



**MEDINA COUNTY AGRICULTURAL SOCIETY
MEDINA COUNTY**

AGREED UPON PROCEDURES

FOR THE YEARS ENDED NOVEMBER 30, 2009-2010



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Medina County Agricultural Society
Medina County
710 West Smith Road
Medina, Ohio 44256

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Medina County Agricultural Society (the Society) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2010 and 2009, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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 tested the mathematical accuracy of the November 30, 2010 and November 30, 2009 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2008 beginning fund balances recorded to the November 30, 2008 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2010 and 2009 fund cash balance reported in the Balance Sheet. The amounts agreed.
4. We confirmed the November 30, 2010 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, 2010 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the November 30, 2010 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent December bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to November 30. We noted no exceptions.

Cash and Investments (Continued)

6. We tested investments held at November 30, 2010 and November 30, 2009 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. We noted no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2010 and 2009.

- a. We compared the amount from the DTL/confirmation to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. We determined whether these receipts were allocated to the proper account code(s). We found no exceptions.
- c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Admission/Grandstand Receipts

We haphazardly selected one day of gate admission and grandstand cash receipts from the year ended November 30, 2010 and one day of gate admission and grandstand cash receipts from the year ended November 30, 2009 recorded in the receipts ledger and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, deposits, etc). The grandstand receipt amounts agreed; however, the gate admission receipt amounts did not agree as noted below:

2010 Fair

For August 3, 2010, the amount recorded in the receipts ledger for gate admission receipts was \$49,533. However, based on the number of tickets sold (as documented on the "Till Record" report) multiplied by the applicable admission prices, a total of \$50,614 should have been collected resulting in a shortage of \$1,081. As a result of this discrepancy noted on August 3, 2010, we expanded our procedures and compared the total amounts that should have been collected based on the Society's records to the total deposits for the entire 2010 Medina County Fair. These expanded procedures identified a net shortage for of \$860 across the entire 2010 fair.

The Society contracted its 2010 Medina County Fair gate admission sale collections and deposits to Tenable Protective Services, Inc., an independent security company. No explanation was documented regarding the \$860 shortage by the security company and this amount was not reimbursed to the Society. As such, pursuant to **Ohio Rev. Code Section 117.28** a Finding For Recovery, for public monies collected but unaccounted for, has been issued against Tenable Protective Services, Inc. and in favor of the Medina County Agricultural Society in the amount of \$860. This amount was deducted from the amount paid to Tenable Protective Services for the 2011 fair on August 17, 2011, and is therefore considered repaid.

We recommend the Society review ticket sales reports compared to actual deposits each day of fair week and seek explanation from its ticket collectors when discrepancies are identified.

Admission/Grandstand Receipts (continued)

2009 Fair

For August 4, 2009, the amount recorded in the receipts ledger for gate admission receipts was \$51,994. However, based on the number of tickets sold (as documented on the "Till Record" report) multiplied by the applicable admission prices, a total of \$51,968 should have been collected resulting in an overage of \$26. As a result the discrepancy previously noted with the 2010 fair, we expanded our procedures related to the 2009 fair and compared the total amounts that should have been collected based on the Society's records to the total deposits for the entire 2009 Medina County Fair. These expanded procedures identified a net shortage of \$2,510 across the entire 2009 fair.

The Society contracted its 2009 Medina County Fair gate admission sale collections and deposits to Tenable Protective Services, Inc., an independent security company. No explanation was documented regarding the \$2,150 shortage by the security company. The Society recouped this shortage by deducting the \$2,150 from the amount paid to Tenable Security Services Inc. for their services related to the 2009 fair. As such, no Finding for Recovery related to this amount is necessary.

Privilege Fee Receipts

We haphazardly selected ten privilege fee cash receipts from the year ended November 30, 2010 and ten privilege fee cash receipts from the year ended November 30, 2009 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was recorded in the proper year. We found no exceptions.

Rental Receipts

We haphazardly selected ten rental cash receipts from the year ended November 30, 2010 and ten rental cash receipts from the year ended November 30, 2009 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit report, we noted the following note outstanding as of November 30, 2008. This amount agreed to the Society's December 1, 2008 balances on the summary we used in step 3.

<u>Issue</u>	<u>Principal outstanding as of November 30, 2008:</u>
Boom Lift Note	\$5,911

Debt (continued)

2. We inquired of management, and scanned the receipt and expenditure records for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. All debt noted agreed to the summary we used in step 3. All debt was paid in full during 2009. We noted no new debt issuances, during 2010 or 2009.
3. We obtained a summary of debt service payments owed during 2009 and agreed these payments from the expenditure ledger 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.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Payroll Register 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. For each employees selected in step 1 we determined whether the following information in the employees' personnel files and minute records 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

We found no exceptions related to steps a – d above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2010. We noted the following:

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Withheld</u>	<u>Amount Paid</u>
Federal income taxes and social security	December 31, 2010	December 3, 2010	\$1,270.77	\$1,270.77
School District Income Tax	December 20, 2010	November 30, 2010	\$24.76	\$24.76
State income taxes	December 15, 2010	November 30, 2010	\$231.30	\$231.30
Local income tax	December 20, 2010	November 30, 2010	\$115.69	\$115.69

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2010 and ten from the year ended 2009 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 Expenditure Ledger 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.

Officials' Response: The \$860 net shortage for the 2010 fair was deducted from the 2011 fair invoice from Tenable Protective Services, Inc. paid on August 17, 2011. Management will continue to monitor admission receipts to ensure variances are properly documented and recouped from the security company.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Society's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

August 24, 2011

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MEDINA COUNTY AGRICULTURAL SOCIETY

MEDINA 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
SEPTEMBER 8, 2011**