OHIO EXPOSITIONS COMMISSION
(A Component Unit of the State of Ohio)

Basic Financial Statements
(With Independent Auditors' Report Thereon)

For the Years Ended June 30, 2005 and 2004

Auditor of State
Betty Montgomery

Board of Commissioners
Ohio Expositions Commission
717 E. 17th Ave.
Columbus, OH 43211

We have reviewed the *Independent Auditor's Report* of the Ohio Expositions Commission, Franklin County, prepared by Schneider Downs & Co., Inc., for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

December 2, 2005

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INDEPENDENT AUDITORS REPORT

Ohio Expositions Commission and
Betty Montgomery, Auditor of State
Columbus, Ohio

We have audited the accompanying basic financial statements of the Ohio Expositions Commission (the Commission), a component unit of the State of Ohio, as of and for the years ended June 30, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the management of the Commission. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of June 30, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Government Auditing Standards*, we have also issued our report dated October 14, 2005 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on Pages 2 through 6 is not a required part of the basic financial statement but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Schneider Downs & Co., Inc.

Columbus, Ohio
October 14, 2005

Schneider Downs & Co., Inc.
www.schneiderdowns.com

1133 Penn Avenue
Pittsburgh, PA 15222-4205
TEL 412.261.3644
FAX 412.261.4876

One Columbus, Suite 1500
10 West Broad Street
Columbus, OH 43215-3496
TEL 614.621.4060
FAX 614.621.4062

IGAF

OHIO EXPOSITIONS COMMISSION
(A COMPONENT UNIT OF THE STATE OF OHIO)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

The discussions and analysis of the Ohio Expositions Commission's (the Commission) financial performance provides an overall review of the financial activities for the year ended June 30, 2005. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the auditors' opinion page, notes to the basic financial statements, and the basic financial statements to enhance their understanding of the Commission's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999. Certain comparative information between the current and prior year is required to be presented, and is presented in the MD&A.

Using This Financial Report

This annual report consists of two parts, the MD&A and the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets and a statement of cash flows. Since the Commission uses only one fund for its operations, the entity-wide and the fund presentations information is the same.

Financial Highlights

Key financial highlights for 2005 are as follows:

- Total net assets increased $3,896,609, which represents a 10% increase from 2004.
- Total assets increased $4,609,320, which represents a 10% increase from 2004. This was due to an increase in cash on hand of $421,213, and increase of intergovernmental receivables of $560,228 and a net increase in capital assets of $3,534,720.
- Overall liabilities increased $712,711, with the largest part of this increase coming in current liabilities, mainly due to a $526,966 increase in accounts payable. The large increase in accounts payable at the end of 2005 was due in part to the increase in on-going capital projects.
- Fair revenues increased by $142,217 in fiscal year 2005 (2004 Ohio State Fair) mainly due to the Fair having phenomenal weather. The result was near record revenue from sources (admissions, midway percentages, food and beverage percentages, etc.).
- Operating expenses increased $995,001 during the year mainly due to a large increase in payroll and fringe benefits, which amounted to $668,615.
- State assistance decreased $5,182. The state continued to make cuts in the General Revenue Fund appropriated to the Fair.

Statement of Net Assets

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

Table 1 provides a summary of the Commission's net assets at June 30, 2005 and 2004:

Table 1
Net Assets

	2005	2004
Assets:		
Current Assets	$ 3,436,497	$ 2,361,897
Capital Assets, Net	45,726,687	42,191,967
Total Assets	$ 49,163,184	$ 44,553,864
Liabilities:		
Current Liabilities	$ 4,068,654	$ 3,614,550
Non-Current Liabilities	1,897,238	1,638,631
Total Liabilities	$ 5,965,892	$ 5,253,181
Net Assets:		
Invested in Capital Assets	$ 45,726,687	$ 42,191,967
Restricted Net Assets	444,170	449,850
Unrestricted Net Assets	(2,973,565)	(3,341,134)
Total Net Assets	$ 43,197,292	$ 39,300,683

Current assets increased $1,074,600, which represents a 45% increase from 2004. The main items that caused this increase are the increase in the amount of cash on hand at the end of the year as well as the increase in intergovernmental receivables; this is due to an increase in capital project activity. The increase in the amount of cash on hand is a direct result of the excellent fair in 2004. Non-current assets increased $3,534,720, which represents an 8.4% increase due to an increase in capital assets, which is almost solely funded with capital acquisitions for projects through the Capital Fund 026. The main capital asset additions during Fiscal Year 2005 included restroom renovations and water line upgrades.

