



**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 1, 2011 THROUGH NOVEMBER 30, 2012



Dave Yost • Auditor of State

FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANT'S REPORT

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

To the Board of Directors:

We have audited the accompanying financial statement of Franklin County Agricultural Society, Franklin County, Ohio (the Society) as of and for the year ended November 30, 2012. This financial statement is the responsibility of the Society's management. Our responsibility is to express an opinion on this financial statement 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.

As described more fully in Note 1, the Society has prepared this financial statement 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 fund the accompanying financial statement present, GAAP require presenting an entity wide statement 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 statement do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Governments to reformat their statements. The Village 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 statement referred to above for the year ended November 30, 2012 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, 2012, or its changes in financial position or cash flows for the years then ended.

Also, in our opinion, the financial statement referred to above present fairly, in all material respects, the fund cash balance as of November 30, 2012 of Franklin County Agricultural Society, Franklin County, Ohio and its cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2014, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

March 5, 2014

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2012**

	2012
Operating Receipts:	
Admissions	\$ 166,127
Privilege Fees	80,311
Rentals	173,347
Sustaining and Entry Fees	12,275
Parimutuel Wagering Commission	184
Other Operating Receipts	45,346
Total Operating Receipts	477,590
Operating Disbursements:	
Wages and Benefits	102,504
Entertainment	67,912
Utilities	59,986
Equipment and Grounds Maintenance	45,507
Professional Services	45,017
Race Purse	30,353
Advertising	19,013
Junior Fair	10,403
Senior Fair	8,924
Other Operating Disbursements	58,639
Total Operating Disbursements	448,258
Excess of Operating Receipts Over Operating Disbursements	29,332
Non-Operating Receipts (Disbursements):	
State Support	18,729
County Support	3,300
Donations/Contributions	6,274
Interest & Other Non-Operating Receipts	225
Capital Outlay	(575)
Loan proceeds	49,993
Loan payments	(74,271)
Other Non-Operating Disbursements	(1,571)
Unauthorized Disbursements	(28,919)
Net Non-Operating Receipts (Disbursements)	(26,815)
Excess of Receipts Over Disbursements	2,517
Cash Balance December 1, 2011	4,958
Cash Balance November 30, 2012	\$ 7,475

See Accompanying Notes to the Financial Statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012**

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 eight day 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 include 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. As reported in notes 6 and 7, the Junior Fair Board and the Junior Fair Livestock Sale Committee operate under the Federal identification number of the Society. These two groups information is presented in the notes to these financial statements and is not included in the financial statement of the Society.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of the State of Ohio, 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 of Ohio.

C. Cash

The Society maintains an interest bearing savings account.

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 exempt status.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the owners of the 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-mutuel 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 the bettors in accordance with the payoffs, as determined by the pari-mutuel wagering system.

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

Pari-mutuel Wagering Commission (the 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, 2012, was \$7,475. Deposits are either insured by the Federal Deposit Insurance Corporation.

3. HORSE RACING

State Support of Purse

Ohio Fairs Fund money received to supplement the race purse for the year ended November 30, 2012, was \$14,486. These amounts are included within the State Support on the accompanying financial statement.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012
(Continued)**

3. HORSE RACING (Continued)

Pari-mutuel Wagering

The Society does not record the total amount bet or the payoff to bettors in the accompanying financial statement. 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 which was \$184 for the 2012 Fair.

4. DEBT

The Society maintained a \$30,000 line of credit with a local credit union. The line had a zero balance as of November 30, 2012. Business assets were used as collateral for the line of credit. The line of credit was used in December of 2012 and was paid off in December of 2012. The line of credit is no longer in force.

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 Section 1711.24.

The Society belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provided 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, 2012, 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 obligations of the respective government.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012
(Continued)**

5. RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles in the United States of America, and reported the following assets, liabilities and Net Position at December 31, 2012.

	<u>2012</u>
Assets	\$34,389,569
Liabilities	(14,208,353)
Net Position	\$20,181,216

At December 31, 2012 the liabilities above include approximately \$13.1 million of estimated claims payable. The assets above also include approximately \$12.6 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future as of December 31, 2012. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the Society's share of these unpaid claims collectible in future years is approximately \$26,000.

