



Dave Yost • Auditor of State





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

Logan County Agricultural Society  
Logan County  
301 East Lake Ave  
PO Box 758  
Bellefontaine, Ohio 43311

We have performed the procedures enumerated below, with which the Board of Directors and the management of Logan 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 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 November 30<sup>th</sup> Reconciliation Detail report. The amounts agreed.
4. We observed the year end bank balance on the financial institutions website. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the November 30, 2010 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.

### **Intergovernmental 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.

### **Admission Receipts**

We haphazardly selected one day of 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 sheet). The amounts agreed.

### **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 Profit and Loss Detail report. 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 Profit and Loss Detail. 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.

### **Pari-mutuel Wagering Commission Receipts and Disbursements**

We obtained copies of race schedules approved by the Board of Directors. We selected one race day from the year ended November 30 2010, and performed the following steps:

- a. Traced Pari-mutuel wagering Commission receipts from the Profit and Loss Report to the Racing Technologies wagering tally sheet. The amounts agreed.
- b. Traced disbursements to ledger postings for totalizer service and pari-mutuel state tax disbursements and agreed amounts to the Racing Technologies wagering tally sheet and contract with Racing Technologies. We found no exceptions.

### **Sustaining and Entry (Purse) Receipts and Disbursements**

We obtained copies of race schedules approved by the Board of Directors. We selected both race days, July 13<sup>th</sup> and July 14<sup>th</sup>, from the year ended November 30 2010 and performed the following steps:

- a. Traced authorized race dates to the cash receipt ledger postings and determined whether there are purse receipt postings for each authorized race day. The cash receipts ledger reported wagering receipts for all authorized dates.
- b. Traced authorized race dates to the cash disbursement ledger postings and determined whether there were purse disbursement postings for each authorized race day. The cash disbursements ledger reported wagering disbursements for all authorized dates.

### **Debt**

1. 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.

Per inquiry of management, scan of profit and loss detail report, and prior audit it was noted that in December 2006, the Society obtained a line of credit with National City Bank to meet obligations of the Society. Interest payments are due monthly but principle payments are not required. The bank sends the Society a bill every month for the accumulated interest and when the Society has the funds available to make a payment on principal the Society will make the payment on principal. Total principle payments of \$5,000 and \$3,000 were made during 2010 and 2009, respectively, by the Society. Interest payments amounted to \$1,741 and \$2,139 during 2010 and 2009.

2. We inquired of management, scanned the receipt ledger, and scanned the prior audit report and determined that the Society had a line of credit in 2009 and 2010 as permitted by Ohio Rev. Code Section 1711.13(B). We examined the Society's computation supporting that the total net indebtedness from the line of 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 three employees from 2010 and one payroll check for three employees from 2009 from the profit and loss detail report and determined whether the following information in the employees' personnel files 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 (weekly timecard, board approved salary). We found no exceptions.

**Payroll Cash Disbursements (Continued)**

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:

<b>Withholding</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal income taxes and social security	January 31, 2011	January 6, 2011	\$828.60	\$828.60
State income taxes	January 15, 2011	January 6, 2011	\$593.02	\$593.02

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the profit and loss detail report for the year ended November 30, 2010 and ten from the year ended 2009 and determined whether:
- The disbursements were for a proper public purpose. We found no exceptions.
  - 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.
  - Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

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

April 26, 2011



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LOGAN COUNTY AGRICULTURAL SOCIETY

LOGAN 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 7, 2011