



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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HOLMES COUNTY AGRICULTURAL SOCIETY  
HOLMES COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED NOVEMBER 30, 2022 AND 2021

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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
Holmes County Agricultural Society  
PO Box 376  
Millersburg, OH 44654

We have reviewed the *Independent Auditor's Report* of the Holmes County Agricultural Society, Holmes County, prepared by BHM CPA Group, Inc., for the audit period December 1, 2020 through November 30, 2022. 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 Holmes County Agricultural Society is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 11, 2023

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**HOLMES COUNTY AGRICULTURAL SOCIETY**  
**HOLMES COUNTY**  
*For the Fiscal Years Ended November 30, 2022 and 2021*  
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**INDEPENDENT AUDITOR'S REPORT**

Holmes County Agricultural Society  
Holmes County  
P.O. Box 376  
Millersburg, Ohio 44654

To the Board of Directors:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Holmes County Agricultural Society, Holmes County, Ohio (the Society), which comprises the cash balances, receipts and disbursements as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements as of and for the years ended November 30, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Society, as of November 30, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Society, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by Society on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Society. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, no such opinion is expressed.



- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023, 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. The purpose of that report is solely 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 effectiveness of the Society's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control over financial reporting and compliance.

*BHM CPA Group*

BHM CPA Group, Inc.  
Piketon, Ohio  
July 27, 2023

**Holmes County Agricultural Society**  
*Holmes County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended November 30, 2022*

<b>Operating Receipts</b>	
Admissions	\$53,478
Privilege Fees	105,767
Rentals	265,660
Other Operating Receipts	<u>339,488</u>
<i>Total Operating Receipts</i>	<u>764,393</u>
<b>Operating Disbursements</b>	
Wages and Benefits	85,529
Utilities	89,405
Professional Services	152,700
Equipment and Grounds Maintenance	75,884
Property and Rent Services	103,543
Junior Fair	11,422
Capital Outlay	49,719
Other Operating Disbursements	<u>146,306</u>
<i>Total Operating Disbursements</i>	<u>714,508</u>
<i>Excess (Deficiency) of Operating Receipts</i> <i>Over (Under) Operating Disbursements</i>	<u>49,885</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	5,202
Local Support	30,314
Donations/Contributions	421,881
Investment Income	201
Debt Service	<u>(252,982)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>204,616</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	254,501
Cash Balance, Beginning of Year	<u>181,408</u>
<i>Cash Balance, End of Year</i>	<u><u>\$435,909</u></u>

*The notes to the financial statement are an integral part of this statement.*

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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**NOTE 1 - REPORTING ENTITY**

The Agricultural Society of Holmes County (the Society), Holmes County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is an independent agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded on July 6, 1966, to operate an annual agricultural fair. The Society sponsors the week - long Holmes Fair during August. Holmes County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 22 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Holmes County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair. Other year-round activities at the fairgrounds including facility rental, trade shows, community events, and weddings. This reporting entity does not include any other activities or entities of Holmes County, Ohio.

Notes 9 and 10, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Society's financial statement consists of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

**Basis of Accounting**

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentation report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Deposits and Investments**

The Society's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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**Capital Assets**

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

**Income Tax Status**

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509(a). Contributions to the Society are deductible per Section 170(b) (1) (A) (vi). Management is unaware of any actions or events that would jeopardize the Society's tax status.

**NOTE 3 - DEPOSITS**

The Society maintains a deposits pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at November 30 was as follows:

	<u>2022</u>
Demand deposits	\$435,909
Total deposits	\$435,909

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the society once the balance is over the insurable amount.

**NOTE 4 - RISK MANAGEMENT**

Risk Pool Membership

The Society is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Society's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$ 15,724,479

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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**NOTE 5 - SOCIAL SECURITY**

Society employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2022.

