OHIO EXPOSITIONS COMMISSION
Columbus, Ohio

Financial Statements
and
Required Supplementary Financial Information
For the years ended June 30, 2010 and 2009

and Independent Auditors' Report Thereon

Mary Taylor, CPA
Auditor of State

Ohio Expositions Commission
717 E. 17th Avenue
Columbus, Ohio 43211

We have reviewed the *Independent Auditors' Report* of the Ohio Expositions Commission, Franklin County, prepared by Schneider Downs & Co., Inc., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Expositions Commission is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 16, 2010

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INDEPENDENT AUDITORS' REPORT

Ohio Expositions Commission and
Mary Taylor, CPA, Auditor of State
Columbus, Ohio

We have audited the accompanying financial statements of the governmental activities of the Ohio Expositions Commission (the Commission) as of and for the years ended June 30, 2010 and 2009, which collectively comprise the Commission's financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the Commission. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2, the financial statements of the Commission are intended to present the financial position and changes in financial position and cash flows of only the Commission. They do not purport to, and do not, present fairly the financial position and changes in financial position and cash flows, where applicable, of the State of Ohio in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2010 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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The Management's Discussion and Analysis on Pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Schneider Downs & Co., Inc.

Columbus, Ohio
November 18, 2010

OHIO EXPOSITIONS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

The discussion and analysis of the financial position of the Ohio Expositions Commission (the Commission) provides an overall review of the financial activities for the years ended June 30, 2010 and 2009. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the independent auditors' report, notes to the basic financial statements, and the financial statements to enhance their understanding of the Commission's financial performance.

Using this Financial Report

This annual report consists of three parts: Management's Discussion and Analysis (MD&A), the financial statements and notes to the financial statements. The financial statements include statements of net assets, statements of revenues, expenses and changes in net assets and statements of cash flows. Since the Commission uses only one fund for its operations, the entity-wide and the fund presentation information is the same.

Financial Highlights

Key financial highlights for fiscal years 2010 and 2009 are as follows:

- Total net assets decreased $274,833 during 2010, which represents less than a 1% decrease from 2009. Total net assets increased $930,984 during 2009, which represents a 2% increase from 2008.

- Total assets decreased $1,321,915, which represents a 3% decrease from 2009. This was mainly due to a decrease in capital assets of $978,950, which relates to capital additions due to improvements for multiple buildings on the grounds, which was offset by depreciation expense of $2,822,309. Current assets decreased by $342,965 due to a decrease in intergovernmental receivable of $992,312, which was partially offset by an increase in cash of $641,577 resulting from better fair attendance than in the prior year. Total assets increased $1,526,870 during 2009, which represents approximately 3% increase from 2008. This was due mainly to an increase in current assets of $1,332,793, which included an increase in cash of $376,529 resulting from better fair attendance than in the prior year and an increase in intergovernmental receivable of $901,397 relating to capital projects in progress as of June 30, 2009. Capital assets increased by $194,077 due to capital additions of $2,994,281 mainly due to new siding and maintenance for multiple buildings on the grounds, which was partially offset by depreciation expense of $2,802,704 and disposals of $2,500.

- Overall liabilities decreased by $1,047,082 during 2010, with the largest part of this decrease caused by a $904,597 decrease in accounts payable and a $112,516 decrease in deferred income. The decrease in accounts payable is due to outstanding invoices for capital projects in progress at prior year-end, paid prior to year-end during 2010. The decrease in deferred income was due to not collecting a payment from the Quarter Horse Congress prior to year-end, as the Commission had in prior years. Overall liabilities increased $595,886 during 2009, with the largest part of this increase caused by a $935,237 increase in accounts payable partially offset by a $541,096 decrease in workers' compensation liability. The increase in accounts payable related to capital projects in progress at year-end, while the decrease in the workers' compensation liability was due to a decrease in rates. There was also an increase in the amount due to others for harness racing of $115,530 due to the earlier receipt of a payment than in the prior year.

- Ohio State Fair revenues increased by $510,585 in fiscal year 2010 (2009 Ohio State Fair) mainly due to admissions and entertainment revenue being up from the 2008 fair (fiscal year 2009). Ohio State Fair revenues increased by $436,034 in fiscal year 2009 (2008 Ohio State Fair) mainly due to admissions and attractions revenue being up from the 2007 fair (fiscal year 2008).

- Operating expenses increased $440,986 during 2010 mainly due to an increase in purchased services of $528,115 and an increase in payroll and fringe benefits of $328,934, which was partially offset by a decrease in maintenance and repair of $352,117. Purchased services increased due to using more temporary employees during the fair than in the prior year in an effort to decrease workers' compensation claims. Operating expenses decreased $324,962 during 2009 mainly due to decreases in payroll and fringe benefits of $417,854 due to a decrease in the workers' compensation accrual. Printing, advertising and premiums also decreased during the year by $91,399 and $80,580, respectively, which was partially offset by an increase in repairs and maintenance of $166,794.

- State capital contributions decreased $1,420,866 during 2010 due to a decrease in capital projects and State budget cuts during the year. State capital contributions increased $691,583 during 2009 due to an increase in capital projects in progress during the year.

Statement of Net Assets

This statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when cash is received or paid.

