found no exceptions. Check number 18703 in the amount of \$120 is still outstanding as of the May, 2018 bank reconciliation.

- b. We traced the amounts and dates to the Reconciliation Detail Report, to determine the debits were dated prior to November 30. There were no exceptions.

### **Admission/Grandstand Receipts**

We haphazardly selected one day of admission cash receipts and 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 Monthly Income & Expenses Report and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed for the day we tested from 2016. The admission receipts amounts agreed for the day we tested from 2017.

For August, 11 2017 grandstand receipts, the amount recorded in the Monthly Income & Expenses Report for August, 11 2017 was \$6,585.

- a. The ticket sales recapitulation reported 1,322 tickets sold on that date.
- b. The admission price per ticket was \$5.
- c. Therefore the recapitulation sheet multiplied by the grandstand price supports grandstand receipts of \$6,610 for August, 11 2017, which exceeds the amount recorded by \$25.

The Society should perform a daily reconciliation of actual grandstand ticket sale proceeds and estimated receipts (number of tickets sold multiplied by authorized admission price) in order to determine the accuracy of reported receipts. Any variances noted should be investigated and adequately explained.

However, because we did not test all grandstand receipts, our report provides no assurance regarding whether or not other similar errors occurred.

### **Rental Receipts**

We haphazardly selected ten rental cash receipts from the year ended November 30, 2017 and ten rental cash receipts from the year ended November 30, 2016 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount to the amount recorded in the Monthly Income & Expenses Report. The amounts agreed.
- b. Rate charged agreed with rates in force during the period. We found no exceptions.
- c. Receipt was recorded in the proper year. We found no exceptions.

### **Over-The-Counter Cash Receipts**

We haphazardly selected ten over-the-counter cash receipts from the year ended November 30, 2017 and ten over-the-counter cash receipts from the year ended November 30, 2016 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Monthly Income & Expenses Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period as applicable. We found no exceptions.

- c. Inspected the Monthly Income & Expenses Report to determine the receipt 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. This amount agreed to the Society's December 1, 2015 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of November 30, 2015:
Hog Barn Loan	\$53,800

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 or 2016 or 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 including loan/credit agreements permitted by Ohio Rev. Code Section 1711.13 owed during 2017 and 2016 and agreed these payments from the Monthly Income & Expenses Report to bank correspondence. We also compared the date the debt service payments were due to the date the Society made the payments. We found no exceptions, as the Society elected to remit principal payments in excess of the amounts required by the amortization schedules during the years ended November 30, 2017 and 2016.
4. We agreed the amount of debt proceeds from the debt documents to the amount recorded in the Monthly Income & Expenses Report. The amounts agreed.
5. For new debt issued during 2017, we inspected the Society's minutes, noting the Society intended to use the proceeds for a drainage project. We inspected the Monthly Income & Expenses Report and observed the Society use the proceeds for a drainage project that began in April, 2017.
6. We inquired of management, inspected the Monthly Income & Expenses Report and the prior agreed-upon procedures report to determine whether the Society had a loan agreement outstanding from a prior year and obtained line of credit 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.

#### Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Monthly Income & Expenses Report for the year ended November 30, 2017 and ten from the year ended November 30, 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 Monthly Income & Expenses 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.

### **Other Compliance**

Ohio Rev. Code Section 117.38 requires Agricultural 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 December 31, 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 its 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 its 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

June 29, 2018



# Dave Yost • Auditor of State

ERIE COUNTY AGRICULTURAL SOCIETY

ERIE 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  
JULY 19, 2018