Overall liabilities increased $712,711, which represents a 14% increase from 2004. The largest part of the increase is mainly due to a $526,966 increase in accounts payable. The large increase in accounts payable at the end of 2005 was due in large part to the large increase in on-going capital projects.

The overall effect of the above change in assets and liabilities resulted in the Commission's' net assets increasing $3,896,609, which represents a 10% increase from 2004.

Table 2 shows a summary of the Statements of Revenues, Expenses and Changes in Net Assets for the years ended 2005 and 2004.

Table 2
Revenues, Expenses and Changes in Net Assets

	2005	2004
Operating Revenues:		
Fair Sources	$ 7,688,850	$ 7,546,363
Non-Fair Sources	5,218,313	5,134,267
Total	12,906,893	12,680,630
Operating Expenses:		
Payroll and Fringe Benefits	5,513,065	4,844,450
Purchased Services	2,841,805	2,723,734
Depreciation	2,217,372	2,185,827
Other Operating Expenses	2,366,494	2,180,334
Utilities	1,527,345	1,410,233
Maintenance and Repair	717,447	843,949
Total Operating Expenses	15,183,528	14,188,527
Operating Loss	(2,276,635)	(1,507,897)
Non-Operating Revenues - State Assistance	431,983	437,165
Loss on Disposal of Equipment	-	(40,048)
Other Sources - State Capital Contributions	5,741,261	3,575,219
Change in Net Assets	3,896,609	2,464,439
Net Assets - Beginning of Fiscal Year	39,300,683	36,836,244
Net Assets - End of Fiscal Year	$ 43,197,292	$ 39,300,683

Total operating revenues increased $226,263 (or 2%) from 2004 to 2005, mainly due to an increase in Fair revenues from $7,546,363 in 2004 to $7,688,580. In an effort to increase the profitability of the Fair, management made a decision to reduce the number of days in the 2004 Fair from 17 to 12. Even with this reduction in the number of days in the Fair, revenues from the Fair increased mainly due to exceptional weather and an increase in paid shows.

Operating expenses increased $995,001 (or 7%) during the year mainly due to increases in payroll and fringe benefits and in purchased services. The increase in payroll and fringe benefits of $668,615 (or 25%) was due to increases in the workers compensation liability and an increase in staff levels. The increase in purchased services of $118,071 (or 4%) was made up largely by the increase in sponsorship expenses, and the additional expenses were incurred as a result of a corresponding increase in sponsorship revenue. Theses increases in operating expenses were offset by a decrease in expenses related to the Fair of approximately $142,000 as a result of the reduction in the number of days in the Fair.

The operating loss for the year increased by $768,738 (or 51%), which is mainly due to the above-mentioned payroll and fringe benefits expense and purchased personal service expense.

State capital contributions increased from $3,575,219 to $5,741,261 during the year, which is mainly a function of the completion of capital projects that are paid out of the Capital Fund 026. The Commission makes a request for these capital expenditures every two years through the capital budgeting process of the State of Ohio. The projects are then prioritized, bid out and completed according to the State guidelines as provided by the Department of Administrative Services and the Office of Budget and Management.

Management Operational Analysis

At June 30, 2005 the Commission had total assets of $49,163,184 and total net assets of $43,197,292. The largest portion of the Commission's assets is comprised of the capital assets that make up this large, multi-event facility. The agency mission is "to professionally operate and maintain for public benefit a year-round, service oriented event facility and produce the annual Ohio State Fair."