Table 1 provides a summary of the Commission's net assets at June 30, 2010 and 2009 and 2008:

Table 1
Net Assets

	2010	2009	2008
Assets:			
Current assets	$ 2,529,619	$ 2,872,584	$ 1,539,791
Capital assets, net	46,662,014	47,640,964	47,446,887
Total Assets	$ 49,191,633	$ 50,513,548	$ 48,986,678
Liabilities:			
Current liabilities	$ 3,227,826	$ 4,360,568	$ 3,333,027
Non-current liabilities	1,470,039	1,384,379	1,816,034
Total Liabilities	$ 4,697,865	$ 5,744,947	$ 5,149,061
Net Assets:			
Invested in capital assets	$ 46,662,014	$ 47,640,964	$ 47,446,887
Unrestricted net assets	(2,168,246)	(2,872,363)	(3,609,270)
Total Net Assets	$ 44,493,768	$ 44,768,601	$ 43,837,617

Current assets decreased 12% or $342,965 during 2010 due to a decrease in intergovernmental receivables, which was partially offset by an increase in cash. The decrease in intergovernmental receivables was due to capital projects in progress at prior year-end. The increase in cash was due to an increase in Ohio State Fair attendance. Non-current assets decreased 2% or $978,950 due to an increase in capital assets of $1,843,359 mainly relating to projects in progress of $1,805,293 offset by depreciation expense of $2,822,309. Projects in progress include maintenance for multiple buildings on the grounds. Current assets increased 87% or $1,332,793 during 2009 due to an increase in cash and restricted cash as well as intergovernmental receivables. The increase in cash and restricted cash is due to an increase in Ohio State Fair attendance and an increase in the harness racing event at Scioto Downs, which is held as restricted cash. The increase in the intergovernmental receivable is due to the capital projects in progress at year-end. Non-current assets increased less than 1% or $194,077 due to an increase in capital assets of $2,994,281 mainly relating to projects in progress of $2,696,014 offset by depreciation expense of $2,802,704. Projects in progress include new siding and maintenance for multiple buildings on the grounds.

Overall liabilities decreased by 18% or $1,047,082 during 2010, with the largest part of this decrease caused by a $904,597 decrease in accounts payable and a $112,516 decrease in deferred income. The decrease in accounts payable was due to outstanding invoices for capital projects in progress at prior year-end. The decrease in deferred income is due to receiving payment from the Quarter Horse Congress after year-end. Overall liabilities increased 12% or $595,886 during 2009, with the largest part of this increase caused by a $935,327 increase in accounts payable due to capital projects in progress at year-end. There was also an increase in the amount due to others for harness racing at Scioto Downs of $115,530 due to increased interest during the 2008 State fair. The increase in accounts payable and due to others was offset by a decrease in workers' compensation liability of $541,096.

The overall effect of the above changes in assets and liabilities resulted in a ($274,833) and $930,984 change in the Commission's net assets for 2010 and 2009, respectively.

Table 2 shows a summary of the Statements of Revenues, Expenses and Changes in Net Assets for the years ended 2010, 2009 and 2008.

Table 2
Revenues, Expenses and Changes in Net Assets

	2010	2009	2008
Operating Revenues:			
Fair sources	$ 7,930,394	$ 7,419,809	$ 6,983,775
Non-fair sources	5,506,618	5,223,462	5,105,422
Total	13,437,012	12,643,271	12,089,197
Operating Expenses:			
Payroll and fringe benefits	5,444,298	5,115,364	5,533,218
Purchased services	3,195,638	2,667,523	2,669,908
Depreciation	2,822,309	2,802,704	2,730,659
Other operating expenses	1,866,122	1,914,102	2,111,157
Utilities	1,873,123	1,908,694	1,855,201
Maintenance and repair	872,032	1,224,149	1,057,355
Total Operating Expenses	16,073,522	15,632,536	15,957,498
Operating Loss	(2,636,510)	(2,989,265)	(3,868,301)
Non-operating revenues - State assistance	250,092	387,798	413,619
Loss on disposal of fixed assets	-	-	(272,689)
Ohio Quarter Horse Congress capital contributions	-	-	940,597
Other Sources - State capital contributions	2,111,585	3,532,451	2,840,868
Change in Net Assets	(274,833)	930,984	54,094
Net Assets - Beginning of Fiscal Year	44,768,601	43,837,617	43,783,523
Net Assets - End of Fiscal Year	$ 44,493,768	$ 44,768,601	$ 43,837,617

Total operating revenues increased $793,741 from 2009 to 2010 due to an increase in fair revenues of $510,585 as well as an increase in non-fair revenues of $283,156. The increase in fair revenues was mainly due to an increase in admission and entertainment revenue for the 2009 Ohio State Fair. The increase in non-fair revenues was attributable to receiving an insurance settlement for damage incurred to the Cox building. Total operating revenues increased $554,074 from 2008 to 2009 due to an increase in fair revenues of $436,034 as well as an increase in non-fair revenues of $118,040. The increase in fair revenues was mainly due to an increase in admission and attractions revenue for the 2008 Ohio State Fair. The increase in non-fair revenues was attributable to an increase in non-fair events parking 2009 versus 2008.

Operating expenses increased $440,986 during 2010 mainly due to an increase in payroll and fringe benefits of $328,934 and purchased services of $528,115, which were partially offset by a decrease in maintenance and repair of $352,117. The increase in payroll and fringe benefits is due to an adjustment to the workers' compensation accrual in the prior year offsetting payroll expense and the increase in purchased services is due to an increase in temporary employees used during the Ohio State Fair. The decrease in repairs and maintenance is due to capitalized repairs during the year as well as an effort to reduce spending due to budget cuts. The above-mentioned items resulted in a decrease in operating loss of $352,755. Operating expenses decreased $324,963 during 2009 mainly due to decreases in payroll and fringe benefits of $417,854 due to a decrease in the workers' compensation accrual. Printing and advertising and premiums also decreased during the year by $91,399 and $80,580, respectively, partially offset by an increase in repairs and maintenance of $166,794. The above-mentioned items resulted in a decrease in operating loss of $879,036.

