

**MIAMI COUNTY AGRICULTURAL SOCIETY**

**MIAMI COUNTY**

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





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Members of the Board  
Miami County Agricultural Society  
650 N County Rd 25A  
Troy, OH 45373-1397

We have reviewed the *Independent Auditor's Report on Applying Agreed-Upon Procedures* of the Miami County Agricultural Society, Miami County, 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 Miami 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

May 22, 2019

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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

Miami County Agricultural Society  
Miami County  
650 N. CR 25A  
Troy, Ohio 45373

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Miami 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, 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 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 balance recorded to the November 30, 2016 balance in the prior year audited statements. We noted the December 1, 2016 balance was lower than the November 30, 2016 balance in the amount of \$2,710 due to payroll and sales tax liabilities reported in Quickbooks system reports and a \$336 prior year voided bill payment. We also agreed the December 1, 2017 beginning fund balance recorded to the November 30, 2017 balance. We noted the December 1, 2017 balance was higher than the November 30, 2017 balance in the amount of \$466 due to a general journal entry recorded at year end to balance Quickbooks system reports and cash annual Department of Agriculture Report.
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 Balance Sheet Report. The amounts agreed.
4. We confirmed via telephone the November 30, 2018 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, 2018 bank reconciliations without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2018 bank reconciliations:
  - a. We traced each debit to the subsequent December bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the General Ledger Report, to determine the debits were dated prior to November 30. There were no exceptions.

6. We selected all three reconciling credits (such as deposits in transit) from the November 30, 2018 bank reconciliation:
  - a. We did not trace each credit totaling \$585 to the subsequent December or January bank statement. Of this amount, two of the reconciling credits totaling \$385 were traced to the March 2019 bank statement, and \$200 was a duplicate transaction that is being evaluated by management for proper corrective action.
  - b. We agreed the credit amounts to the General Ledger Report. Each credit was recorded as an October or November receipt for the same amount recorded in the reconciliation.

### **Intergovernmental and Other Confirmable Cash Receipts**

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2018 and 2017. We also haphazardly selected five receipts from the County Invoice List by GL Account Report from 2018 and five from 2017.
  - a. We compared the amount from the above reports to the amount recorded in the Detailed Profit and Loss Report. The amounts agreed.
  - b. We inspected the Detailed Profit and Loss Report to determine whether these receipts were allocated to the proper account codes. We found no exceptions.
  - c. We inspected the Detailed Profit and Loss Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the 2018 and 2017 amounts paid from the Ohio Harness Horsemen's Association during the year ended November 30, 2018 and 2017 with the Project Coordinator. We found no exceptions.
  - a. We inspected the Detailed Profit and Loss Report to determine whether these receipts were allocated to the proper account codes. We found no exceptions.
  - b. We inspected the Detailed Profit and Loss 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 2018 and one day of admission/grandstand cash receipts from the year ended November 30, 2017 recorded in the Detailed Profit and Loss Report and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.). The amounts agreed.

### **Rental Receipts**

We haphazardly selected 10 rental cash receipts from the year ended November 30, 2018 and 10 rental cash receipts from the year ended November 30, 2017 recorded in the duplicate cash receipts book and:

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

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

We haphazardly selected 10 over-the-counter cash receipts from the year ended November 30, 2018 and 10 over-the-counter cash receipts from the year ended 2017 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Detailed Profit and Loss Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.

- c. Inspected the Detailed Profit and Loss Report to determine the receipt was posted to the proper funds and was recorded in the proper year. We found no exceptions.

#### **Debt**

1. The prior audit 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 except for the outstanding balance on the 2018 Hinkle report was understated by \$1,192.
3. We obtained a summary of debt service payments owed during 2018 and 2017 and agreed these payments from the Detailed Profit and Loss Report to the related debt amortization schedule. 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 debt proceeds from the debt documents to amounts recorded in the Detailed Profit and Loss Report. The amounts agreed.
5. For new debt issued during 2017, we inspected the Society's minutes and noted there was no evidence of debt legislation; however, per inquiry of the Society Board President, the Society must use the proceeds for construction of a restroom facility at the fairgrounds. We inspected the Detailed Profit and Loss Report and observed the Society constructed a restroom facility in the summer of 2017.
6. We inquired of management, inspected the Detailed Profit and Loss Reports, and the prior audit 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 haphazardly selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Payroll Item Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Item Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions except one employee wage rate in 2017 was unable to be traced to Board minutes.
2. For any new employees selected in procedure 1 we compared the following information in the employees' personnel files and/or 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, except the hourly pay rate was not evidenced in Society meeting minutes. We recommend the Society approve all wage rates in the minutes and maintain all approved wage information in the respective employee personnel file.

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

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	December 15, 2018	December 15, 2018	\$882.82	\$882.82
State income taxes	January 31, 2019	January 31, 2019	\$245.31	\$245.31
School district income taxes	January 31, 2019	January 31, 2019	\$230.23	\$230.23
Local income tax	January 31, 2019	January 31, 2019	\$41.55	\$41.55

4. We selected and recomputed the one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Item Detail Report:
- a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Society's payout policy.

The amount paid was consistent with the information recorded in a. through b. above. We noted the Society does not maintain a formalized payout policy.

#### **Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the Detailed Profit and Loss Report for the year ended November 30, 2018 and ten from the 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 Detailed Profit and Loss Report and to the names and amounts on the supporting invoices. We found no exceptions, except for one examined check in 2018 and one examined check in 2017, both from the racing bank checking account, where both cancelled checks were dated one day prior on the cancelled check compared to the system check date.
- 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 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, 2018 and 2017 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, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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Julian & Grube, Inc.  
April 19, 2019

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# OHIO AUDITOR OF STATE KEITH FABER



**MIAMI COUNTY AGRICULTURAL SOCIETY**

**MIAMI 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 4, 2019**