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**AGRICULTURAL SOCIETY
BELMONT COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Belmont County Agricultural Society
Belmont County
P.O. Box 704
St. Clairsville, Ohio 43950

We have performed the procedures enumerated below, with which the Board of Directors and the management of Belmont 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

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, 2009 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 General Ledger. 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 reconciling debits (such as outstanding checks haphazardly from the November 30, 2010 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent December or January bank statements. 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 (Continued)

6. We tested interbank account transfers occurring in November of 2010 and 2009 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. 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.
2. We confirmed the amount of debt proceeds received from bank during the year ending November 30, 2010 with the bank. We found no exceptions.
 - a. We determined whether this receipt was allocated to the proper account code. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Admission/Grandstand Receipts

We haphazardly selected one day of admission (one price admission includes grandstand admission) cash receipts from the year ended November 30, 2010 and one day of admission 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, etc). The amounts agreed.

Restricted Receipts

We haphazardly selected 10 restricted cash receipts from the year ended November 30, 2010 and 9 restricted 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.

Unrestricted Receipts

We haphazardly selected 10 unrestricted cash receipts from the year ended November 30, 2010 and 9 unrestricted 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. The prior audit report disclosed no debt outstanding as of November 30, 2008.
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 outstanding as of November 30, 2010 or 2009 or debt payment activity during 2010 or 2009. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt service payments (*including mortgage debt and loan/credit agreements permitted by Ohio Rev. Code Section 1711.13*) owed during 2010 and agreed the 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.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. The amounts agreed.
5. For new debt issued during 2010, we inspected the debt legislation, noting the Society must use the proceeds to make improvements to the roads and buildings. We scanned the expenditure ledger and noted the Society used the debt proceeds to build buildings, pave some roads/walkways and other improvements to the fair grounds. Ohio Rev. Code Section 1711.13(A) allows county agricultural societies to mortgage their grounds for the purpose of renewing or extending pre-existing debts, and for the purpose of furnishing money to purchase additional land. The Society did not have pre-existing debt or purchase additional land with the debt proceeds.
6. We inquired of management, scanned the receipt ledger, and scanned the prior audit report and determined that the Society had obtained a loan or credit line in 2010 as permitted by Ohio Rev. Code Section 1711.13(B). We examined 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 that the Society's total net indebtedness did exceed twenty-five percent of its annual revenues contrary to Ohio Rev. Code Section 1711.13(B). At November 30, 2010, the Society's debt was \$249,226 and operating revenues were \$447,128, thereby total net indebtedness was more than 25% of operating revenues.

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 used in computing gross pay 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. 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:

Payroll Cash Disbursements (Continued)

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes and social security	January 31, 2011	1-5-11	\$315.12	\$315.12
State income taxes	January 15, 2011	1-26-11	\$24.23	\$24.23

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger 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 General 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.

Official's Response:

We did not receive a response form Officials to the exceptions reported above.

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 22, 2011



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BELMONT AGRICULTURAL SOCIETY

BELMONT 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**