State capital contributions decreased from $3,532,451 to $2,111,585 during 2010, which is mainly a function of the capital projects in progress, which are paid out of the Capital Fund 026. State capital contributions increased from $2,840,868 to $3,532,451 during 2009, which is mainly a function of the capital projects in progress. The Commission makes a request for capital expenditures every two years through the capital budgeting process of the State of Ohio. The projects are then prioritized, bid out and completed according to the State guidelines as provided by the Department of Administrative Services and the Office of Budget and Management.

Management Operational Analysis

At June 30, 2010, the Ohio Expositions Commission had total assets of $49,191,633 and total net assets of $44,493,768. The largest portion of the Commission's assets is composed of the capital assets that make up this large, multi-event facility. The mission of the agency is "to professionally operate and maintain for public benefit a year-round, service-oriented event facility and produce the annual Ohio State Fair."

The Ohio Expositions Commission has taken concerted steps to maintain financial stability on a long-term basis. The Commission's strategy is to continue to analyze pricing strategies, improve market penetration and improve the quality of management and administration, as well as the physical facility. This effort is intended to increase both participants and guests at the Fair as well as non-fair clients and their visitors.

The annual Ohio State Fair must meet all developmental, social and political expectations while being supported by a reasonable pricing system. The primary fiscal and programmatic challenge of the Ohio State Fair lies in achieving public expectations, such as providing extensive support to the Junior Fair, while not negatively impacting the annual operating budget of the Ohio Expositions Commission.

Many fair visitors believe that prices for entry, admission and midway rides should be nominal. This is consistent with the Commission's, the Governor's, and the General Assembly's fiscal goals, a concerted attempt is made to keep Fair prices affordable. In fact, the Fair is currently not designed to break even in and of itself. Fair revenue is dependent upon paid attendance, which is related to admission and midway prices, and fair revenue is also dependent upon the weather. The Ohio Expositions Commission relies on a strong non-fair operation to financially buffer these Fair revenue factors and support the total annual operation of the Commission.

The Commission continues to face challenges for the entertainment dollar. The number of entertainment options available to consumers continues to grow, increasing competition for the consumer's disposable income and available time. The Commission also continues to face challenges in the area of securing entertainment for the Ohio State Fair. With increased local competition for big-name entertainment, from other government supported agencies (Columbus Zoo and Schottenstein Center) and private venues such as Nationwide Arena and Crew Stadium, it is increasingly difficult to fill the Celeste Center with entertainment for a 12-day fair.

The Commission continues to face increasing challenges on non-fair events as well. The struggling economy in the state of Ohio has affected the Ohio Expo Center just as it has the majority of other businesses within the state. The event facility business has become extremely competitive, especially in the Columbus area. The Ohio Expo Center competes with a convention center and two arenas for events presently held at the Ohio Expo Center, as well as any new ones. Because the Commission is financially dependent on these non-fair events, we must address our facility's image if we are to remain competitive in this marketplace. Our facility is old and in need of repair, so it is imperative that we also act to improve the appearance of the Ohio Expo Center and the impression it makes on our guests and potential contractors. The facelift to improve and modernize our entire facilities will continue with the capital improvements project to renovate the sheep and swine barns and continue renovation along 17th Avenue.

Contacting the Ohio Expositions Commission

This financial report is designed to provide the citizens, taxpayers and customers of the Ohio Expositions Commission with a general overview of the Commission's finances and to show the Commission's accountability for the monies it receives. If you have any questions about this report or need additional information, contact Doug Smalley, the Commission's Finance Director, 717 E. 17th Avenue, Columbus, Ohio 43211, (614) 644-4025 or e-mail to: d.smalley@expo.state.oh.us.

OHIO EXPOSITIONS COMMISSION

STATEMENTS OF NET ASSETS
JUNE 30, 2010 AND 2009

	2010	2009
ASSETS		
Current assets:		
Cash and cash equivalents (Note 3)	$ 1,672,932	$ 1,031,355
Restricted cash and cash equivalents (Note 3)	284,261	336,780
Accounts receivable	103,299	26,561
Intergovernmental receivable	80,493	1,072,805
Prepaid fair expenses	349,389	384,519
Other prepaid expenses	39,245	20,564
Total current assets	2,529,619	2,872,584
Non-current assets:		
Capital assets, non-depreciable	7,432,306	5,627,013
Capital assets, net of accumulated depreciation (Note 4)	39,229,708	42,013,951
Total non-current assets	46,662,014	47,640,964
Total assets	$ 49,191,633	$ 50,513,548
LIABILITIES		
Current liabilities:		
Accounts payable	$ 547,251	$ 1,451,848
Accrued liabilities	421,114	406,929
Deferred income	1,907,606	2,020,122
Due to others (Note 3)	284,261	336,780
Workers' compensation liability (Note 12)	67,594	144,889
Total current liabilities	3,227,826	4,360,568
Non-current liabilities:		
Compensated absences (Note 7)	669,145	630,649
Workers' compensation liability (Note 12)	800,894	753,730
Total non-current liabilities	1,470,039	1,384,379
Total liabilities	4,697,865	5,744,947
NET ASSETS		
Invested in capital assets	46,662,014	47,640,964
Unrestricted	(2,168,246)	(2,872,363)
Total net assets	$ 44,493,768	$ 44,768,601

See accompanying notes to basic financial statements.

