

***FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED NOVEMBER 30, 2011 AND 2010

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Dave Yost • Auditor of State

Board of Directors
Franklin County Agricultural Society
P.O. Box 6
Hilliard, Ohio 43026

We have reviewed the *Report of Independent Accountants* of the Franklin County Agricultural Society, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period December 1, 2009 through November 30, 2011. 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 Franklin County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 12, 2014

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FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Audit Report
For the Years Ended November 30, 2011 and 2010

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Report of Independent Accountants	1 - 2
Statement of Receipts, Disbursements, and Change in Cash Balance For the Year Ended November 30, 2011	3
Statement of Receipts, Disbursements, and Change in Cash Balance For the Year Ended November 30, 2010	4
Notes to the Financial Statements	5 - 12
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13- 14
Schedule of Findings	15-16
Schedule of Prior Audit Findings	17

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Franklin County Agricultural Society
Franklin County
P. O. Box 6
Hilliard, Ohio 43026

To the Board of Directors:

We have audited the accompanying financial statements of the Franklin County Agricultural Society, Franklin County (the Society), as of and for the years ended November 30, 2011 and 2010. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 audit provides a reasonable basis for our opinion.


As described more fully in Note 1, the Society has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Society's larger (i.e. major) funds separately. While the Society does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Society has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended November 30, 2011 and 2010, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Society as of November 30, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of November 30, 2011 and 2010 of the Franklin County Agricultural Society, Franklin County, and its combined cash receipts and disbursements and changes in fund cash balances for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2013, on our consideration of the Society'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Charles E. Harris & Associates, Inc.

March 8, 2013

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
For the Year Ended November 30, 2011**

	2011
Operating Receipts:	
Admissions	\$ 128,373
Privilege Fees	67,339
Rentals	141,592
Sustaining and Entry Fees	19,697
Parimutuel Wagering Commission	534
Other Operating Receipts	30,683
Total Operating Receipts	388,218
 Operating Disbursements:	
Wages and Benefits	120,137
Utilities	63,107
Professional Services	91,548
Equipment and Grounds Maintenance	102,712
Race Purse	31,835
Senior Fare	8,603
Junior Fare	12,193
Other Operating Disbursements	76,371
Total Operating Disbursements	506,506
 Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	 (118,288)
 Non-Operating Receipts (Disbursements):	
State Support	19,524
County Support	3,300
Donations/Contributions	7,112
Interest & Other Non-Operating Receipts	9,108
Transfers from Livestock Committee	36,000
Capital Outlay	(5,554)
Loan proceeds	88,645
Loan payments	(64,367)
Other Non-Operating Disbursements	(1,118)
Unauthorized Disbursements	(47,854)
Net Non-Operating Receipts (Disbursements)	44,796
 Excess (Deficiency) of Receipts Over (Under) Disbursements	 (73,492)
 Cash Balance December 1, 2010	 78,450
 Cash Balance November 30, 2011	 \$ 4,958

See Accompanying Notes to the Financial Statements.

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
For the Year Ended November 30, 2010**

	2010
Operating Receipts:	
Admissions	\$ 163,906
Privilege Fees	74,594
Rentals	159,749
Sustaining and Entry Fees	36,930
Parimutuel Wagering Commission	1,089
Other Operating Receipts	28,063
Total Operating Receipts	464,331
Operating Disbursements:	
Wages and Benefits	123,236
Utilities	64,672
Professional Services	96,304
Equipment and Grounds Maintenance	114,700
Race Purse	52,549
Senior Fare	9,471
Junior Fare	12,898
Other Operating Disbursements	59,072
Total Operating Disbursements	532,902
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(68,571)
Non-Operating Receipts (Disbursements):	
State Support	22,192
County Support	3,300
Donations/Contributions	71,328
Sale of Property	25,000
Transfer from Livestock Committee	13,000
Interest & Other Non-Operating Receipts	1,003
Capital Outlay	(15,561)
Other Non-Operating Disbursements	(1,644)
Unauthorized Disbursements	(37,200)
Net Non-Operating Receipts (Disbursements)	81,418
Excess (Deficiency) of Receipts Over (Under) Disbursements	12,847
Cash Balance December 1, 2009	65,603
Cash Balance November 30, 2010	\$ 78,450

See Accompanying Notes to the Financial Statements.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2011 and 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Franklin County Agricultural Society, Franklin County, Ohio, (the Society) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is a county agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded to direct the operation of an annual agricultural fair. The Society sponsors the week-long Franklin County Fair during July. During the fair, harness races are held. Franklin County is not financially accountable for the Society. The responsibility for management of the affairs of the Society is vested in the Board of Directors (the Board). The Board is made up of 21 directors serving staggered three-year terms, elected from the membership of the Society. Members of the Society must be residents of Franklin County and pay an annual membership fee to the Society.

Reporting Entity

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair and harness racing during fair week. Other year round activities at the fairgrounds including facility rental, track and stall rental, and community events including animal shows. The reporting entity does not include any other activities or entities of Franklin County, Ohio.