Based upon discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay the 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>2012</u>
\$30,386

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 the 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 Society pays the Ohio Bureau of Workers Compensation a premium based on a rate per \$100 of wages. The rate is calculated based upon the accident history and administrative costs.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012
(Continued)**

6. LEASE/PURCHASE AGREEMENT

The Society entered into a lease/purchase agreement with the Franklin County Commissioners in 1986 for land used by the Society for parking. The agreement extended to October 2, 2009, and was renewed annually through September 30, 2013, for \$1 per year. 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, FFA and Boy and Girl Scouts representatives, is responsible for the Junior Fair Division activities of the Franklin County Fair. The Society disbursed \$10,403 for the year ended November 30, 2012, directly to vendors to support Junior Fair activities. These expenses are reflected as a disbursement in the accompanying financial statement as Junior Fair Disbursement. The Society was reimbursed \$4,243 for the year ended November 30, 2012, by the Ohio Department of Agriculture for its support of Junior Fair work. Junior Fair Board activity is accounted for in a separate account by the Junior Fair Board. The Junior Fair Board operates under the Federal identification number of the Society. The accompanying financial statement does not include the activities of the Junior Fair Board.

The Junior Fair Board's financial activity for the year ended November 30, 2012, was as follows:

Cash balance November 30, 2011	
As previously reported	\$3,811
Adjustment for outstanding checks	(709)
Balance as adjusted	<u>3,102</u>
Receipts	37,935
Disbursements	(38,282)
Cash balance November 30, 2012	<u>\$2,865</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012
(Continued)**

8. JUNIOR FAIR LIVESTOCK SALE COMMITTEE

The Junior Fair Livestock Sale Committee (Sale Committee) is a committee charged with running the Junior Fair Livestock Auction. This auction is held on the final day of the fair. Children may sell their animals directly to market or through the Sale Committee's auction. Moneys to cover the cost of the auction are generated through 3% commission and are retained by the Sale Committee. The Committee operates under the Federal identification number of the Society. The accompanying financial statement does not include activities of the Sale Committee. The Sale Committee's financial activity for the year ended November 30, 2012, was as follows:

Cash balance (overdraft) November 30, 2011	
As previously reported	\$1,531
Adjustment for outstanding checks	(6,798)
Balance as adjusted	(5,267)
Receipts	156,638
Disbursements	(155,665)
Unauthorized disbursements reimbursed, net	508
Cash balance (overdraft) November 30, 2012	<u>(\$3,786)</u>

9. CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 5, 2014, and the review did not reveal any subsequent events which would warrant inclusion here.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANT'S 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 statement of Franklin County Agricultural Society, Franklin County, Ohio (the Society) as of and for the year ended November 30, 2012 and have issued our report thereon dated March 5 31, 2014. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control 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 a certain 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 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 finding 2012-01 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 statement 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings 2012-02.

We also noted certain matters not requiring inclusion in this report that we reported to the Society's management in a separate letter dated March 5, 2014.

We intend this report solely for the information and use of management, the Board of Director's, and others within the Society. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

March 5, 2014

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY**

**SCHEDULE OF AUDIT FINDINGS
NOVEMBER 30, 2012**

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

FINDING NUMBER 2012-01

Material Weakness

Bank to Book Reconciliations and Monitoring

Strong monitoring practices of financial activities are the responsibility of management and Society's Governing Authority and essential to ensure proper financial reporting. A bank to book reconciliation should be performed monthly and reconciling items should be identified and adjusted at the time the reconciling item or error is discovered. Reconciliations should include all bank accounts and book balances. Additionally, management and Society's Governing Authority should review the bank to book reconciliation and monthly financial reports of financial activity of the Society fund balance reports, and bank to book reconciliations. Evidence of these reviews should be documented.

Although it appeared monthly reconciliations were prepared for fiscal year 2012, the financial activity supporting the reconciliations was falsified. Accurate and complete reconciliations of the bank activity to the Society's accounting records throughout the fiscal year including evidence for reconciling items such as outstanding checks, deposit in transit or any other adjusting factors was never performed. In addition, there were no controls procedures in place to ensure accurate recording and reporting of the financial activity in the accounting records or financial statements. A new finance director was hired after fiscal year end. This finance director reconstructed the Society's fiscal year end 11-30-12 financial activity in the accounting records, prepared the accompanying financial statements and reconciled the accounting record's fund balance to the bank activity. Further this resulted mis appropriation of assets documented in Finding 2012-02.

As a result, inaccurate financial reports were provided to the Society's Governing Authority to aid in management decisions, which lead to errors and irregularities occurring which went undetected by management. This could also have resulted in material misstated financial statements, including the related footnotes.