OHIO EXPOSITIONS COMMISSION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Operating revenues:		
Fair sources	$ 7,930,394	$ 7,419,809
Non-fair sources	5,506,618	5,223,462
Total	13,437,012	12,643,271
Operating expenses:		
Payroll and fringe benefits	5,444,298	5,115,364
Depreciation	2,822,309	2,802,704
Purchased services	3,195,638	2,667,523
Utilities	1,873,123	1,908,694
Maintenance and repair	872,032	1,224,149
Premiums	559,739	621,049
Printing and advertising	428,324	400,464
Supplies and materials	419,626	357,592
Meals	189,324	197,479
Rentals	86,844	106,380
Motor vehicle	79,350	146,212
Communication and postage	58,173	73,141
Refunds	23,833	1,115
Other	11,584	4,116
Travel	9,325	6,554
Total operating expenses	16,073,522	15,632,536
Operating loss	(2,636,510)	(2,989,265)
Nonoperating revenues - state assistance	250,092	387,798
Loss before capital contributions	(2,386,418)	(2,601,467)
State capital contributions	2,111,585	3,532,451
Change in net assets	(274,833)	930,984
Net assets - beginning of fiscal year	44,768,601	43,837,617
Net assets - end of fiscal year	$ 44,493,768	$ 44,768,601

See accompanying notes to basic financial statements.

OHIO EXPOSITIONS COMMISSION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Cash received from fair sources	$ 7,865,993	$ 7,715,668
Cash received from non-fair sources	5,381,765	5,028,199
Cash received for harness racing funds	284,261	336,780
Cash payments for harness racing funds	(336,780)	(221,250)
Cash payments for payroll and personal services	(8,401,337)	(7,986,840)
Cash payments for utilities and maintenance	(2,715,441)	(3,063,549)
Cash payments for other services and charges	(2,007,721)	(2,240,417)
Net cash provided by (used in) operating activities	70,740	(431,409)
Cash flows from noncapital financing activities:		
State operating assistance received	250,092	387,798
Net cash provided by noncapital financing activities	250,092	387,798
Cash flows from capital and related financing activities:		
State capital assistance received	3,103,897	2,459,646
Acquisition and construction of equipment	(2,835,671)	(1,923,976)
Net cash (used in) provided by capital financing activities	268,226	535,670
Net increase in cash and cash equivalents	589,058	492,059
Cash and cash equivalents, beginning of year	1,368,135	876,076
Cash and cash equivalents, end of year	$ 1,957,193	$ 1,368,135
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	$ (2,636,510)	$ (2,989,265)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	2,822,309	2,802,704
(Increase)/decrease in assets:		
Accounts receivable	915,574	(807,391)
Prepaid fair expenses	35,130	(116,487)
Other prepaid expenses	(18,681)	83,144
Increase/(decrease) in liabilities:		
Accounts payable	(904,597)	935,327
Accrued liabilities	52,681	79,535
Deferred income	(112,516)	6,590
Due to others	(52,519)	115,530
Workers' compensation liability	(30,131)	(541,096)
Total adjustments	2,707,250	2,557,856
Net cash used in operating activities	$ 70,740	$ (431,409)

SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES

During 2010, capital additions of $80,493 were financed by accounts payable.

During 2009, capital additions of $1,072,805 were financed by accounts payable.

See accompanying notes to basic financial statements.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 - ORGANIZATION AND REPORTING ENTITY

The Ohio Expositions Commission (the Commission), a primary government of the State of Ohio, is a state-governed body of the State of Ohio (the State). The Commission was created in 1961, pursuant to Sections 991.01 to 991.07 of the Ohio Revised Code (the Code) for the purpose of producing an annual agricultural exposition or fair and to maintain and manage the state-owned Exposition Center facilities for the purpose of conducting expositions, fairs and exhibits.

The Commission is governed by a 13-member Board of Commissioners. Nine of the members are appointed by the Governor of Ohio with the advice and consent of the Ohio Senate. The Director of Development, Director of Agriculture and the chairs of the Ohio House and Senate Agriculture Committees fill the remaining positions on the Commission.

The Commission is not subject to federal or state income taxes under Section 501(c) (3) of the Internal Revenue Code and, accordingly, no provision for income taxes is required.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred.

Reporting Entity - Within the State of Ohio's Comprehensive Annual Financial Report, the Commission is included as part of the primary government. The Commission's management believes that these financial statements present all activities for which the Commission is financially responsible. The accompanying financial statements include all accounts, activities, and functions of the Commission and are not intended to present the financial position, results of operations, or cash flows of the State taken as a whole. The financial information presented herein for the Commission will be incorporated within the State's financial statements.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include State appropriations. On an accrual basis, State appropriations are recognized in the period in which all eligibility requirements are met. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the fiscal year for which use is first permitted, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis.

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Commission follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued after November 30, 1989 that do not conflict with or contradict GASB

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

pronouncements. As permitted by Generally Accepted Accounting Standards, the Commission has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 10, 1989.

The GASB has recently issued the following new accounting pronouncements that will be effective in future years and may be relevant to the Commission:

- GASB No. 54, "Fund Balance Reporting"
- GASB No. 59, "Financial Instruments Omnibus"

Management has not yet determined the impact that these new GASB Pronouncements will have on the Commission's financial statements.

Cash and Cash Equivalents - The Treasurer of the State of Ohio (Treasurer) acts as the custodian of the funds for the State. Cash and cash equivalents of the Commission are pooled and invested by the Treasurer. Account integrity is maintained through a series of checks and balances with the Auditor, Treasurer and the Office of Budget and Management.