**NOTE 6 - DEBT**

Debt outstanding at November 30, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Commercial & Savings Bank	\$19,533	3.50%
Commercial & Savings Bank	713,998	3.25%
Total	\$733,531	

The \$19,533 loan was from Commercial & Savings Bank and bears an interest rate of 3.5 percent. The note was entered into on May 17, 2021, and matures May of 2026. The proceeds of the note were used to purchase a Steiner tractor and are collateralized by the tractor.

The \$713,998 loan was from Commercial & Savings Bank and bears an interest rate of 3.25%. It was entered into on November 24, 2021. The loan requires monthly interest only payments for the first 60 months. Then the loan will transfer to principal and interest payments of \$5,535. The loan is set to mature in November 2046. The loan is secured with a mortgage of the property. Proceeds from this note were used to consolidate loans.

Amortization of the above debt is scheduled as follows:

Fiscal Year Ending November 30:	<u>CSB Loan</u>	<u>CSB Loan</u>	<u>Total</u>
2023	\$0	\$5,336	\$5,336
2024	0	5,529	5,529
2025	0	5,730	5,730
2026	0	2,938	2,938
2027	0	0	0
2028-2046	713,998	0	713,998
	\$713,998	\$19,533	\$733,531

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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**NOTE 7 - RELATED PARTY TRANSACTIONS**

Kerry Taylor, Board President, owns Millersburg Electric, Inc. The Society paid Millersburg Electric, Inc. a total of \$15,719.06 for electrical supplies and services during the fiscal year ending November 30, 2022.

Roger Boring, Board Vice President, is employed by Millersburg Electric, Inc.

Chris Hanna, Board Member, and Kyle Hanna, Board Member, are employed by Ag Pro Companies. The Society paid Ag Pro Companies \$9,504.52 for grounds maintenance supplies and equipment repair during the fiscal year ending November 30, 2022.

Kim Kellogg, Board Member, owns Grasshopper Property Maintenance. The Society paid Grasshopper Property Maintenance \$1,926.82 for grounds keeping during the fiscal year ending November 30, 2022.

Mandy Troyer, Board Member, is employed by Rea & Associates, Inc. The Society paid Rea & Associates, Inc. \$2,300.00 for tax return preparation during the fiscal year ending November 30, 2022.

**NOTE 8 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 27, 2023, which is the date of the auditor’s report.

**NOTE 9 - JUNIOR FAIR BOARD**

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scouts, Girl Scouts, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Holmes County Fair. The Society disbursed \$200 directly to the Junior Fair Board and \$11,222.05 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 Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board’s financial activity for the fiscal year ended November 30, 2022, follow:

	2022
Beginning Cash Balance	\$ 5,192
Receipts	5,011
Disbursements	(6,514)
Ending Cash Balance	\$ 3,689

**NOTE 10 - JUNIOR LIVESTOCK SALE COMMITTEE**

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to the market or through the Holmes County Junior Livestock auction. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee’s activities. The Junior Livestock Committee’s financial activity for the fiscal year ended November 30, 2022 follows:

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2022*

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	<u>2022</u>
Beginning Cash Balance	\$ 34,880
Receipts	999,191
Disbursements	<u>(1,000,818)</u>
Ending Cash Balance	<u>\$ 33,253</u>

**NOTE 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Society received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Society. The impact on the Society's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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**Holmes County Agricultural Society**  
*Holmes County*  
*Statement of Receipts, Disbursements and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended November 30, 2021*

<b>Operating Receipts</b>	
Admissions	\$41,983
Privilege Fees	84,292
Rentals	222,495
Other Operating Receipts	<u>188,317</u>
<i>Total Operating Receipts</i>	<u>537,087</u>
<b>Operating Disbursements</b>	
Wages and Benefits	99,236
Utilities	79,407
Professional Services	132,007
Equipment and Grounds Maintenance	64,412
Property and Rent Services	61,351
Senior Fair	621
Junior Fair	21,614
Capital Outlay	18,232
Other Operating Disbursements	<u>110,354</u>
<i>Total Operating Disbursements</i>	<u>587,234</u>
<i>Excess (Deficiency) of Operating Receipts</i>	
<i>Over (Under) Operating Disbursements</i>	<u>(50,147)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
State Support	58,896
Local Support	26,500
Donations/Contributions	64,296
Investment Income	18
Debt Service	<u>(46,285)</u>
<i>Net Non-Operating Receipts (Disbursements)</i>	<u>103,425</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	53,278
Cash Balance, Beginning of Year	<u>128,130</u>
<i>Cash Balance, End of Year</i>	<u><u>\$181,408</u></u>