We recommend the Society's reconcile all bank accounts to the books on a timely basis. In this process all reconciling items or errors should be identified and included on the face of the reconciliation. All unreconciled balances should be researched in order to find the known source of the error. If applicable, all errors should be corrected on the Society's ledgers following the completion of the reconciliation. As a monitoring control, we recommend the monthly bank reconciliation be reviewed and approved by an individual with appropriate fiscal authority and by Society's Governing Authority Council and that evidence of these reviews and approvals be documented on the reconciliations and supportive documentation as well as the minutes.

Further, we recommend the Society's Governing Authority ensure that strong monitoring practices of the Society's financial activities are implemented and operating effectively. This includes, but is not limited to, management and the Society reviewing monthly financial reports and ensuring that they accurately represent underlying actual financial activities and cash balances. While evidence of Governing Authority's reviews is documented in the minutes, evidence of management's reviews should also be documented by having the managers sign and date the reports that they reviewed.

Officials' response: We did not receive a response from Officials to this finding.

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY**

**SCHEDULE OF AUDIT FINDINGS
NOVEMBER 30, 2012
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2012-02

Expenditure of Public Funds/Proper Public Purpose – Finding for Recovery

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a proper public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose provides that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

During fiscal years 2012, 2011 and 2010, former Treasurer, Dave Brobst, was responsible for depositing all revenues collected and signing checks on behalf of the Franklin County Agricultural Society and the Livestock Sales Committee. During his tenure as treasurer, Mr. Brobst ultimately failed to appropriately deposit \$61,068 collected on behalf of the Society and Livestock Committee. The following table documents amounts Mr. Brobst subsequently paid back into the Livestock Committee’s bank accounts. Some of the collections initially believed to be misappropriated assets were found to have been improperly deposited back into the Livestock Committee’s bank accounts during the audit period. These assets are referred to in the table as Other Credits, which total \$32,646. Additionally, the table documents the total amount of illegal expenditures paid either directly to Mr. Brobst, wire transferred to his family farm, or wire transferred to John Deere for personal expenses. There was no documentation that the Society’s board approved these expenditures or that they were for an otherwise proper public purpose. Additionally, the table lists other bank fines and fees accumulated as a result of Mr. Brobst’s misappropriation of Society assets. As reflected in the table, under audit Mr. Brobst repaid \$187,410, of which \$125,225 was repaid outside the audit period, including \$75,000 repaid in fiscal year 2013 and \$50,225 repaid in fiscal year 2014.

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY**

**SCHEDULE OF AUDIT FINDINGS
NOVEMBER 30, 2012
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2012-02 (Continued)

Misappropriated Assets	\$	220,056
1 Undeposited Collections or Collected but unaccounted for	\$	61,068
2 Checks Written to Treasurer/Illegal Expenditures	\$	5,698
3 Web Transfers to Treasurer's Farm Plan/Illegal Expenditures	\$	30,966
4 Web Transfers to John Deere/Illegal Expenditures	\$	114,023
5 Fines and other Bank Fees incurred while Misappropriation of Assets	\$	8,301
Total Misappropriated Assets	\$	220,056
Repayments	\$	187,410
Checks Written from former Treasurer Mr. Brost, to Agricultural Society or Live Stock/Sales Committee	\$	187,410
Total Repayments	\$	187,410
Other Credits	\$	32,646
Undeposited Collections found in other bank accounts	\$	32,646
Total Other Credits	\$	32,646

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money misappropriated, collected and unaccounted for and illegally expended is hereby issued against Dave Brobst in the amount of \$220,056. As of March 3, 2014, taking into consideration the repayment made by Dave Brobst, as well as the \$32,646 credit noted above, the finding for recovery is considered repaid in full and the funds have been deposited and recorded as a receipt of the Franklin County Agricultural Society. The Auditor of State was not able to determine if the total repayments were all due to the Franklin County Agricultural Society, where the Treasurer has posted all repayments, and therefore, it is recommended the Board of Directors determine if any of these repayments are due to Junior Fair Board or the Junior Fair Livestock sale Committee.

Officials' response: We did not receive a response from Officials to this finding.

**FRANKLIN COUNTY AGRICULTURAL SOCIETY
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Financial Reporting and Segregation of duties	No	Repeated
2011-002	Lack of accounting records	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**