

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

AUDIT REPORT

FOR THE YEARS ENDED NOVEMBER 30, 2009 AND 2008

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



Dave Yost • Auditor of State

January 18, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

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

DAVE YOST
Auditor of State

This Page is Intentionally Left Blank.



Mary Taylor, CPA

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, prepared by Charles E. Harris & Associates, Inc., for the audit period December 1, 2007 through November 30, 2009. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 5, 2011

This Page is Intentionally Left Blank.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Audit Report
For the Years Ended November 30, 2009 and 2008

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, 2009	3
Statement of Receipts, Disbursements, and Change in Cash Balance For the Year Ended November 30, 2008	4
Notes to the Financial Statements	5 - 11
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	12 - 13
Schedule of Findings	14
Schedule of Prior Audit Findings	15

Rockefeller Building
614 West Superior Avenue #1242
Cleveland, OH 44113-1306
Office Phone - (216) 575-1630
Fax - (216) 436-2411

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, 2009 and 2008. 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.

Revisions to GAAP would require the Society to reformat its financial statement presentation and make other changes effective for the years ended November 30, 2009 and 2008. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Society has elected not to reformat its statements. Since the Society does not use GAAP to measure financial statement amounts, 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, 2009 and 2008, 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, 2009 and 2008, 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 of the Society, as of November 30, 2009 and 2008, and its cash receipts and disbursements and changes in fund cash balances for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Society to include Management's Discussion and Analysis for the years ended November 30, 2009 and 2008. The Society has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2010, 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 do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal controls 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.

November 22, 2010

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
For the Year Ended November 30, 2009**

	2009
Operating Receipts:	
Admissions	\$ 175,010
Privilege Fees	81,878
Rentals	158,313
Sustaining and Entry Fees	26,995
Parimutuel Wagering Commission	1,485
Other Operating Receipts	28,346
Total Operating Receipts	472,027
Operating Disbursements:	
Wages and Benefits	116,433
Utilities	62,505
Professional Services	104,871
Equipment and Grounds Maintenance	124,428
Race Purse	50,934
Senior Fare	12,982
Junior Fare	11,717
Other Operating Disbursements	59,263
Total Operating Disbursements	543,133
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(71,106)
Non-Operating Receipts (Disbursements):	
State Support	23,704
County Support	3,300
Donations/Contributions	20,069
Interest	1,978
Capital Outlay	(91,895)
Net Non-Operating Receipts (Disbursements)	(42,844)
Excess (Deficiency) of Receipts Over (Under) Disbursements	(113,950)
Cash Balance December 1, 2008	179,553
Cash Balance November 30, 2009	\$ 65,603

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, 2008**

	2008
Operating Receipts:	
Admissions	\$ 178,349
Privilege Fees	95,576
Rentals	150,996
Sustaining and Entry Fees	32,590
Parimutuel Wagering Commission	1,941
Other Operating Receipts	33,052
Total Operating Receipts	492,504
Operating Disbursements:	
Wages and Benefits	159,852
Utilities	59,290
Professional Services	114,637
Equipment and Grounds Maintenance	123,276
Race Purse	55,808
Senior Fare	15,073
Junior Fare	20,428
Other Operating Disbursements	70,280
Total Operating Disbursements	618,644
Excess (Deficiency) of Operating Receipts Over (Under) Operating Disbursements	(126,140)
Non-Operating Receipts (Disbursements):	
State Support	26,148
County Support	3,300
Donations/Contributions	18,683
Sale of Assets	100
Interest	5,260
Capital Outlay	(47,673)
Net Non-Operating Receipts (Disbursements)	5,818
Excess (Deficiency) of Receipts Over (Under) Disbursements	(120,322)
Cash Balance December 1, 2007	299,875
Cash Balance November 30, 2008	\$ 179,553

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, 2009 and 2008

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, 2009 and 2008

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, 2009 and 2008**

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, 2009 and November 30, 2008 are as follows:

	2009	2008
Demand Deposits	\$ 65,603	\$ 179,553

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, 2009 and 2008 was \$12,144 and \$13,848, 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, 2009 and 2008

3. HORSE RACING- (Continued)

Pari-mutuel Wagering

	<u>2009</u>	<u>2008</u>
Total Amount Bet (Handle)	\$ 11,876	\$ 18,889
Less: Payoff to Bettors	<u>9,417</u>	<u>1,037</u>
Parimutuel Wagering Commission	2,459	3,852
Tote Service Commission	(1,067)	(1,712)
Set up Fees	(150)	(200)
State Tax	<u>(369)</u>	<u>(540)</u>
Society Portion	<u>\$ 873</u>	<u>\$ 1,400</u>

4. DEBT

The Society maintains a \$30,000 line of credit with a local credit union which bears interest at 9.90%. The line had a zero balance as of November 30, 2009. Business assets were used as collateral for the line of credit.