*The notes to the financial statement are an integral part of this statement.*

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2021*

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**NOTE 1 - REPORTING ENTITY**

The Agricultural Society of Holmes County (the Society), Holmes County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Society is an independent agricultural society corporation formed under Chapter 1711 of the Ohio Revised Code. The Society was founded on July 6, 1966, to operate an annual agricultural fair. The Society sponsors the week - long Holmes Fair during August. Holmes County is not financially accountable for the Society. The Board of Directors manages the Society. The Board is made up of 22 directors serving staggered three-year terms. Society members elect Board members from its membership. Members of the Society must be residents of Holmes County and pay an annual membership fee to the Society.

The reporting entity includes all activity occurring on the fairgrounds. This includes the annual fair. Other year-round activities at the fairgrounds including facility rental, trade shows, community events, and weddings. This reporting entity does not include any other activities or entities of Holmes County, Ohio.

Notes 9 and 10, respectively, summarize the Junior Fair Board's and Junior Livestock Sale Committee's financial activity.

The Society's management believes this financial statement presents all activities for which the Society is financially accountable.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Society's financial statement consists of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

**Basis of Accounting**

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentation report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Deposits and Investments**

The Society's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2021*

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**Capital Assets**

The Society records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

**Income Tax Status**

The Society is a not-for-profit organization, exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Society is not a private foundation within the meaning of Section 509(a). Contributions to the Society are deductible per Section 170(b) (1) (A) (vi). Management is unaware of any actions or events that would jeopardize the Society's tax status.

**NOTE 3 - DEPOSITS**

The Society maintains a deposits pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at November 30 was as follows:

	<u>2021</u>
Demand deposits	\$181,808
Total deposits	\$181,808

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the society once the balance is over the insurable amount.

**NOTE 4 - RISK MANAGEMENT**

Risk Pool Membership

The Society is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Society's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

The Holmes County Commissioners provide general insurance coverage for all the buildings on the Holmes County Fairgrounds pursuant to Ohio Revised Code Section 1711.24. A private company provides general liability and vehicle insurance with aggregate limits of \$3,000,000. This policy includes crime coverage for employee dishonesty with limits of liability of \$30,000.

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2021*

**NOTE 5 - SOCIAL SECURITY**

Society employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Society contributed an amount equal to 6.2 percent of participants' gross salaries. The Society has paid all contributions required through November 30, 2021.

**NOTE 6 - DEBT**

Debt outstanding at November 30, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Commercial & Savings Bank	\$24,687	3.50%
Commercial & Savings Bank	161,303	3.25%
Total	<u>\$185,990</u>	

The \$24,687 loan was from Commercial & Savings Bank and bears an interest rate of 3.5 percent. The note was entered into on May 17, 2021. The loan requires monthly payments of \$495. The loan is set to mature May 2026. The proceeds of the note were used to purchase a Steiner tractor and are collateralized by the tractor.

The \$161,303 loan was from Commercial & Savings Bank and bears an interest rate of 3.25%. It was entered into on November 24, 2021. The loan requires monthly interest only payments for the first 60 months. Then the loan will transfer to principal and interest payments of \$5,535. The loan is set to mature in November 2046. The loan is secured with a mortgage of the property. Proceeds from this note were used to consolidate loans. See subsequent event note 8.