The cash and cash equivalents with the Treasurer have the general characteristics of a demand deposit account whereby additional cash can be deposited at any time and can also be effectively withdrawn at any time, within certain budgetary limitations, without prior notice or penalty.

Allowance for Doubtful Accounts - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible accounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. There was no allowance for doubtful accounts deemed necessary as of June 30, 2010 and 2009.

Capital and Building Improvement Assistance - The State provides financial assistance for the acquisition of property and equipment. This financial assistance is recorded as capital contributions since the Commission incurs the cost of the project.

Assistance for the acquisition of property and equipment is credited to capital contributions as the related qualified expenditures are incurred. Depreciation on fixed assets resulting from capital assistance is allocated to net assets using the straight-line method over the same lives as described for the related property and equipment as noted below.

Capital Assets - Capital assets include property and equipment, which are stated at historical cost or estimated historical cost and include expenditures of $500 or more, which substantially increase the useful lives of existing assets. Routine maintenance and repairs are expensed as incurred.

Property and equipment consisting of certain improvements owned by the Ohio Department of Transportation (ODOT) other than buildings (including roads, curbs and gutters, and sidewalks) have not been capitalized by the Commission and are not recorded as assets on the Commission's books.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description	Years
Buildings and improvements	20 - 45
Land improvements	20
Equipment and vehicles	3 - 10
Furniture and fixtures	5 - 15

Assets acquired with capital grants are included in capital assets, and depreciation on those assets is included in the statement of revenues, expenses and changes in net assets.

Prepaid Fair Expenses - The Ohio State Fair's (Fair) prepaid expenses are recorded for cash disbursed prior to services being performed. These items include cash disbursed for the Fair in the fiscal year prior to the Fair taking place.

Deferred Income - Deferred income is recorded for cash received prior to services being performed. These items include deposits on rental contracts and cash received for the Fair in the fiscal year prior to the Fair taking place.

Compensated Absences - The Commission accounts for compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation, compensatory time and personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered, and it is probable that the Commission will compensate the employees for the benefits through paid time off or some other means, such as a termination payment or retirement payment.

Leave time that has been earned, but is unavailable for use as paid time off or as some other form of compensation because an employee has not met a minimum service time requirement is accrued to the extent it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave benefits are accrued as a liability using the vesting method. The liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the statement of net assets date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such cash payments. Included in the compensated absences liability is an amount accrued for salary-related payments directly and incrementally associated with the payment of compensated absences upon termination.

Net assets are displayed in two components as follows:

- Invested in Capital Assets - This consists of capital assets, net of accumulated depreciation, that are attributable to the acquisition, construction or improvement of those assets.

- Unrestricted - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues - The Commission has classified its revenues as either operating or non-operating. Operating revenues include activities that have the characteristics of exchange transactions, including Fair revenues and non-Fair revenues. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as State assistance.

Use of Estimates and Uncertainties of Financial Results - The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Commission's annual financial results are dependent upon the success of that year's Fair. The financial results of the Fair are uncertain and vary depending on uncertainties such as weather conditions. In addition, the Commission is dependent upon the State for funding significant capital acquisitions and for operating assistance.

NOTE 3 - CASH AND CASH EQUIVALENTS

The deposit of the Commission monies is governed by the provisions of the Code. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. All investing transactions are conducted by the Treasurer of State. The statutes permit the Treasurer of State to invest the Commission's monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), and obligations of the United States government or certain agencies thereof.

Public depositories must provide security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by specific government securities. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments maintained in the Commission's name. During 2010 and 2009, the Commission complied with the provisions of these statutes.

Deposits - The majority of the Commission's cash is in the State Rotary Fund, which is composed of commingled state funds invested by the Treasurer of State. At June 30, 2010 and 2009, the carrying amount and bank balance of the Commission's deposits with the Treasurer of State was approximately $1,669,000 and $1,027,000, respectively. In addition, the Commission had approximately $4,000 of cash on hand at June 30, 2010 and 2009.

OHIO EXPOSITIONS COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Restricted Cash and Cash Equivalents - At June 30, 2010, approximately $284,000 was collected from harness racing participants registering for the 2010 Fair; and at June 30, 2009, approximately $337,000 was collected from harness racing participants registering for the 2009 Fair. These monies are held in the State Rotary Fund and will be remitted to others who manage the Fair harness racing event.

Credit Risk - All risk disclosures required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures,* are expected to be found in the State's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2010 was as follows:

	Balance July 01, 2009	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2010
Capital Assets Not Being Depreciated:				
Land	$ 2,930,999	-	-	$ 2,930,999
Construction in progress	2,696,014	$ 1,805,293	-	4,501,307
Total Capital Assets Not Being Depreciated	5,627,013	1,805,293	-	7,432,306
Capital Assets Being Depreciated:				
Land improvements	11,451,705	-	-	11,451,705
Buildings and improvements	69,401,005	14,913	-	69,415,918
Equipment, furniture and fixtures	2,930,745	23,153	$ (4,137)	2,949,761
Vehicles	44,404	-	-	44,404
Total Capital Assets Being Depreciated	83,827,859	38,066	(4,137)	83,861,788
Less Accumulated Depreciation:				
Land improvements	3,306,602	561,179	-	3,867,781
Buildings and improvements	36,381,439	2,127,538	-	38,508,977
Equipment, furniture and fixtures	2,081,463	133,592	(4,137)	2,210,918
Vehicles	44,404	-	-	44,404
Total Accumulated Depreciation	41,813,908	2,822,309	(4,137)	44,632,080
Total Capital Assets Being Depreciated, Net	42,013,951	(2,784,243)	-	39,229,708
Total Capital Assets, Net	$ 47,640,964	$ (978,950)	-	$ 46,662,014