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

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

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

The Commission continues to face challenges in the area of featured entertainment for the Fair. With increased local competition for big-name entertainment, from other government supported agencies (Columbus Zoo, Schottenstein Center and Cooper Stadium) and private venues (Nationwide Arena and Germain Amphitheater), it had become increasingly difficult to fill the Celeste Center with entertainment for a 17 day fair. Management is currently looking into different scenarios of presenting featured entertainment to the public with the goal of providing a high level of entertainment and maintaining fiscal responsibility. The most significant change made by management was the decision to go to a 12-day fair in Fiscal Year 2005. This effort was made with the projection of maintaining similar levels of revenue while decreasing the expenses of operating a 17 day fair with the goal to make the Fair a revenue-producing event.

The Commission also continues to face increasing challenges on non-Fair events as well. The event facility business has become extremely competitive, especially in the Columbus area. In just the past seven years, Columbus has constructed a modern convention center and a 20,000-seat amphitheater. There are two ultra-modern arenas competing for events presently held at the Ohio Expo Center, as well as any new ones. Because the Commission is financially dependent on these non-Fair events, we must address our facility's image if we are to remain competitive in this marketplace. Our facility is old and in need of repair, but it is imperative that we also act to improve the appearance of the Ohio Expo Center and the impression it makes on our guests and potential contractors. The facelift to improve and modernize our entire gate and access structures will continue with the capital improvements project to upgrade and modernize the 17th Avenue entrance to the Ohio Expositions Center as well as the electrical upgrade project.

Contacting the Ohio Expositions Commission

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

OHIO EXPOSITIONS COMMISSION
(A COMPONENT UNIT OF THE STATE OF OHIO)

STATEMENT OF NET ASSETS
JUNE 30, 2005 AND 2004

ASSETS	2005	2004
Current assets:		
Cash and cash equivalents (Note 3)	$ 1,420,321	$ 999,108
Restricted cash and cash equivalents (Note 3)	444,170	449,850
Accounts receivable	243,881	110,472
Intergovernmental receivable	1,065,628	505,400
Prepaid fair expenses	262,497	297,067
Total current assets	3,436,497	2,361,897
Non-current assets:		
Capital assets, net of accumulated depreciation (Note 4)	45,726,687	42,191,967
Total non-current assets	45,726,687	42,191,967
Total assets	49,163,184	44,553,864
LIABILITIES		
Current liabilities:		
Accounts payable	1,339,094	812,128
Accrued liabilities	357,661	323,586
Obligation under capital leases (Note 5)	92,333	103,311
Deferred income	1,710,196	1,881,099
Due to others (Note 3)	444,170	449,850
Workers' compensation liability	125,200	44,576
Total current liabilities	4,068,654	3,614,550
Non-current liabilities:		
Compensated absences (Note 8)	553,153	493,055
Obligation under capital leases (Note 5)	96,626	188,916
Workers' compensation liability	1,247,459	956,660
Total non-current liabilities	1,897,238	1,638,631
Total liabilities	5,965,892	5,253,181
NET ASSETS		
Invested in capital assets	45,726,687	42,191,967
Restricted for harness racing	444,170	449,850
Net assets - beginning of fiscal year		
Unrestricted	(2,973,565)	(3,341,134)
Total net assets	$ 43,197,292	$ 39,300,683

See accompanying notes to basic financial statements.

