



**MARION COUNTY AGRICULTURAL SOCIETY
MARION COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED NOVEMBER 30, 2010 AND 2009



Dave Yost • Auditor of State

MARION COUNTY AGRICULTURAL SOCIETY
MARION COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Marion County Agricultural Society
Marion County
220 East Fairground Street
Marion, Ohio 43302

We have performed the procedures enumerated below, with which the Board of Directors and the management of Marion County Agricultural Society, Marion County, Ohio, (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, 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 determined whether each check traced to the debit appearing in the subsequent December, January, and February bank statements. We found for check #45975, dated December 31, 2008, in the amount of \$111.10; check #47138, dated June 29, 2010, in the amount of \$106.85; and check #47255, dated July 3, 2010, in the amount of \$30.00, that none have cleared the bank as of February 28, 2011 and therefore were still outstanding as of February 28, 2011. We found no other 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 selected all deposits in transit from the November 30, 2010 bank reconciliation:
 - a. We determined whether each deposit traced to the credit appearing in the subsequent bank statement. We found for all three deposits, dated January 20, 2008, February 8, 2008, and July 1, 2009, in the amounts of \$4, \$40, and \$80, respectively, that none have cleared the subsequent bank statements. Per review of supporting documentation for these three amounts, they represent credit card receipts that have been processed by the credit card company, but have not yet been deposited into the Society's bank account. The Society should follow up with the credit card company and their bank regarding these amounts.
 - b. We agreed these deposits' amounts to the Receipt Ledger. Each deposit in transit was recorded as a 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 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 codes. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the County Support and Other Operating Receipts amounts paid from Marion County during the year ending November 30, 2010 and 2009 with the County Auditor's Office. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper account codes. 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 general admission cash receipts and one day of grandstand cash receipts from the year ended November 30, 2010 and one day of general admission cash receipts and one day of grandstand cash receipts from the year ended November 30, 2009 recorded in the receipts ledger and determined whether the receipt amounts agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc).

For July 1, 2010, the amount recorded in the receipts ledger for general admission cash receipts for July 1, 2010 was \$14,951.

- a. The ticket sales recapitulation reported 2,479 tickets sold on that date.
- b. The admission price per ticket was \$6.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$14,874 for July 1, 2010, which is less than the amount recorded by \$77.

Admission/Grandstand Receipts (Continued)

For July 1, 2010, the amount recorded in the receipts ledger for grandstand admission cash receipts for July 1, 2010 was \$2,123.

- a. The ticket sales recapitulation reported 713 tickets sold on that date. It also reported \$3 worth of discount admission coupons were received.
- b. The admission price per ticket was \$3.
- c. Therefore the recapitulation sheet multiplied by the admission price supports grandstand admission receipts of \$2,139 for July 1, 2010, which exceeds the amount recorded by \$13. The recapitulation sheet also documented \$3 in discount admission coupons were received.

For July 1, 2009, the amount recorded in the receipts ledger for general admission cash receipts for July 1, 2009 was \$15,986.

- a. The ticket sales recapitulation reported 2,653 tickets sold on that date.
- b. The admission price per ticket was \$6.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$15,918 for July 1, 2009, which is less than the amount recorded by \$68.

For July 1, 2009, the amount recorded in the receipts ledger for grandstand admission cash receipts for July 1, 2009 was \$2,699.

- a. The ticket sales recapitulation reported 922 tickets sold on that date. It also reported \$64 worth of discount admission coupons were received however the Society did not have any support for these coupons. The coupons collected were not maintained by the Society.
- b. The admission price per ticket was \$3.
- c. Therefore the recapitulation sheet multiplied by the admission price supports grandstand admission receipts of \$2,766 for July 1, 2009, which exceeds the amount recorded by \$67. The recapitulation sheet also documented \$64 in discount admission coupons were received, however, the Society did not have any support for these coupons. The coupons collected were not maintained by the Society.

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

Privilege Fee Receipts

We haphazardly selected 10 privilege fee cash receipts from the year ended November 30, 2010 and 10 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 10 rental cash receipts from the year ended November 30, 2010 and 10 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 loan outstanding as of November 30, 2008. This amount agreed to the Society's December 1, 2008 balance on the summary we used in step 3.

Issue	Principal outstanding as of November 30, 2008:
2006 John Deere Tractor Loan	\$2,153

- 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. All debt noted agreed to the summary we used in step 3.
- 3. We obtained a summary of debt service payments (including loan/credit agreements permitted by Ohio Rev. Code Section 1711.13) owed during 2010 and 2009 and agreed these payments from the expenditure ledger to the related debt amortization schedules. We found no exceptions. We also compared the date the debt service payments were due to the date the Society made the payments. We found the following late payments:

2006 John Deere Tractor Loan	
Due Date	Date Paid
11/20/08	12/03/08
12/20/08	01/16/09
02/20/09	04/07/09
03/20/09	05/05/09
04/20/09	06/05/09
05/20/09	07/09/09
06/20/09	07/23/09

The Society should ensure that loan payments are being made in accordance with the related loan agreement.

- 4. We inquired of management, scanned the receipt ledger, and scanned the prior audit report and determined that the Society had a loan or credit agreement outstanding from a prior year and obtained a loan in 2009 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 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 determined whether 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 steps a – e above.

2. We tested the checks we selected in step 1, as follows:
 - 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.
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:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes and social security	January 31, 2011	January 12, 2011	\$1,718	\$1,718
State income taxes	January 31, 2011	January 21, 2011	\$474	\$474
Local income tax	January 31, 2011	January 21, 2011	\$372	\$372

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Register:
 - 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 c. above.

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.

Non-Payroll Cash Disbursements (Continued)

- c. Based on the nature of the expenditure, the account coding is reasonable except as noted. We found for check #46142, dated June 22, 2009, in the amount of \$580.64, made out to Delmar Distributing to purchase alcohol for sale at events on the fairgrounds was improperly coded to the Ground Maintenance account. This transaction should be coded to the Other Supplies account. However, because we did not test all non-payroll cash disbursements, our report provides no assurance regarding whether or not other similar errors occurred.

Officials' Response

We did not receive a response from 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

July 29, 2011



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MARION COUNTY AGRICULTURAL SOCIETY

MARION 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
AUGUST 23, 2011**