NOTE 4 - CAPITAL ASSETS (Continued)

Capital assets activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2009
Capital Assets Not Being Depreciated:				
Land	$ 2,930,999	-	-	$ 2,930,999
Construction in progress	-	$ 2,696,014	-	2,696,014
Total Capital Assets Not Being Depreciated	2,930,999	2,696,014	-	5,627,013
Capital Assets Being Depreciated:				
Land improvements	11,429,295	22,410	-	11,451,705
Buildings and improvements	69,353,350	47,655	-	69,401,005
Equipment, furniture and fixtures	2,702,543	230,702	$ 2,500	2,930,745
Vehicles	44,404	-	-	44,404
Total Capital Assets Being Depreciated	83,529,592	300,767	2,500	83,827,859
Less Accumulated Depreciation:				
Land improvements	2,745,423	561,179	-	3,306,602
Buildings and improvements	34,255,693	2,125,746	-	36,381,439
Equipment, furniture and fixtures	1,968,184	115,779	2,500	2,081,463
Vehicles	44,404	-	-	44,404
Total Accumulated Depreciation	39,013,704	2,802,704	2,500	41,813,908
Total Capital Assets Being Depreciated, Net	44,515,888	(2,501,937)	-	42,013,951
Total Capital Assets, Net	$ 47,446,887	$ 194,077	$ -	$ 47,640,964

Included in additions for fiscal year 2010 are approximately $1,800,000 of projects in progress. These projects consisted of maintenance of the commercial buildings and design costs for the renovations of multiple barns on the grounds. Included in additions and transfers in for fiscal year 2009 are approximately $2,700,000 of projects in progress. These projects consisted of new siding and maintenance of the commercial buildings, including electric and lighting upgrades.

NOTE 5 - LEASED PROPERTY

In May 1998, the Commission entered into an operating lease with the Crew Soccer Stadium Limited Liability Company (the Crew) for a period of 25 years. The Commission leased land, which has a cost and carrying value of approximately $111,000, on which the Crew designed and constructed a stadium. The Commission is entitled to an annual rent payment of approximately $66,000 through the year ending March 31, 2014. Thereafter, rent shall be adjusted by the Consumer Price Index adjustment, effective on April 1, 2009 and every fifth anniversary thereafter during the lease term. The Commission will retain 30% of all parking revenue collected for the Crew-sponsored events at the stadium.

The Commission also has operating leases with McDonald's and the Days Inn. The McDonald's' lease commenced in May 1996 and is for a period of 20 years. The Commission is currently entitled to an annual rent payment of approximately $33,000. This lease has scheduled increases relating to the Consumer Price Index every five years with the next increase scheduled for 2011. The Days Inn lease commenced in December 1986 and is for a period of 30 years. The Commission is entitled to 4.00% of the gross room rent, which amounted to approximately $26,000 and $35,000 for the years ended June 30, 2010 and 2009, respectively.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description - The Commission contributes to the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans:

The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.

The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

The Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

The Commission contributes to the Traditional Pension Plan for employees. OPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code assigns authority to establish and amend benefit provisions to the OPERS Board of Trustees. OPERS issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215 or by calling 614-222-5601.

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy - The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 10.0%, 10.0% and 9.5% and the employer contribution rate for state employers is 14.00%, 14.00% and 13.77% of covered payroll, for the years ended June 30, 2010, 2009 and 2008, respectively. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Commission's contributions to OPERS for the years ended June 30, 2010, 2009 and 2008 were $540,000, $577,000 and $583,000, respectively, equal to the required contributions for each year.

Other Post-Employment Benefits - OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pension." The Code provides statutory authority for employer contributions and requires public employees to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The number of active contributing participants at December 31, 2009 was 357,584.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. Contributions are made on an advanced payment method using the actuarially determined information disclosed below.

The assumptions and calculations below were based on OPERS's latest actuarial review performed as of December 31, 2008. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets not to exceed a 12% corridor.

The investment assumption rate for 2008 was 6.50%. An annual increase of 4.00% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 3% for the next six years. In subsequent years, (seven and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2008 is $10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $29.6 billion and $18.9 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

The OPERS 2009 employer contribution rate to fund health care was 7.00% from January 1, 2009 through March 31, 2009 and 5.50% from April 1, 2009 through December 31, 2009. Health care costs were assumed to increase 4.00% annually.

The actuarially determined and statutorily required contribution requirements from the Commission to OPERS for post-employment benefits for the years ended June 30, 2010 and 2009 were $210,000 and $288,000 respectively. The amounts are included in the Commission contribution totals for the defined benefit pension plan.

NOTE 7 - COMPENSATED ABSENCES

Commission employees can earn vacation, sick and personal leave (compensatory time) at various rates as specified by Ohio law. Employees accrue vacation leave at a rate of 3.1 hours every two weeks for the first five years of employment, up to a maximum of 9.2 hours every two weeks after 25 years of employment. Employees may accrue a maximum of three years vacation leave credit. At termination or separation from service, vested employees are paid at their full rate of pay for 100% of unused vacation and personal leave. Non-overtime exempt employees may also be paid 100% of any unused compensatory time.