OHIO EXPOSITIONS COMMISSION
(A COMPONENT UNIT OF THE STATE OF OHIO)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	2005	2004
Operating revenues:		
Fair sources	$ 7,688,580	$ 7,546,363
Nonfair sources	5,218,313	5,134,267
Total	12,906,893	12,680,630
Operating expenses:		
Payroll and fringe benefits	5,513,065	4,844,450
Purchased services	2,841,805	2,723,734
Depreciation	2,217,372	2,185,827
Utilities	1,527,345	1,410,233
Maintenance and repair	717,447	843,949
Premiums	710,645	819,594
Printing and advertising	475,227	462,227
Supplies and materials	435,026	313,580
Meals	233,058	179,479
Rentals	174,900	200,702
Communication and postage	145,826	39,841
Motor vehicle	122,110	75,271
Refunds	29,005	35,904
Travel	20,075	25,284
Contracted commissions	17,622	22,427
Court of claims	3,000	6,025
Total operating expenses	15,183,528	14,188,527
Operating loss	(2,276,635)	(1,507,897)
Nonoperating revenues - state assistance	431,983	437,165
Loss on disposal of equipment	-	-
Loss on disposal of equipment	-	(40,048)
Loss before capital contributions	(1,844,652)	(1,110,780)
State capital contributions	5,741,261	3,575,219
Change in net assets	3,896,609	2,464,439
Net assets - beginning of fiscal year	39,300,683	36,836,244
Net assets - end of fiscal year	$ 43,197,292	$ 39,300,683

See accompanying notes to basic financial statements.

OHIO EXPOSITIONS COMMISSION
(A COMPONENT UNIT OF THE STATE OF OHIO)

STATEMENT OF NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	2005	2004
Cash flows from operating activities:		
Cash received from fair sources	$ 7,468,027	$ 7,659,689
Cash received from nonfair sources	4,930,485	4,974,224
Cash received from other sources	204,067	185,421
Cash received for harness racing funds	444,170	449,850
Cash payments for harness racing funds	(449,850)	(459,857)
Cash payments for payroll and personal services	(7,721,880)	(7,848,934)
Cash payments for utilities and maintenance	(2,292,338)	(2,231,992)
Cash payments for other services and charges	(2,485,032)	(2,420,062)
Net cash provided by operating activities	97,649	308,339
Cash flows from noncapital financing activities:		
State operating assistance received	431,983	437,165
Net cash provided by noncapital financing activities	431,983	437,165
Cash flows from capital and related financing activities:		
State capital assistance received	5,741,261	3,575,219
Acquisition and construction of equipment	(5,752,092)	(3,592,710)
Payments on capital leases	(103,268)	(100,422)
Net cash used in capital and related financing activities	(114,099)	(117,913)
Net increase in cash and cash equivalents	415,533	627,591
Cash and cash equivalents, beginning of year	1,448,958	821,367
Cash and cash equivalents, end of year	1,864,491	1,448,958
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	(2,276,635)	(1,507,897)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	2,217,372	2,185,827
(Increase)/decrease in assets:		
Accounts receivable	(133,409)	(29,630)
Prepaid fair expenses	34,570	(147,177)
Net assets - beginning of fiscal year		
Increase/(decrease) in liabilities:		
Accounts payable	(33,263)	(119,470)
Accrued liabilities	94,173	7,882
Deferred income	(170,903)	163,053
Due to others	(5,680)	(10,007)
Workers' compensation liability	371,424	(234,242)
Total adjustments	2,374,284	1,816,236
Net cash provided by operating activities	$ 97,649	$ 308,339

SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES

During 2005 and 2004, capital asset additions of $1,065,628 and $505,000, respectively, were financed with accounts payable.

During 2004 capital assets were disposed of, resulting in a $40,048 loss.

See accompanying notes to basic financial statements.

NOTE 1 - ORGANIZATION AND REPORTING ENTITY

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

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

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

Reporting Entity - The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. This statement requires that financial statements of the reporting entity include all of the organizations, activities, functions and component units for which the reporting entity is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the reporting entity's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the reporting entity. The Commission does not have financial accountability over any entities.

The financial statements of the Commission are included within the State's "Reporting Entity," as the State can impose its will on the Commission, and there is a financial benefit or financial burden relationship between the State and the Commission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Allowance for Doubtful Accounts - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible accounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. There was no allowance for doubtful accounts as of June 30, 2005 and 2004.