5. SOCIAL SECURITY

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2009 and 2008, employees contributed 7.65% of their gross salaries. The Society contributed an amount equal to 7.65% of participant's gross salaries through November 30, 2009.

6. 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.

Governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2009 and 2008

6. RISK MANAGEMENT- (Continued)

Risk Pool Membership

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. 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, 2008, PEP retained \$350,000 for casualty claims and \$100,000 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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2008 and 2007 (the latest information available):

	2008	2007
Assets	\$35,769,535	\$37,560,071
Liabilities	(15,310,206)	(17,340,825)
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2009 and 2008

6. RISK MANAGEMENT- (Continued)

Risk Pool Membership

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Society's share of these unpaid claims collectible in future years is approximately \$8,863.

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.

The Society contributed \$38,401 in 2009 and \$48,780 in 2008 to PEP.

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of 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.

The Society insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

There has been no significant reduction in insurance coverage from the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

7. 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.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended November 30, 2009 and 2008

7. LEASE/PURCHASE AGREEMENT- (Continued)

The agreement extended to October 2, 2009 and was renewed through September 30, 2010 for \$1 and again through September 30, 2011 for an additional \$1, unless earlier terminated or extended. The rental fee of \$50,000 due October 1, 2009 and the then outstanding balance, which together totaled \$299,469, was 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.

8. CONTINGENT LIABILITES/SUBSEQUENT EVENTS

Management believes there are no pending claims or lawsuits.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland, OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

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

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, 2009 and 2008, and have issued our report thereon dated November 22, 2010, 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 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 auditing 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 a deficiency in internal control over financial reporting, that we consider a material weakness.

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 entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-FCAS-01 as described in the accompanying schedule of findings to be a material weakness.

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 grants 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 we must report under *Government Auditing Standards*.

Management's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Society's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris and Associates, Inc.

November 22, 2010

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY, OHIO
SCHEDULE OF FINDINGS
November 30, 2009 and 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding 2009-FCAS-01: Material Weakness

An Agricultural Society is not required to follow the budgetary statutes within ORC Chapter 5705. However, the Uniform Agricultural Society Accounting System User Manual states:

- Each agricultural society shall prepare an annual budget of its revenues and expenses. The budget shall cover the period December 1st through November 30th.
- The budget shall be considered and approved by the Board of Directors prior to the first day of the ensuing fiscal year. The budget shall be prepared at the level of the accounts from the chart of accounts, which are used by the society.
- Budgeted revenues and expenses should be distributed to the month they are likely to be received and expended. The distributed monthly budget should be integrated into the society's accounting system.
- Actual revenues and expenses shall be compared to budgeted amounts each month, and reported to and reviewed by the Board of Directors. The Board of Directors shall determine the reasons why actual expenses exceed or are less than budgeted expenditures by making inquiries to fair management about the reasons.

The budget is not legally binding unless the Board adopts a resolution making the budget legally binding. If no such resolution is adopted, the failure to monitor budgeted revenues and expenses is an internal control weakness, but not a noncompliance violation.

For the years ending November 30 2009 and 2008, the Society did not prepare, at the proper level of accounts, a budget. Therefore, the Board or Directors could not approve or monitor the budget to ensure actual revenues and expenditures are appropriate and any significant variances are investigated and explained by the Society's management.

We recommend the Society establish a budget. The budget should cover the period of December 1st through November 30th, the Society's fiscal year. The budget should also be approved by the Board of Directors prior to the 1st day of the fiscal year. The budget shall be prepared at the level of accounts used by the Society and compared, on a monthly basis, to actual revenues and expenditures. Any significant variances in budget versus actual amounts need to be explained by the Society management to the Board of Directors.

Management Response

The Board has decided to start a formal budget process this year. We have always done a budget related to the fair and are working on an overall budget for 2011. This should have the process in place to have the 2012 budget done at the start of the fiscal year.

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid:
2007-FCAS-01	Material Weakness-Budget not prepared	No	Not Corrected, repeated as Item 2009-FCAS-01



Mary Taylor, CPA
Auditor of State

FRANKLIN COUNTY AGRICULTURE 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
JANUARY 18, 2011