Amortization of the above debt is scheduled as follows:

Fiscal Year Ending November 30:	<u>CSB Loan</u>	<u>CSB Loan</u>	<u>Total</u>
2022	\$0	\$5,150	\$5,150
2023	0	5,336	5,336
2024	0	5,529	5,529
2025	0	5,730	5,730
2026	0	2,942	2,942
2027-2046	161,303	0	161,303
	<u>\$161,303</u>	<u>\$24,687</u>	<u>\$185,990</u>

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2021*

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**NOTE 7 - RELATED PARTY TRANSACTIONS**

Kerry Taylor, Board President, owns Millersburg Electric, Inc. The Society paid Millersburg Electric, Inc. a total of \$18,352.99 for electrical supplies and services during the fiscal year ending November 30, 2021.

Roger Boring, Board Vice President, is employed by Millersburg Electric, Inc.

Renee Zimmerman, Board Member, is employed by Weaver Leather. The Society paid Weaver Leather \$198.44 for supplies during the fiscal year ending November 30, 2021.

Chris Hanna, Board Member, and Kyle Hanna, Board Member, are employed by Ag Pro Companies. The Society paid Ag Pro Companies \$1,565.25 for grounds maintenance supplies and equipment repair during the fiscal year ending November 30, 2021.

Kim Kellogg, Board Member, owns Grasshopper Property Maintenance. The Society paid Grasshopper Property Maintenance \$338.00 for grounds keeping during the fiscal year ending November 30, 2021.

Mandy Troyer, Board Member, is employed by Rea & Associates, Inc. The Society paid Rea & Associates, Inc. \$2,440.00 for tax return preparation during the fiscal year ending November 30, 2021.

**NOTE 8 – SUBSEQUENT EVENTS**

There was an additional draw on the loan with Commercial & Savings Bank on December 2, 2021 of \$810,565. This brings the loan to a balance of \$971,868. This is the final loan balance in which the interest payments are calculated.

**NOTE 9 - JUNIOR FAIR BOARD**

The Junior Fair Board, which is comprised of 4-H, FFA, Boy Scouts, Girl Scouts, and Farm Bureau Youth organization representatives, is responsible for the Junior Fair Division activities of the Holmes County Fair. The Society disbursed \$200 directly to the Junior Fair Board and \$21,413.97 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 Junior Fair Board accounts for its activities separately. The accompanying financial statement does not include this activity. The Junior Fair Board's financial activity for the fiscal year ended November 30, 2021, follow:

	2021
Beginning Cash Balance	\$ 3,995
Receipts	3,788
Disbursements	(2,591)
Ending Cash Balance	\$ 5,192

**NOTE 10 - JUNIOR LIVESTOCK SALE COMMITTEE**

The Junior Livestock Committee is a separate committee charged with running the Junior Livestock Auction. This auction is held during fair week. Children may sell their animals directly to the market or through the Holmes County Junior Livestock auction. A commission of 3 percent on auction sales covers auction costs. The Junior Livestock Committee retains this money. The accompanying financial statement does not include the Junior Livestock Committee's activities. The Junior Livestock Committee's financial activity for the fiscal year ended November 30, 2021 follows:

**Holmes County Agricultural Society**  
*Holmes County*  
*Notes to the Financial Statement*  
*For the Fiscal Year Ended November 30, 2021*

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	<u>2021</u>
Beginning Cash Balance	\$ 32,972
Receipts	771,763
Disbursements	<u>(769,855)</u>
Ending Cash Balance	<u>\$ 34,880</u>

**NOTE 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Society received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Society. The impact on the Society's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



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

Holmes County Agricultural Society  
Holmes County  
P.O. Box 376  
Millersburg, Ohio 44654

To the Board of Directors:

We have audited, in accordance the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements as of and for the years ended November 30, 2022 and 2021 and the related notes to the financial statements of the Holmes County Agricultural Society, Holmes County, (the Society) and have issued our report thereon dated July 27, 2023 wherein we noted the Society followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Society.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Society's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Society's financial statements are free from 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 financial statements. 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*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BHM CPA Group*

BHM CPA Group, Inc.  
Piketon, Ohio  
July 27, 2023



# OHIO AUDITOR OF STATE KEITH FABER



**HOLMES COUNTY AGRICULTURAL SOCIETY**

**HOLMES COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/21/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)