



Dave Yost • Auditor of State

LORAIN COUNTY AGRICULTURAL SOCIETY
LORAIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Lorain County Agricultural Society
Lorain County
PO Box 15
Wellington, Ohio 44090

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Lorain 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, 2011 and 2010, 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, 2011 and November 30, 2010 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2009 beginning fund balances recorded to the November 30, 2009 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, 2011 and 2010 fund cash balance reported in the Comparative Statement of Cash Receipts and Disbursements. The amounts agreed.
4. We confirmed the November 30, 2011 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, 2011 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2011 bank reconciliation:
 - a. We traced each debit to the subsequent December bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to November 30. We noted no exceptions.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361

www.ohioauditor.gov

Intergovernmental Receipts

We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2011 and 2010.

- a. We compared the amount from the State DTL 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/Grandstand Receipts

We haphazardly selected one day of admission/grandstand cash receipts from the year ended November 30, 2011 and one day of admission/grandstand cash receipts from the year ended November 30, 2010 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 22, 2011, the amount recorded in the receipts ledger for August 22, 2011 was \$40,625.

- a. The ticket sales recapitulation reported 10,161 tickets sold on that date.
- b. The admission price per ticket was \$4.
- c. Therefore, the recapitulation sheet multiplied by the admission price supports admission receipts of \$40,644 for August 22, 2011, which exceeds the amount recorded by \$19.

Privilege Fee Receipts

We haphazardly selected 10 privilege fee cash receipts from the year ended November 30, 2011 and 10 privilege fee cash receipts from the year ended November 30, 2010 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, 2011 and 10 rental cash receipts from the year ended November 30, 2010 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. The prior audit documentation disclosed no debt outstanding as of November 30, 2009.
2. 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 2011 or 2010 or debt payment activity during 2011 or 2010. We noted no new debt issuances, nor any debt payment activity during 2011 or 2010.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
2. For any new employees selected in step 1 we 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 & School District income tax withholding authorization and withholding
 - e. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a – e above, except the state withholding authorization form was not maintained for two employees. However, the payroll register did disclose state withholdings for these employees. We recommend the Society maintain all documentation to support deductions withheld.

3. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2011 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2011. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes, social security, & Medicare	December 15, 2011	November 23, 2011	\$935	\$935
State income taxes	December 15, 2011	December 5, 2011	229	229
School District taxes	December 15, 2011	December 5, 2011	48	48

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2011 and ten from the year ended 2010 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 – The Society declined to respond.

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, 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.



Dave Yost
Auditor of State

May 18, 2012



Dave Yost • Auditor of State

LORAIN COUNTY AGRICULTURAL SOCIETY

LORAIN 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 26, 2012