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

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Net Assets - Equity is displayed in three components as follows:

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

- Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Commission's policy to use restricted resources first, then unrestricted resources when they are needed.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

NOTE 3 - CASH

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

Public depositories must provide security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by specific government securities. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments maintained in the Commission's name. During 2005 and 2004, the Commission complied with the provisions of these statutes.

Deposits - The majority of the Commission's cash is in the State of Ohio Regular Account, invested by the Treasurer of State. At June 30, 2005 and 2004, the carrying amount of the Commission's deposits with the Treasurer of State was approximately $1,860,000 and $1,445,000 respectively. In addition, the Commission had approximately $4,000 of cash on hand at June 30, 2005 and 2004.

Restricted Cash - At June 30, 2005, approximately $444,000 was collected from harness racing participants registering for the 2005 Fair; and at June 30, 2004, approximately $450,000 was collected from harness racing participants registering for the 2004 Fair. These monies are held in the State of Ohio Regular Account and will be remitted to others who manage the Fair harness racing event.

Credit Risk – All risk disclosures required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures,* are expected to be found in the State's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2005 was as follows:

	Balance July 1, 2004	Additions	Deletions and Transfers	Balance June 30, 2005
Capital Assets Not Being Depreciated:				
Land	$ 2,930,999	-	-	$ 2,930,999
Construction in Progress	3,945,743	$ 5,741,261	$ 800,820	8,886,184
Total Capital Assets Not Being Depreciated	6,876,742	5,741,261	800,820	11,817,183
Capital Assets Being Depreciated:				
Land Improvements	4,200,759	376,622	545,847	4,031,534
Buildings and Improvements	59,255,573	252,922	36,641	59,471,854
Equipment, Furniture and Fixtures	1,941,781	182,107	16,885	2,107,003
Vehicles	44,404	-	-	44,404
Total Capital Assets Being Depreciated	65,442,517	811,651	599,373	65,654,795
Less Accumulated Depreciation:				
Land Improvements	2,052,045	168,594	545,847	1,674,792
Buildings and Improvements	26,695,114	1,861,973	36,641	28,520,446
Equipment, Furniture and Fixtures	1,337,398	186,139	16,885	1,506,652
Vehicles	42,735	666	-	43,401
Total Accumulated Depreciation	30,127,292	2,217,372	599,373	31,745,291
Total Capital Assets Being Depreciated, Net	35,315,225	(1,405,721)	-	33,909,504
Total Capital Assets, Net	$ 42,191,967	$ 4,335,540	$ 800,820	$ 45,726,687

NOTE 4 - CAPITAL ASSETS (Continued)

Capital assets activity for the year ended June 30, 2004 was as follows:

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Capital Assets Not Being Depreciated:				
Land	$ 2,930,999	-	-	$ 2,930,999
Construction in Progress	1,968,437	$ 3,575,219	$ 1,597,913	3,945,743
Total Capital Assets Not Being Depreciated	4,899,436	3,575,219	1,597,913	6,876,742
Capital Assets Being Depreciated:				
Land Improvements	3,947,960	252,799	-	4,200,759
Buildings and Improvements	58,066,959	1,286,984	98,370	59,255,573
Equipment, Furniture and Fixtures	2,052,251	75,621	186,091	1,941,781
Vehicles	44,404	-	-	44,404
Total Capital Assets Being Depreciated	64,111,574	1,615,404	284,461	65,442,517
Less Accumulated Depreciation:				
Land Improvements	1,899,187	152,858	-	2,052,045
Buildings and Improvements	24,898,560	1,856,167	59,613	26,695,114
Equipment, Furniture and Fixtures	1,346,062	176,136	184,800	1,337,398
Vehicles	42,069	666	-	42,735
Total Accumulated Depreciation	28,185,878	2,185,827	244,413	30,127,292
Total Capital Assets Being Depreciated, Net	35,925,696	(570,423)	40,048	35,315,225
Total Capital Assets, Net	$ 40,825,132	$ 3,004,796	$ 1,637,961	$ 42,191,967

Construction in progress at June 30, 2005 and 2004 consisted of the Restroom Renovation Project, the Electric and Lighting Upgrade Project, and the Facility Improvement Plan.

