



Dave Yost • Auditor of State

**BELMONT COUNTY AGRICULTURAL SOCIETY
BELMONT COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Belmont County Agricultural Society
Belmont County
P.O. Box 704
St. Clairsville, Ohio 43950

We have performed the procedures enumerated below, with which the Board of Directors and the management of Belmont County Agricultural Society, Belmont 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, 2012 and 2011, 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, 2012 and November 30, 2011 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2010 beginning fund balances recorded to the November 30, 2010 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the December 1, 2011 beginning fund balances recorded to the November 30, 2011 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2012 and 2011 fund cash balance reported in the General ledger. The amounts agreed.
4. We confirmed the November 30, 2012 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, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2012 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.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2012 and 2011. We also selected all receipts from the County Transaction History Report from 2012 and all receipts from 2011.
 - a. We compared the amount from the above reports to the amount recorded in the General 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.

Admission/Grandstand Receipts

We haphazardly selected one day of admission (one price admission includes grandstand admission) cash receipts from the year ended November 30 2012 and one day of admission/grandstand cash receipts from the year ended November 30, 2011 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.

Restricted Cash Receipts

We haphazardly selected 10 restricted cash receipts from the year ended November 30, 2012 and 10 restricted cash receipts from the year ended 2011 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the general 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.

Unrestricted Cash Receipts

We haphazardly selected 10 unrestricted cash receipts from the year ended November 30, 2012 and 10 unrestricted cash receipts from the year ended 2011 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the general ledger. The amounts agreed.
- b. Receipt was recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed upon procedures documentation, we noted the following note outstanding as of November 30, 2010. These amounts agreed to the Societies December 1, 2011 balances on the summary we used in step 3.

Issue	Principal outstanding as of November 30, 2010:
2010 Debt	\$249,226

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 2012 or 2011 or debt payment activity during 2012 or 2011. We noted during 2012 the Agricultural Society obtained a \$160,000 loan from a bank to purchase bleachers. The bank made the check payable to the bleacher vendor and the Agricultural Society did not record this on-behalf payment on their accounting records. This amount is used in our summary in step 3. We recommend the Agricultural Society follow the guidance in Auditor of State Bulletins 2000-008 and 2002-004 in regards to posting of on-behalf payments.
3. We obtained a summary of debt service payments owed during 2012 and 2011 and agreed these payments from the expenditure ledger to the related debt bank invoices. We also compared the date the debt service payments were due to the date the Society made the payments. We found no exceptions.
4. We noted the debt proceeds from the debt documents obtained in May of 2012 were not recorded in the Receipt Ledger.
5. For new debt issued during 2012, we inspected the debt legislation, noting the Society must use the proceeds to purchase bleachers. We noted that an "on behalf" payment was made by the lending institution to make this purchase.
6. We inquired of management, scanned the receipt ledger, and scanned the prior agreed upon procedures report and determined that the Society had a loan or credit agreement outstanding from a prior year and obtained a loan in 2012 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. At November 30, 2012 the Society's debt was \$392,732 and operating revenues were \$522,152, thereby total net indebtedness was more than 25% of operating revenues. At November 30, 2011 the Society's debt was \$244,419 and operating revenues were \$401,457, thereby total net indebtedness was more than 25% of operating revenues. Therefore, the Society's total net indebtedness did exceed twenty-five percent of its annual revenues contrary to Ohio Rev. Code Section 1711.13(B) for years ending November 30, 2011 and November 30, 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for two employees from 2012 and one payroll check for two employees from 2011 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
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.

2. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2012 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 2012. We noted the following:

Withholding	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes, social security, & Medicare	January 31, 2013	December 31, 2012	\$334.96	\$334.96
State income taxes	January 31, 2013	January 03, 2013	\$61.11	\$61.11

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2012 and ten from the year ended 2011 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.

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 2, 2013



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AGRICULTURAL SOCIETY- BELMONT COUNTY

BELMONT 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 21, 2013**