Sick leave for all employees is accumulated at a rate of 3.1 hours every two weeks. Sick leave benefits vest after five years of credited service for AFSCME (American Federation of State, County and Municipal Employees) and after one year of continuous service for other employees. Sick leave is paid at 100% of the employee's pay rate when used for the first 40 hours of the benefit year, at 70% of the employee's pay rate when used for 40.1 through 80 hours of the benefit year, and again at 100% of the employee's pay rate when used for any amount in excess of 80 hours of the benefit year. Annually, up to 80 hours of sick leave that was accrued in the current year and remains unused in December may be cashed out at varying rates.

Changes in compensated absences for the years ended June 30, 2010 and 2009 are as follows:

	2010	2009
Beginning balance	$ 681,046	$ 599,367
Additions	545,455	509,585
Deductions	(503,882)	(427,906)
Ending balance	$ 722,619	$ 681,046
Amount due within one year (included in accrued liabilities on the statement of net assets)	$ 53,474	$ 50,397

NOTE 8 - CONTINGENCIES

From time to time, the Commission has been named in various public liability and property damage claims and suits arising in the ordinary course of business. While ultimate liability, if any, from these proceedings is presently indeterminable, in the opinion of management, these matters should not have a material adverse effect on the Commission's financial statements.

NOTE 9 - RELATED PARTY TRANSACTIONS

During fiscal years 2010 and 2009, the Commission had, and expects to have in the future, transactions with other state agencies. The Commission recognized approximately $203,000 and $226,000 in rental fee revenues from other agencies of the State during fiscal years 2010 and 2009, respectively. State agencies are charged essentially the same rental fees as those charged to third parties.

In addition, the Commission paid other State agencies for processing of payroll, general ledger and fixed-asset ledger. The Commission expensed approximately $255,000 and $278,000 during fiscal years 2010 and 2009, respectively, for these services at rates comparable to those charged to other agencies of the State for these services.

The Commission maintains special agreements with the following three separate agencies of the State in which these State agencies rent certain buildings and space on the Commission grounds in exchange for services provided:

The Ohio Department of Transportation provides maintenance and renovation work on the roadways, curbs and parking lots of the Commission grounds.

The State Highway Patrol operates a full-time post on the Commission's property and provides law enforcement on this property. In addition, the State Highway Patrol provides traffic control and law enforcement during the Fair. Both of these services are required by State law.

The Ohio Department of Natural Resources (ODNR) leases and maintains a large and extensive exhibit at the Fair. In addition, ODNR maintains a Civilian Conservation Corps district office on the Commission's grounds.

The basic financial statements do not give effect to these activities because there is no reliable basis for determining their financial impact.

NOTE 10 - STATE FAIR RESERVE

The Ohio Legislature passed a House Bill (Am. Sub. H.B. No. 283, Section 49), which established a State Fair Reserve of $700,000. The reserve may be used if admission revenues for the Ohio State Fair are less than 90% of the projected admission revenues for the current fiscal year (2009) Fair. The Commission must declare a state of fiscal exigency and request a release of funds by the Director of Budget and Management. The Director of Budget and Management then must approve the release of funds, and may make changes or stipulations before release of the funds. The outstanding balance of available funds was approximately $125,000 at June 30, 2010 and 2009.

NOTE 11 - RISK MANAGEMENT

The State retains the risk associated with claims arising from vehicle liability, property loss and tort liability. The State also maintains a public employee's blanket bond through a private carrier. However, the Commission is responsible for the replacement of equipment that may be lost or damaged as a result of the operations of the Commission. In addition, employees of the Commission have the option of participating in the Ohio Med Health Plan, a self-insured health benefit plan of the State. The Commission pays a premium each month to the State based on the number of employees opting for plan participation and the types of coverage selected by its employees. At the end of the year, the State allocates the incurred but not reported (IBNR) health benefits claim liability (actuarial determined) or refund to its departments based upon the department's percent of total monthly premiums. The IBNR claim refund was included in other prepaid expenses at June 30, 2010 and 2009 and approximated $39,000 and $21,000, respectively. Additional disclosures are expected to be found in the State's CAFR.

There were no changes to the above policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage.

All other risk disclosures are expected to be found in the State's CAFR for the fiscal year ended June 30, 2010.

NOTE 12 - WORKERS' COMPENSATION

The Commission participates in a plan that pays workers' compensation benefits to beneficiaries who have been injured on the job with any of certain state agencies and state universities. The Ohio Bureau of Workers' Compensation (Bureau) calculates the estimated amount of cash needed in the subsequent fiscal year to pay the claims for these workers and sets rates to collect this estimated amount from these participating state agencies and universities in that subsequent one-year period. As these already-injured workers' claims will be paid out over a period of time, the Bureau also actuarially calculates estimated amounts that will be paid in future periods.

Changes in workers' compensation liabilities for the years ended June 30, 2010 and 2009 are as follows:

	2010	2009
Beginning balance	$ 898,619	$ 1,439,715
Deductions, net	(30,131)	(541,096)
Ending balance	$ 868,488	$ 898,619
Amount due within one year	$ 67,594	$ 144,889

Additions and deductions are shown net, since it is impracticable for the Commission to determine these amounts separately.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Ohio Expositions Commission and
Mary Taylor, CPA, Auditor of State
Columbus, Ohio

We have audited the accompanying financial statements of The Ohio Expositions Commission (the Commission) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Schneider Downs & Co., Inc.
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Commission and the Ohio Auditor of State, is not intended to be, and should not be used by anyone other than these specified parties.

Schneider Downs & Co. Inc.

