



**PUTNAM COUNTY AGRICULTURAL SOCIETY
PUTNAM COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDING NOVEMBER 30, 2009 AND 2010



Dave Yost • Auditor of State

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PUTNAM COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Putnam County Agricultural Society
Putnam County
P.O. Box 47
Ottawa, Ohio 45875-0047

We have performed the procedures enumerated below, with which the Board of Directors and the management of Putnam 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 compared the December 1, 2008 beginning fund balances recorded to the November 30, 2008 balances in the prior year audited statements. We found the December 1, 2008 beginning fund balance was \$14 more than the prior year audited statement balance.
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 Reports. The amounts agreed for November 30, 2010. We found a difference of \$114 more on the Balance Sheet Report than the bank reconciliation for November 30, 2009.

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 reconciling debits (such as outstanding checks) haphazardly from the November 30, 2010 bank reconciliation:
 - a. We traced each debit to the debit appearing in the subsequent December bank statement(s). We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the debits were dated prior to November 30. We noted no exceptions.

Admission/Grandstand Receipts

We haphazardly selected one day of admission and grandstand cash receipts from the year ended November 30 2010 and one day of admission and 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. Tally reports from the June 23, 2010 admissions, and June 24, 2009 admissions reported the following: an overage of \$17, and an overage of \$25, respectively. The amounts from the June 23, 2010 and June 24, 2009 grandstand 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 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 one rental cash receipt in 2009 for \$500 which was not on the approved rate schedule.
- c. Receipt was recorded in the proper year. 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 one race day from the year ended November 30, 2010 and one race day from the year ended November 30, 2009 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 the 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 the authorized dates.

Debt

1. The prior audit report disclosed no debt outstanding as of November 30, 2008.
2. We inquired of management, and scanned the receipt and expenditure records for evidence of 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 activity for 2010 and 2009 and compared principal and interest payments from the related debt amortization schedule(s) to debt service payments in the expenditure records. We also compared the date the debt service payments were due to the date the Society made the payments. We found no exceptions in the amounts paid or the dates paid. We noted the interest payments were posted to the expenditure ledger. The principal payments were posted as a reduction of a liability on the Society's accounting records.
4. We compared the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. We found the debt proceeds were not recorded on the receipt ledger. Instead they were recorded as a liability on the Society's accounting records.
5. For the new debt issued during 2010, we inspected the debt legislation, noting the Society must use the proceeds as operating funds. We scanned the expenditure ledger and noted the Society had only operating expenditures in 2010.
6. We inquired of management, scanned the receipt ledger, and scanned the prior audit report and determined that the Society had obtained a loan in 2010 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.

Non-Payroll Cash Disbursements

1. For the Expenditure report, we re-footed checks recorded as disbursements for office supplies for 2010. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the check register to the Annual Report for the years ended November 30, 2010 and 2009. We found no exceptions for 2010. We found a difference of \$119 more on the annual report than the check register for 2009.
3. We haphazardly selected ten disbursements from the Expenditure 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 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:

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 others within the Society, 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

April 26, 2011



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PUTNAM COUNTY AGRICULTURAL SOCIETY

PUTNAM 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 12, 2011**