



Mary Taylor, CPA
Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Clermont County Agricultural Society
Clermont County
P.O. Box 369
Owensville, Ohio 45160

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Clermont County Agricultural Society, Clermont 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, 2009 and 2008, 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, 2009 and November 30, 2008 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2007 beginning fund balances recorded to the November 30, 2007 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, 2009 and 2008 fund cash balance reported in the accounting records. The amounts agreed.
4. We confirmed the November 30, 2009 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, 2009 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the November 30, 2009 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.
6. We tested interbank account transfers occurring in November of 2009 and 2008 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

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Admission Receipts

We haphazardly selected one day of admission cash receipts from the year ended November 30 2009 and one day of admission receipts from the year ended November 30, 2008 recorded in the receipts ledger and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets).

For July 31, 2009, the amount recorded in the receipts ledger for July 30, 2009 was \$38,070.

- a. The ticket sales recapitulation reported 3,807 tickets sold on that date.
- b. The admission price per ticket was \$10.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$38,070 for July 30, 2009, which exceeds the amount deposited by \$2,087.

For July 23, 2008, the amount recorded in the receipts ledger for July 22, 2008 was \$29,690.

- a. The ticket sales recapitulation reported 2,769 tickets sold on that date.
- b. The admission price per ticket was \$10.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$27,690 for July 22, 2008, which was short of the amount deposited by \$2,225.

The gate supervisor did not document any reason for the discrepancies noted above. We recommend that the Board of Directors should adopt and implement collection procedures that require any overages or shortages between daily gate collections and daily deposits should be noted by the gate admission supervisor with an explanation for unusual discrepancies.

Privilege Fee Receipts

We haphazardly selected 10 privilege fee cash receipts from the year ended November 30, 2009 and 10 privilege fee cash receipts from the year ended November 30, 2008 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, 2009 and 10 rental cash receipts from the year ended November 30, 2008 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. 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 2009 or 2008 or outstanding as of November 30, 2009 or 2008. All debt noted did not agree to the summary we used in step 2 and 3 below.

The Society did not include the additional proceeds resulting from an Ohio Water Development Authority (OWDA) loan for the restroom construction project. See step 3 below.

2. 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 2009 and 2008 and agreed these payments from the expenditure ledger to the related debt amortization schedules. We also compared the date the debt service payments were due to the date the Society made the payments. We found no exceptions.
3. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. We found the following exception:

Proceeds of \$182,565 in 2009 which represented on-behalf payments to the General Contractor by Merchants (Citizens) Bank issued as part of an OWDA Loan were not properly recorded by the Society.

4. We inquired of management, scanned the receipt ledger, and scanned the prior audit report and determined that the Society had loan or credit agreements outstanding for loans obtained during 2008 and 2009 as permitted by Ohio Rev. Code Section 1711.13(B). The Society had total net indebtedness of \$277,456 for 2009 and \$125,500 for fiscal year 2008. The 2009 amount exceeded twenty-five percent of its annual revenues debt limitation by \$108,424.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the Payroll Register 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 (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes and social security	January 31, 2010	11/18/09	148	148
State income taxes	January 15, 2010	11/18/09	12	12
Local S.D. income tax	February 1, 2010	11/18/09	10	10

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2009 and ten from the year ended 2008 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.

Compliance – Contracts & Expenditures

We inquired of management, who informed us of one construction contract in effect during 2009. We read the contract and noted that it did not require the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05.

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.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

July 21, 2010



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CLERMONT COUNTY AGRICULTURAL SOCIETY

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 14, 2010**