The construction is funded by the State and recorded as capital contributions on the Commission's financial statements.

NOTES 5 - CAPITAL LEASES

The Commission is leasing certain equipment under a capital lease. The interest rate for the capital lease was approximately 4.64% at June 30, 2005. The net book value of this equipment at June 30, 2005 was approximately $160,000.

Changes in the capital lease for the years ended June 30, 2005 and 2004 were as follows:

	2005	2004
Beginning balance	$ 292,227	$ 392,649
Additions	-	-
Deductions	(103,268)	(100,422)
Ending balance	$ 188,959	$ 292,227
Amount due within one year	$ 92,333	$ 103,311

Future minimum payments, by fiscal year, and in the aggregate, under these leases with initial or remaining terms of one year or more, consisted of the following at June 30, 2005:

Year	Capital Leases
2006	$ 101,150
2007	101,150
Total minimum lease payments	202,300
Less amount representing interest	13,341
Present value of minimum lease payments under capital leases	$ 188,959

NOTE 6 - LEASED PROPERTY

In May 1998, the Commission entered into an operating lease with the Crew Soccer Stadium Limited Liability Company (the Crew) for a period of 25 years. The Commission leased land, which has a cost and carrying value of approximately $111,000, on which the Crew designed and constructed a stadium. The Commission is entitled to an annual rent payment of $56,000 through the year ending March 31, 2009. Thereafter, rent shall be adjusted by the Consumer Price Index adjustment, effective on April 1, 2009 and every fifth anniversary thereafter during the lease term. The Commission will retain 30% of all parking revenue collected for the Crew sponsored events at the stadium.

NOTE 6 - LEASED PROPERTY (Continued)

The Commission also has operating leases with Days Inn and McDonalds. The McDonalds' lease commenced in May 1996 and is for a period of 20 years. The Commission is currently entitled to an annual rent payment of approximately $29,000. This lease has scheduled increases relating to the Consumer Price Index every 5 years with the next increase scheduled for 2006. The Days Inn lease commenced in December 1986 and is for a period of 30 years. The Commission is entitled to 4% of the gross room rent, which amounted to approximately $27,000 and $28,000 for the years ended June 30, 2005 and 2004, respectively.

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Plan Description - The Commission contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code assigns authority to establish and amend benefit provisions to the PERS Board of Trustees. PERS issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215 or by calling 614-222-6705 or 1-800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%, and the employer contribution rate for state employers is 13.31% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Commission's contributions to PERS for the years ended June 30, 2005, 2004 and 2003 were approximately $515,000, $542,000 and $600,000, respectively, equal to the required contributions for each year.

Other Post-Employment Benefits - PERS provides postretirement healthcare coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability recipients and primary survivor recipients is available. The healthcare coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB), as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement healthcare. The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement healthcare through their contributions to PERS. The number of active contributing participants at December 31, 2004 was 369,885.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement healthcare through their contributions to PERS.

The assumptions and calculations below were based on the PERS's latest actuarial review performed as of December 31, 2003. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

The investment assumption rate for 2003 was 8.00%. An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases over and above the 4.0% base increase were assumed to range from 0.5% to 6.3%.

NOTE 7 - DEFINED BENEFIT PENSION PLAN (Continued)

The actuarial value of the retirement system's net assets available for OPEB at December 31, 2003 is $10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $26.9 billion and $16.4 billion, respectively.

The PERS employer contribution rate to fund healthcare for 2004 was 4.0%. Healthcare costs were assumed to increase 4.0% annually.

The actuarially determined and statutorily required contribution requirements from the Commission to PERS for post-employment benefits for the years ended June 30, 2005 and 2004 were approximately $155,000 and $203,000, respectively. The amounts are included in the Commission contribution totals of approximately $515,000 and $542,000, respectively.