The Society's management believes these financial statements present all activities for which the Society is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

The Society maintains interest bearing checking and savings accounts.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2011 and 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

E. Income Tax Status

The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(v1). Management is not aware of any actions or events that would jeopardize the Society's tax status.

F. Race Purse

Stake races are conducted during the Franklin County Fair. The Society pays all sustaining and entry fees and the required portion of the cash received from the Ohio Fairs Fund as race purses to winning horses.

Sustaining and Entry Fees

Horse owners and the U.S. Trotting Association pay fees to the Society to qualify horses for entry into stake races. These payments must be made before a horse can participate in a stake race.

Ohio Fairs Fund

The State of Ohio contributes money to the Society from the Ohio Fairs Fund to help supplement race purse. See Note 3 for additional information.

G. Pari-mutuel Wagering

A pari-mutual wagering system totals the amounts wagered and adjusts the payoff to reflect the relative amount bet on different horses at various odds. The total amount bet (also known as the "handle"), less commission, is paid to bettors in accordance with the payoffs, as determined by the pari-mutuel wagering system.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2011 and 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

The Society contracts with a totalizer service to collect bets and provide the pari-mutuel wagering system.

Pari-mutuel wagering commission (commission) is the Society's share of total pari-mutuel wagers after payment of amounts to winning bettors. The commission is determined by applying a statutory percentage to the total amount bet and is reflected in the accompanying financial statements as Pari-mutuel Wagering Commission. See Note 3 for additional information.

2. CASH

The carrying amount of cash and cash equivalents at November 30, 2011 and November 30, 2010 are as follows:

	2011	2010
Demand Deposits	\$ 4,958	\$ 78,450

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Society, or (3) collateralized by the financial institution's public entity deposit pool.

3. HORSE RACING

State Support Portion of Purse

Ohio Fairs Fund money received to supplement the race purse for the years ended November 30, 2011 and 2010 was \$15,289 and \$17,778, respectively. These amounts are included within State Support on the accompanying financial statements.

Pari-mutuel Wagering

The Society does not record the total Amount Bet or the Payoff to Bettors in the accompanying financial statements. Rather, it records the pari-mutuel wagering commission and taxes which include the Society's share after paying winning bettors. The expenses of providing the pari-mutuel wagering system are called Tote Services. State taxes are also paid from Pari-mutuel wagering commissions and the amount remaining is the Society's net portion.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2011 and 2010

3. HORSE RACING- (Continued)

Pari-mutuel Wagering

	2011	2010
Total Amount Bet (Handle)	\$ 5,618	\$ 14,582
Less: Payoff to Bettors	4,454	11,548
Parimutuel Wagering Commissio:	1,164	3,034
Tote Service Commission	(304)	(1,331)
Set up Fees	(150)	(150)
State Tax	(176)	(464)
Society Portion	\$ 534	\$ 1,089

4. DEBT

The Society maintains a \$30,000 line of credit with a local credit union. The line had a \$24,278 balance as of November 30, 2011. Business assets were used as collateral for the line of credit.

5. RISK MANAGEMENT

The Society is exposed to various risks of property and casualty losses, and injuries to employees.

The Franklin County Commissioners provide general insurance coverage for all the buildings on the Franklin County Fairgrounds pursuant to Ohio Revised Code § 1711. 24.

The Society belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2011 and 2010

5. RISK MANAGEMENT-(Continued)

RISK POOL MEMBERSHIP-(Continued)

PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Assets	\$33,362,404	\$34,952,010
Liabilities	<u>(14,187,273)</u>	<u>(14,320,812)</u>
Net Assets	<u>\$19,175,131</u>	<u>\$20,631,198</u>

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Society's share of these unpaid claims collectible in future years is approximately \$21,374.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2011 and 2010

5. RISK MANAGEMENT-(Continued)

RISK POOL MEMBERSHIP-(Continued)

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2011</u>	<u>2010</u>
\$7,958	\$7,085

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Settled claims have not exceeded coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

The Village pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

6. LEASE/PURCHASE AGREEMENT

The Society entered into a lease/purchase agreement with the Franklin County Commissioners in 1986 for the land and facilities upon which the Franklin County Fair is held. The agreement extended to October 2, 2009 and was renewed annually through September 30, 2012 for \$1 per year.

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2011 and 2010**

6. LEASE/PURCHASE AGREEMENT- (Continued)

The lease for subsequent periods was being negotiated at the date of this report. The outstanding balance of \$299,469 has been deferred by mutual consent and does not represent a default under the lease agreement. The Society has an option to purchase the property for the deferred balance of \$299,469.

