



**HURON COUNTY AGRICULTURAL SOCIETY  
HURON COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDING NOVEMBER 30, 2009 AND 2010**



**Dave Yost • Auditor of State**



HURON COUNTY AGRICULTURAL SOCIETY  
HURON COUNTY

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

Agricultural Society  
Huron County  
940 Fair Road  
Norwalk, Ohio 44857-2041

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Agricultural Society, Huron County (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 in the Account Transaction Detail Report 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 Account Transaction Detail Report. The amounts agreed.
4. We confirmed the November 30, 2010 bank account balances with the Society's financial institution. 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 and 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.

### **Intergovernmental and Other Confirmable Cash Receipts**

We selected all receipts from the Distribution Transaction Detail Report (State DTL) for 2010, 2009, and 2008.

- a. We compared the amount from the State DTL to the amount recorded in the Transaction Detail by Account Report. The amounts agreed.
- b. We determined whether these receipts were allocated to the proper account code. 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/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, etc). The amounts agreed for the day we tested from 2010.

For August 18, 2009, the amount recorded in the Transaction Detail by Account was \$15,369. This amount agreed to admissions receipts deposited.

- a. The Gate Ticket Reports reported 2,226 adult and child tickets sold on that date.
- b. The admission price per ticket as \$7.
- c. Therefore the Gate Ticket Reports adult and child ticket sales multiplied by the admission price per ticket supports admissions receipts of \$15,924 for August 18, 2009, which exceeds the amount recorded by \$555.

We obtained the Gate Ticket Reports and validated deposit tickets for August 17, 2009 through August 22, 2009 ("Fair Week"). The Gate Ticket Reports reported a total of 15,830 tickets sold; the ride operator reported a total of 16,538 tickets sold for a difference of 708 tickets. The ride operator is compensated based on a percentage of ticket sales. The difference in tickets sold is due to discrepancies between sales on certain sequences of tickets. We provided the sequences to the Secretary on March 2, 2011 and recommended the Secretary contact the ride operator to resolve the discrepancy as the Board may be due a refund.

Based on Gate Ticket Report reported ticket sales of 15,830 tickets and an admission price of \$7 per ticket:

- a. Admissions receipts supported by sales totaled \$110,810.
- b. Total collections per the Gate Ticket Reports were \$109,373 for a shortage of \$1,437.
- c. Total deposits per validated deposit tickets were \$110,602 for a shortage of \$208.
- d. Comparing collections per the Gate Ticket Reports to the validated deposit tickets deposits exceeded cash collections by \$1,229.

We met with the Secretary on March 2, 2011 to discuss the differences we noted for Fair Week. The Secretary informed us that collections occur for admissions, pit passes, season passes, and other miscellaneous sales on a given date, all monies are co-mingled as the end of the day prior to deposit. At the end of the day he reviews the tickets sold and recalculates the admissions receipts and removes this amount from the co-mingled cash and deposits as admissions receipts. Remaining cash collections are deposited in a separate transaction. This condition resulted in the shortage in gate collections being covered by other miscellaneous cash sales resulting in deposits exceeding gate collections. The Secretary should keep cash collections from the various activities separate prior to deposit in order to identify shortages in collections in a timely manner.

### **Grandstand Receipts**

We haphazardly selected one event of grandstand cash receipts from the year ended November 30, 2010 and one event of grandstand cash receipts from the year ended November 30, 2009 recorded in the Transaction Detail by Account and determined whether the receipt amount agreed to the supporting documentation (tickets sold, unsold tickets, seating charts, and complimentary ticket listing). 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 Transaction Detail by Account. 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 Transaction Detail by Account. 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 2010 or 2009 or outstanding as of November 30, 2010 or 2009. All debt noted agreed to the summary we used in step 2. We noted no new debt issuances.
2. We obtained a summary of debt service payments (including loan agreements permitted by Ohio Rev. Code Section 1711.13) owed during 2010 and 2009 and agreed these payments from the Transaction Detail by Account 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.

3. We inquired of management, scanned the receipt ledger, and scanned the prior audit report and determined that the Society had a loan agreement outstanding from a prior year 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 exception for the year ended November 30, 2010.

**Ohio Revised Code § 1711.13** allows county agricultural societies to obtain mortgage debt or to enter into written agreements to obtain loans and credit for expenses. **Ohio Revised Code § 1711.13(B)** further states the total net indebtedness of an agricultural society for non-mortgage debt shall not exceed an amount equal to twenty-five percent of its annual revenues. The Huron County Agricultural Society entered into an unsecured loan in 2007 for the purpose of improving the campgrounds. At November 30, 2009 the total net indebtedness of the loan exceeded the twenty-five percent maximum net indebtedness allowed in R.C. § 1711.13(B) by approximately \$34,900.

### 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 Transaction Detail by Account 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 and 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 (4 <sup>th</sup> Qrt)	Amount Paid
Federal income taxes and social security	January 31, 2011	January 26, 2011	\$2,454.08	\$2,454.08
State income taxes	January 15, 2011	January 26, 2011	\$216.42	\$216.42
Norwalk City School District	January 31, 2011	January 26, 2011	\$41.00	\$41.00
South Central Local School District	January 31, 2011	January 26, 2011	\$55.25	\$55.25
Monroeville Local School District	January 31, 2011	January 26, 2011	\$71.48	\$71.48



### Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Transaction Detail by Account Report for the year ended November 30, 2010 and ten from the year ended November 30, 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 Transaction Detail by Account Report 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

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

April 11, 2011

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HURON AGRICULTURAL SOCIETY

HURON 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  
MAY 5, 2011