NOTE 8 - COMPENSATED ABSENCES

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

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

Changes in compensated absences for the years ended June 30, 2005 and 2004 are as follows:

	2005	2004
Beginning balance	$ 559,365	$ 591,213
Additions	418,250	406,463
Deductions	(366,454)	(438,311)
Ending balance	$ 611,161	$ 559,365
Amount due within one year (included in accrued liabilities on the statement of net assets)	$ 58,008	$ 66,310

NOTE 9 - CONTINGENCIES

At June 30, 2005 and 2004, the Commission has been named in various public liability and property damage claims and suits. It is the opinion of management that any resulting liability to the Commission will not have a material adverse effect on the Commission's financial position as of June 30, 2005.

NOTE 10 - RELATED PARTY TRANSACTIONS

During fiscal years 2005 and 2004, the Commission had, and expects to have in the future, transactions with other State agencies. The Commission recognized approximately $177,000 and $200,000 in rental fee revenues from other agencies of the State during fiscal years 2005 and 2004, respectively. State agencies are charged essentially the same rental fees as those charged to third parties.

In addition, the Commission paid other State agencies for processing of payroll, general ledger and fixed-asset ledger. The Commission expensed approximately $188,000 and $179,000 during fiscal years 2005 and 2004, respectively, for these services at rates comparable to those charged to other agencies of the State for these services.

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

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

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

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

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

NOTE 11 - STATE FAIR RESERVE

The Ohio Legislature passed a House Bill (Am. Sub. H.B. No. 283, Section 49), which established a State Fair Reserve of $700,000. The reserve may be used if admission revenues for the Ohio State Fair are less than 90 percent of the projected admission revenues. The Commission must declare a state of fiscal exigency and request a release of funds by the Director of Budget and Management. The Director of Budget and Management then must approve the release of funds, and may make changes or stipulations before release of the funds. The outstanding balance of available funds was approximately $125,000 at June 30, 2005 and 2004.

NOTE 12 - RISK MANAGEMENT

The State retains the risk associated with claims arising from vehicle liability, property loss and tort liability. The State also maintains a public employees' blanket bond through a private carrier. However, the Commission is responsible for the replacement of equipment that may be lost or damaged as a result of the operations of the Commission. In addition, employees of the Commission have the option of participating in the Ohio Med Health Plan, a self-insured health benefit plan of the State. The Commission pays a premium each month to the State based on the number of employees opting for plan participation and the types of coverage selected by its employees. At the end of the year, the State allocates the incurred but not reported (IBNR) health benefits claim liability (actuarial determined) or refund to its departments based upon the department's percent of total monthly premiums. The IBNR claim liability was included in accrued liabilities at June 30, 2005. Additional disclosures are expected to be found in the State's CAFR for the fiscal year ended June 30, 2005.

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

All other risk disclosures are expected to be found in the State's CAFR for the fiscal year ended June 30, 2005.

NOTE 13 - WORKERS' COMPENSATION

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

Changes in workers' compensation liabilities for the years ended June 30, 2005 and 2004 are as follows:

	2005	2004
Beginning balance	$ 1,001,236	$ 1,235,478
Additions (deductions), net	371,423	(234,242)
Ending balance	1,372,659	1,001,236
Amount due within one year	$ 125,200	$ 44,576

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

SCHNEIDER DOWNS

INSIGHT ▪ INNOVATION ▪ EXPERIENCE

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

Ohio Expositions Commission and
Betty Montgomery, Auditor of State
Columbus, Ohio

We have audited the financial statements of The Ohio Expositions Commission (the Commission) as of and for the year ended June 30, 2005, and have issued our report thereon dated October 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

Schneider Downs & Co., Inc.
www.schneiderdowns.com

1133 Penn Avenue
Pittsburgh, PA 15222-4205
TEL 412.261.3644
FAX 412.261.4876

One Columbus, Suite 1500
10 West Broad Street
Columbus, OH 43215-3496
TEL 614.621.4060
FAX 614.621.4062

IGAF

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

Schneider Downs & Co. Inc.