7. JUNIOR FAIR BOARD

The Junior Fair Board, which is comprised of 4-H and FFA representatives, is responsible for the Junior Fair Division activities of the Franklin County Fair. The Society disbursed \$12,193 for the year ended November 30, 2011 and \$12,898 for the year ended November 30, 2010 directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statements as Junior Fair Disbursement. The Society was reimbursed \$4,235 and \$4,413 for the years ended November 30, 2011 and 2010, respectively, by the Ohio Department of Agriculture for its support of Junior Club work. All Junior Fair Board activity is accounted for in a separate account by the Junior Fair Board. The accompanying financial statements do not include the activities of the Junior Fair Board. The Junior Fair Board's financial activity for the years ended November 30, 2011 and 2010 is as follows:

	2011	2010
Beginning Cash Balance	\$4,438	\$6,487
Receipts	38,847	35,133
Disbursements	(39,474)	(37,182)
Ending Cash Balance	\$ 3,811	\$4,438

8. JUNIOR LIVESTOCK SALE COMMITTEE

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to market or through the Society's auction. Monies to cover the cost of the auction are generated through a 3% commission and are retained by the Junior Livestock Committee. The accompanying financial statements do not include the activities of the Junior Livestock Committee. The Junior Livestock Committee's financial activity for the years ended November 30, 2011 and 2010 is as follows:

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2011 and 2010**

8. JUNIOR LIVESTOCK SALE COMMITTEE-(Continued)

	2011	2010
Beginning Cash Balance	\$716	\$3,605
Receipts	219,798	266,923
Disbursements	(218,983)	(269,812)
Ending Cash Balance	\$ 1,531	\$716

9. CONTINGENT LIABILITES/SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2013, the date which the financial statements available for issue. The review did not reveal any subsequent events which would warrant inclusion here.

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Franklin County Agricultural Society
Franklin County
P. O. Box 6
Hilliard, Ohio 43026

To the Board of Directors:

We have audited the financial statements of the Franklin County Agricultural Society, Franklin County, Ohio (the Society) as of and for the years ended November 30, 2011 and 2010, and have issued our report thereon dated March 8, 2013, wherein we noted the Society followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 Controls Over Financial Reporting

In planning and performing our audit, we considered the Society's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Society's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Society's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider to be material weaknesses.

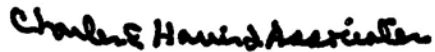
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-FRAG-01 and 02 described in the accompanying Schedule of Findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Society's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*.

The Society's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Society's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the audit committee, members of the Board of Directors and others within the Society. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Charles E. Harris" followed by a stylized flourish.

Charles E. Harris and Associates, Inc.
March 8, 2013

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY
Schedule of Findings
November 30, 2011 and 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2011-FRAG-01 - Material Weakness

Generally accepted auditing standards provide that management is charged with the responsibility of developing, implementing and maintaining an effective system of internal control. An effective internal control process safeguards assets against unauthorized acquisition, use or disposition. Segregation of duties is one control activity that is used to provide for an effective internal control process. Although small organizations such as the Society are limited by the number of employees available, segregation of duties or some other unsophisticated control is still practicable to a limited extent. Another internal control activity is the oversight provided by the board of directors. An active and effective governing board is important because of management's ability to override system controls.

The Society's procedures provided that the same employee/officer was responsible for making deposits, signing checks on multiple accounts, recording transactions, preparing financial reports and reconciling the bank accounts. In addition, the board or other officers did not require documents such as bank statements to be kept at the Society's office. Therefore, these records were not available to be scrutinized by other officers or board members, thus preventing the timely discovery of any misappropriation of funds. These documents had been available onsite in prior years.

Therefore, this employee/officer was able to misappropriate \$71,028 in 2011 and \$49,976 in 2010 by making unauthorized disbursements from both the Society and the Livestock Committee which were not detected by other employees, officers or directors responsible for management of the either organization. In addition, the same employee/officer was responsible for the defalcation of deposits in the amount of \$840 in 2011 and \$15,746 in 2010 from the Society. As disclosed in Note 8 the Livestock Committee's activity is not reflected in the financial statements of the Society.

This misappropriation of funds was concealed by failing to record or improperly recording transactions, transferring funds between various accounts to hide missing deposits while at the same time not giving the board or other officers access to bank records.

The financial statements and the Society's records have been adjusted to properly reflect all improperly recorded and omitted transactions.

We recommend the Society delegate the function of depositing cash and signing checks to other officers and we further recommend that bank reconciliations be prepared or at least reviewed by a member of the board not responsible for custody of cash, check signing or recording of transactions. This finding has been forwarded to the Auditor of State for review.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY
Schedule of Findings – (continued)
November 30, 2011 and 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2011-FRAG-01 - Material Weakness – (continued)

Management Response:

We did not receive a management response.

Finding Number 2011-FRAG-02 - Material Weakness

Proper internal control provides that the Society should maintain an accounting system and accounting records sufficient to enable it to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Contrary to this requirement, the Livestock Committee and the Junior Fair Board do not maintain ledgers summarizing their respective activities and, therefore, do not prepare financial statements.

The lack of financial statements for these entities does not allow the Society to provide effective oversight of the activities of these organizations.

We recommend the Livestock Committee and the Junior Fair Board maintain general ledgers and prepare financial statements at least annually.

Management Response:

We did not receive a management response.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid:
2009-FCAS-01	Material Weakness-Budget not prepared	Yes	



Dave Yost • Auditor of State

FRANKLIN COUNTY AGRICULTURAL SOCIETY

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
APRIL 8, 2014**