



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson County Agricultural Society
Jefferson County
153 Starkey Boulevard
Wintersville, Ohio 43953

We have performed the procedures enumerated below, with which the Board of Directors and the management of Jefferson 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, 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 on the financial statements. 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 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 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 Local Government Support amounts paid from Jefferson 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 admission/grandstand 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).

For August 21, 2010, the amount recorded in the receipts ledger for August 21, 2010 was \$16,000.

- a. The ticket sales recapitulation reported 2,265 tickets sold on that date.
- b. The admission price per ticket was \$7.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$15,855 for August 21, 2010, which is less than the amount recorded by \$145.

For August 23, 2009, the amount recorded in the receipts ledger for August 23, 2009 was \$20,519.

- a. The ticket sales recapitulation reported 2,923 tickets sold on that date.
- b. The admission price per ticket was \$7.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$20,461 for August 23, 2009, which is less than the amount recorded by \$58.

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.

Debt

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. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

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 and State tax withholding authorization and withholding.

We found exceptions related to steps b and d above. We noted that neither salary nor pay rates were maintained in the employees' personnel file or in the minute record for years 2010 and 2009. Also, the Federal and State tax withholding authorizations were not maintained for three tested employees in 2010 and four tested employees for 2009. However, the payroll register did disclose federal and state tax withholdings for all tested employees in 2010 and 2009. We recommend the Society maintain all documentation to support wages paid and deductions withheld.

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 that pay rates or salaries in 2010 or 2009 were not legislatively or statutorily approved for employees tested. We also noted time cards were not maintained for three of the employees from 2010 and four of the employees from 2009, who were paid on any hourly basis. We did note, however, that a supervisor approved all payroll expenditures. We recommend the Society legislatively or statutorily approve all pay rates and salaries. The Society should adopt a system by which all hourly employees maintain timecards to support wages paid.
 - 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 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 31, 2011	\$2,155	\$2,155
State income taxes	February 28, 2011	January 31, 2011	\$271	\$271

Non-Payroll Cash Disbursements

1. We agreed total disbursements (non-payroll and payroll) from the general ledger to the Annual Report for the years ended November 30, 2010 and 2009. We found no exceptions.
2. 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.
 - c. Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

Officials' Response

Admissions/Grandstand Receipts – Two small differences were found. We will endeavor to balance the gate receipts amount with the deposit sent to the bank.

Payroll Issues – Pay rates will be duly noted in the minutes. A calendar will be used as a time sheet for the hourly workers and o.k.'d by the fair board supervisors. W-4's will be completed by all employees documenting their requested deductions and retained in the fair board records.

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

February 3, 2011



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JEFFERSON AGRICULTURAL SOCIETY

JEFFERSON 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
JULY 19, 2011**