Columbus, Ohio
October 14, 2005

OHIO EXPOSITIONS COMMISSION
(A Component Unit of the State of Ohio)

Agreed-Upon Procedures

August 3, 2005 through August 14, 2005

SCHNEIDER DOWNS

INSIGHT ▪ INNOVATION ▪ EXPERIENCE

Ohio Expositions Commission and
Betty Montgomery, Auditor of State
Columbus, Ohio

We have performed the procedures enumerated below, which were agreed to by the management of the Ohio Expositions Commission (the Commission) and the Auditor of State to fulfill Ohio Revised Code Section 991.06 requirements, solely to assist you in evaluating whether the cash collection, fair ticketing and vendor contracting controls and procedures were in place and functioning properly for the duration of the 2005 Ohio State Fair, an event sponsored by the Commission, from August 3, 2005 through August 14, 2005. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures and our findings are as follows:

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

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

      With respect to procedure 1.a., we noted one instance where credit sales were credited to the improper vendor on August 5th.

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

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

   c) Ascertained the arithmetic accuracy of the daily Ohio State Fair Amusements of America Reports to within $1.

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

   d) Ascertained the arithmetic accuracy of the daily 2005 Ohio State Fair Sky Glider Daily Recap Reports and agreed-upon amounts to Skyfair, Inc. calculation sheet and amounts remitted to the Ohio Expo Commission from Skyfair, Inc. to within $1.

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

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

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

Schneider Downs & Co., Inc.
www.schneiderdowns.com

1133 Penn Avenue
Pittsburgh, PA 15222-4205
TEL 412.261.3644
FAX 412.261.4876

One Columbus, Suite 1500
10 West Broad Street
Columbus, OH 43215-3496
TEL 614.621.4060
FAX 614.621.4062

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f) Recalculated all computations used in the State Fair 2005 Revenue Receipts Reports.

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

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

With respect to procedure 1.g., 25 instances of discrepancies between the Ohio State Fair Seller's Reports and associated "z" tapes were noted throughout the fair. The discrepancies were as follows: $8 and $4 on August 5th; $6, and $10 on August 9th; $14, and $8, on August 11th; $10, $14, $2, $2, $6, and $8 on August 12th; $2, $4, $18, $6, $8, $4, $2, $4, $4, $4, $10, $108, and $4 on August 14th.

h) Agreed the total cash collected from the State Fair 2005 Revenue Receipts Reports to the validated Key Bank deposit ticket.

With respect procedure 1.h., there was one exception noted where the cash subtotal on the State Fair 2005 Revenue Receipts was $165,781.29 and the total on the deposit slip is $165,800.29.

i) Scanned the validated daily Revenue Cash Receipt Reports from the State Treasurer for any bank adjustments.

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

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

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

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

b) We selected ten sets of residual tickets on the day after the fair ended from all types of tickets available and agreed the quantity remaining to the Commission's ending ticket inventory without exception.

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

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

With respect to procedure 3, no exceptions were noted.

4) Determined that the Commission, through resolutions in the minutes, approved $1,705,000 to be spent on contracts for the 2005 Ohio State Fair.

With respect to procedure 4., no exceptions were noted.

5) Determined that total payments made against contracts of $1,175,457 (per the 2005 Ohio State Fair Attraction and Entertainment Contract Payments Schedule) agreed with the amount in the contracts. We read the attraction and entertainment contracts and noted that the amounts paid by the Commission per the above-mentioned attraction and entertainment contract payments schedule were in agreement with the contracts approved by the Commission.

With respect to procedure 5, no exceptions were noted.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on cash collection, fair ticketing and vendor contracting controls and procedures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above, and is not intended to be and should not be used by anyone other than those specified parties.

Schneider Downs & Co. Inc.

Columbus, Ohio
October 14, 2005

Auditor of State
Betty Montgomery

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

OHIO EXPOSITIONS COMMISSION

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 15, 2005