Columbus, Ohio
November 18, 2010

OHIO EXPOSITIONS COMMISSION
Columbus, Ohio

Agreed-Upon Procedures

July 28, 2010 through August 8, 2010

SCHNEIDER DOWNS

INSIGHT • INNOVATION • EXPERIENCE

Ohio Expositions Commission and
Mary Taylor, CPA, Ohio Auditor of State
Columbus, Ohio

We have performed the procedures enumerated below, which were agreed to by the management of the Ohio Expositions Commission (the Commission) and the Ohio Auditor of State to fulfill Ohio Revised Code Section 991.06 requirements, solely to assist you in evaluating whether the cash collection, fair ticketing and vendor contracting controls and procedures were in place and functioning properly for the duration of the 2010 Ohio State Fair, an event sponsored by the Commission, from July 28, 2010 through August 8, 2010. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those 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. The procedures and our findings are as follows:

1) Reconciled daily receipts to deposits made. For each day of the fair, we performed the following procedures:

   a) Ascertained the arithmetic accuracy of the daily Ticket Sales Report for both day and night shifts to within $1.

      With respect to procedure 1.a., no exceptions were noted.

   b) Ascertained the arithmetic accuracy of the daily Ohio State Fair Cashiers Office - Celeste Center Reports to within $1, and agreed daily amounts to Ticketmaster transaction summary stubs.

      With respect to procedure 1.b., no exceptions were noted.

   c) Ascertained the arithmetic accuracy of the daily Ohio State Fair Amusements of America Reports to within $1, and agreed the cash deposited to the Key Bank deposit ticket.

      With respect to procedure 1.c., no exceptions were noted.

   d) Ascertained the arithmetic accuracy of the daily 2010 Ohio State Fair Sky Glider Daily Recap Reports to within $1, and agreed the cash deposited to the Key Bank deposit ticket.

      With respect to procedure 1.d., no exceptions were noted.

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e) Ascertained the arithmetic accuracy of 10 vendors each day from the daily Balance Due Worksheet to within $1; agreed amounts to the daily Vendor Percentage Reconciliation Sheet; and agreed the cash deposited to the Key Bank deposit ticket.

   With respect to procedure 1.e., on 8/8/10, the Balance Due Worksheet was $0.76 more than the amount deposited per the Key Bank deposit ticket.

f) Recalculated all computations used in the State Fair 2010 Revenue Receipts Reports.

   With respect to procedure 1.f., no exceptions were noted.

g) Traced ticket sales by cashier from the Ticket Sales Report to the actual Ohio State Fair Seller's reports and total sales to "z" tapes, which are the tapes generated from the cash registers.

   With respect to procedure 1.g., we noted 17 discrepancies between "z" tapes and seller's reports. Discrepancies were on 7/29/10 of $8.00 and $28.00, on 7/30 of $4.00, on 7/31 of $8.00, on 8/1 of $4.00, $4.00, $4.00, and $16.00, on 8/4 of $4.00, $4.00, and $4.00, on 8/5 of $4.00, on 8/6 of $4.00, $8.00, and $4.00, on 8/7 of $8.00 and $16.00, and on 8/8 of $80.00.

h) Agreed the total cash collected from the State Fair 2010 Revenue Receipts Reports to the validated Key Bank deposit ticket.

   With respect to procedure 1.h., we noted that on 8/8/10, the cash subtotal per the Revenue Receipts Report was $176.00 less than the Key Bank deposit ticket.

i) Scanned the validated daily Revenue Cash Receipt Reports from the State Treasurer for any bank adjustments and tied to Revenue Receipts Report.

   With respect to procedure 1.i., on 7/29/10, we noted that the State Treasurer report was $2.40 more than the Revenue Receipts report.

2) Determined that tickets used in gate receipts had been sequentially accounted for.

   a) We obtained the beginning ticket inventory listings provided to us by the Commission, and noted that the tickets on hand were sequentially ordered.

      With respect to procedure 2.a., no exceptions were noted.

   b) We selected 10 sets of residual tickets on the day after the Fair had ended from all types of tickets available, and agreed the quantity remaining to the Commission's ending ticket inventory.

      With respect to procedure 2.b., we counted that 6 sets of residual tickets selected for testing had one less ticket than the ending inventory report stated.

3) Verified the frontage measurement for vendors with contracts based on frontage. We participated in the measurement of all vendor booth frontages, and verified that our measurements were in agreement with the measurements provided by the Commission and Amusements of America.

   With respect to procedure 3, no exceptions were noted.

4) Determined that the Commission, through resolutions in the minutes, approved the expenditures on contracts for the 2010 Ohio State Fair.

   With respect to procedure 4, formal approval for 2010 fair contract expenditures was noted in the administrative/legislative/fiscal committee minutes.

5) Determined that total payments made against contracts of $1,278,157 (per the 2010 Ohio State Fair Attraction and Entertainment Contract Payments Schedule) agreed with the amount noted in the contracts. We read the attraction and entertainment contracts and noted that the amounts paid by the Commission per the above-mentioned attraction and entertainment contract payments schedule were in agreement with the contracts approved by the Commission.

With respect to procedure 5, determined that $1,278,157 of payments made against contracts agreed with the amount in the contracts.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on cash collection, fair ticketing and vendor contracting controls and procedures. Accordingly, we do not express such 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 the specified users listed above, and is not intended to be and should not be used by anyone other than those specified parties.

Schneider Downs & Co., Inc.

Columbus, Ohio
November 18, 2010

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Mary Taylor, CPA
Auditor of State

OHIO EXPOSITIONS COMMISSION

FRANKLIN 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
DECEMBER 30, 2010

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